MARKET VECTORS ETF TRUST
Form N-Q
March 27, 2014
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

INVESTMENT COMPANY ACT FILE NUMBER: 811-10325

MARKET VECTORS ETF TRUST

(Exact name of registrant as specified in its charter)

335 Madison Avenue - 19th Floor, New York, N.Y.	**10017**
(Address of principal executive offices)	(Zip Code)

John J. Crimmins
Treasurer & Chief Financial Officer
Market Vectors ETF Trust
335 Madison Avenue - 19th Floor
New York, N.Y. 10017
(Name and address of agent for service)

Registrant's telephone number, including area code: (212)293-2000

Date of fiscal year end: April 30

Date of reporting period: January 31, 2014

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 100 F Street, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

ITEM 1. Schedule of Investments.

CEF MUNICIPAL INCOME ETF

SCHEDULE OF INVESTMENTS

January 31, 2014 (unaudited)

Number of Shares		Value
CLOSED-END FUNDS: 99.8%		
19,272	Alliance Bernstein National Municipal Income Fund, Inc.	$250,536
7,570	BlackRock Investment Quality Municipal Trust, Inc.	113,171
9,219	BlackRock Long-Term Municipal Advantage Trust	98,275
26,102	BlackRock Muni Intermediate Duration Fund, Inc.	371,431
25,438	BlackRock MuniAssets Fund, Inc.	311,615
6,333	BlackRock Municipal 2018 Term Trust	102,975
8,231	BlackRock Municipal 2020 Term Trust	133,836
5,770	BlackRock Municipal Bond Trust	82,857
6,634	BlackRock Municipal Income Investment Quality Trust	89,493
18,111	BlackRock Municipal Income Quality Trust	244,498
20,735	BlackRock Municipal Income Trust	274,739
11,125	BlackRock Municipal Income Trust II	154,415
42,859	BlackRock Municipal Target Term Trust	798,892
20,103	BlackRock MuniEnhanced Fund, Inc.	217,715
6,240	BlackRock MuniHoldings Fund II, Inc.	88,421
7,668	BlackRock MuniHoldings Fund, Inc.	118,011
26,008	BlackRock MuniHoldings Investment Quality Fund	346,166
15,427	BlackRock MuniHoldings Quality Fund II, Inc.	195,306
9,123	BlackRock MuniHoldings Quality Fund, Inc.	114,311
8,629	BlackRock MuniVest Fund II, Inc.	126,933
30,139	BlackRock MuniVest Fund, Inc.	288,732
22,481	BlackRock MuniYield Fund, Inc.	305,517
7,149	BlackRock MuniYield Investment Fund	101,230
5,888	BlackRock MuniYield Investment Quality Fund	76,132
15,343	BlackRock MuniYield Quality Fund II, Inc.	189,793
37,184	BlackRock MuniYield Quality Fund III, Inc.	494,175
16,463	BlackRock MuniYield Quality Fund, Inc.	239,701
14,137	Dreyfus Municipal Bond Infrastructure Fund, Inc.	154,659
11,307	Dreyfus Municipal Income, Inc.	100,972
27,087	Dreyfus Strategic Municipal Bond Fund, Inc.	214,258
29,557	Dreyfus Strategic Municipals, Inc.	237,638
21,065	DWS Municipal Income Trust	267,736
46,642	Eaton Vance Municipal Bond Fund	550,376
6,756	Eaton Vance Municipal Bond Fund II	77,289
8,327	Eaton Vance Municipal Income Term Trust	132,566
11,797	Eaton Vance National Municipal Opportunities Trust	226,738
30,917	Invesco Advantage Municipal Income Trust II	337,923
33,307	Invesco Municipal Income Opportunities Trust	216,829
50,721	Invesco Municipal Opportunity Trust	615,246
42,529	Invesco Municipal Trust	518,003
36,822	Invesco Quality Municipal Income Trust	429,713
37,443	Invesco Trust for Investment Grade Municipals	478,147
32,540	Invesco Value Municipal Income Trust	460,116
18,412	MainStay DefinedTerm Municipal Opportunities Fund	310,610
21,881	MFS High Income Municipal Trust	102,841
22,749	MFS Municipal Income Trust	144,229
8,731	Neuberger Berman Intermediate Municipal Fund, Inc.	126,163
61,035	Nuveen AMT-Free Municipal Income Fund	788,572

8,945	Nuveen AMT-Free Municipal Value Fund	143,209
30,375	Nuveen Dividend Advantage Municipal Fund	412,492
22,722	Nuveen Dividend Advantage Municipal Fund 2	306,293
31,987	Nuveen Dividend Advantage Municipal Fund 3	412,632
25,466	Nuveen Dividend Advantage Municipal Income Fund	331,822
11,456	Nuveen Enhanced Municipal Value Fund	160,155
72,005	Nuveen Insured Municipal Opportunity Fund, Inc.	982,868
30,099	Nuveen Insured Quality Municipal Fund, Inc.	380,451
36,771	Nuveen Intermediate Duration Municipal Term Fund	433,162
10,223	Nuveen Intermediate Duration Quality Municipal Term Fund	122,165
24,613	Nuveen Investment Quality Municipal Fund, Inc.	350,243
33,949	Nuveen Municipal Advantage Fund, Inc.	437,603
26,575	Nuveen Municipal High Income Opportunity Fund	334,845
35,731	Nuveen Municipal Market Opportunity Fund, Inc.	451,997
112,201	Nuveen Municipal Value Fund, Inc.	1,060,299
41,229	Nuveen Performance Plus Municipal Fund, Inc.	584,627
15,199	Nuveen Premier Municipal Income Fund, Inc.	201,539
54,212	Nuveen Premium Income Municipal Fund 2, Inc.	724,272
29,282	Nuveen Premium Income Municipal Fund 4, Inc.	363,097
48,544	Nuveen Premium Income Municipal Fund, Inc.	640,295
42,648	Nuveen Quality Income Municipal Fund, Inc.	555,277
27,565	Nuveen Select Quality Municipal Fund	362,480
11,501	Nuveen Select Tax Free	153,653
12,109	Nuveen Select Tax Free 2	157,296
8,953	Nuveen Select Tax Free 3	119,254
9,526	PIMCO Municipal Income Fund	126,410
28,334	PIMCO Municipal Income Fund II	332,358
12,337	PIMCO Municipal Income Fund III	131,883
8,492	Pioneer Municipal High Income Advantage Trust	117,020
8,562	Pioneer Municipal High Income Trust	123,036
39,959	Putnam Managed Municipal Income Trust	281,711
32,703	Putnam Municipal Opportunities Trust	371,179
20,582	Western Asset Managed Municipals Fund, Inc.	262,420
5,812	Western Asset Municipal Defined Opportunity Trust, Inc.	124,086
16,730	Western Asset Municipal High Income Fund, Inc.	115,939
6,607	Western Asset Municipal Partners Fund, Inc.	94,348
Total Closed-End Funds (Cost: $28,099,317)		24,681,916
MONEY MARKET FUND: 0.1% (Cost: $19,430)		
19,430	Dreyfus Government Cash Management Fund	19,430
Total Investments: 99.9% (Cost: $28,118,747)		24,701,346
Other assets less liabilities: 0.1%		26,011
NET ASSETS: 100.0%		$24,727,357

Summary of Investments by Sector (unaudited)	% of Investments		Value
Financial	99.9	%	$24,681,916
Money Market Fund	0.1		19,430

100.0	%	$24,701,346

The summary of inputs used to value the Fund's investments as of January 31, 2014 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value
Closed-End Funds	$24,681,916	$ —	$ —	$24,681,916
Money Market Fund	19,430	—	—	19,430
Total	$24,701,346	$ —	$ —	$24,701,346

See Notes to Schedules of Investments

HIGH-YIELD MUNICIPAL INDEX ETF

SCHEDULE OF INVESTMENTS

January 31, 2014 (unaudited)

Principal Amount		Value
MUNICIPAL BONDS: 98.6%		
Alabama: 1.3%		
	Alabama Industrial Development Authority, Solid Waste Disposal, Pine City Fiber Company Project (RB)	
$3,395,000	6.45%, 03/10/14 (c)	$3,395,509
2,400,000	6.45%, 03/10/14 (c)	2,400,360
2,500,000	Colbert County, Alabama Health Care Authority (RB)	
	5.75%, 03/10/14 (c)	2,300,850
2,500,000	County of Jefferson, Alabama Sewer Revenue, Series D (RB)	
	6.50%, 10/01/23 (c)	2,485,625
		10,582,344
Alaska: 0.2%		
	Northern Tobacco Securitization Corp. (RB)	
1,070,000	5.00%, 06/01/14 (c)	818,935
1,000,000	5.00%, 06/01/14 (c)	688,480
		1,507,415
Arizona: 2.9%		
875,000	Arizona Health Facilities Authority, Phoenix Children's Hospital, Series A (RB)	
	5.00%, 02/01/22 (c)	840,621
	Arizona Health Facilities Authority, The Beatitudes Campus Project (RB)	

560,000	5.10%, 10/01/16 (c)	514,584
7,960,000	5.20%, 10/01/16 (c)	6,519,638
	Downtown Phoenix Hotel Corp., Series A (RB) (FGIC)	
5,000,000	5.00%, 01/01/16 (c)	4,741,600
5,150,000	5.00%, 01/01/16 (c)	4,813,653
	Pima County, Arizona Industrial Development Authority, Charter School Projects, Series A (RB)	
1,000,000	5.50%, 07/01/17 (c)	884,490
1,690,000	5.63%, 07/01/17 (c)	1,318,251
1,400,000	Pima County, Arizona Industrial Development Authority, Tucson Electric Power Company Project, Series A (RB)	
	5.25%, 10/01/20 (c)	1,423,478
1,000,000	Tempe, Arizona Industrial Development Authority, Friendship Village of Tempe, Series A (RB)	
	6.25%, 12/01/21 (c)	1,014,700
1,000,000	The Industrial Development Authority of the County of Pima, Edkey Charter Schools Project (RB)	
	6.00%, 07/01/20 (c)	912,480
1,500,000	Tucson, Arizona University Medical Center Corp., Hospital Revenue (RB)	
	5.00%, 07/01/15 (c)	1,486,305
		24,469,800
California: 7.7%		
4,800,000	California Housing Finance Agency, Series G (RB)	
	4.95%, 02/01/17 (c)	4,862,448
	California Municipal Finance Authority (RB)	
1,000,000	6.00%, 06/01/22 (c)	1,002,730
930,000	7.00%, 06/01/22 (c)	932,576
1,000,000	California Municipal Finance Authority Revenue, Eisenhower Medical Center, Series A (RB)	
	5.75%, 07/01/20 (c)	1,029,580
	California Pollution Control Financing Authority, Poseidon Resources (Channelside) LP Desalination Project (RB)	
8,750,000	5.00%, 07/01/22 (c) 144A	7,931,875
4,175,000	5.00%, 07/01/22 (c) 144A	3,664,982
1,000,000	California Statewide Communities Development Authority (RB)	
	6.00%, 10/01/22 (c)	947,530
4,000,000	California Statewide Communities Development Authority, Valleycare Health System, Series A (RB)	
	5.13%, 07/15/17 (c)	3,596,520
	California Statewide Community Development Authority, Daughters of Charity Health System, Series A (RB)	
1,050,000	5.00%, 07/01/15 (c)	967,764
2,410,000	5.25%, 07/01/15 (c)	2,383,779
3,210,000	5.25%, 07/01/15 (c)	3,105,675
	California Statewide Community Development Authority, Educational Facilities - Huntington Park Charter School Project-A (RB)	
750,000	5.15%, 07/01/17 (c)	638,618
500,000	5.25%, 07/01/17 (c)	404,115
	California Statewide Community Development Authority, Thomas Jefferson Law School, Series A (RB)	
1,750,000	7.00%, 10/01/26 144A	1,497,860

2,000,000	7.25%, 10/01/18 (c) 144A	1,549,740
5,000,000	7.25%, 10/01/18 (c) 144A	3,705,400
900,000	California Statewide Financing Authority, Pooled Tobacco Securitization Program (RB)	
	6.00%, 03/10/14 (c)	850,293
	Foothill-Eastern Transportation Corridor Agency (RB)	
1,000,000	6.00%, 01/15/24 (c)	1,011,900
1,000,000	6.00%, 01/15/24 (c)	1,008,900
1,000,000	6.50%, 01/15/24 (c)	1,022,720
	Golden State Tobacco Securitization Corp., California Tobacco Settlement, Series A-1 (RB)	
1,320,000	4.50%, 06/01/17 (c)	1,127,003
1,195,000	5.00%, 06/01/17 (c)	916,661
1,000,000	5.75%, 06/01/17 (c)	789,620
1,000,000	Golden State Tobacco Securitization Corp., California Tobacco Settlement, Series A-2 (RB)	
	5.30%, 06/01/22 (c)	754,790
235,000	Hesperia Community Redevelopment Agency, Refinancing and Redevelopment Projects, Series A (TA) (XLCA)	
	5.00%, 09/01/15 (c)	219,678
	Hesperia Public Financing Authority, Redevelopment and Housing Projects, Series A (TA) (XLCA)	
800,000	5.00%, 09/01/17 (c)	785,112
3,100,000	5.00%, 09/01/17 (c)	2,841,646
505,000	5.00%, 09/01/17 (c)	448,677
2,515,000	5.50%, 09/01/17 (c)	2,505,368
465,000	5.50%, 09/01/17 (c)	451,301
815,000	Inland Empire Tobacco Securitization Authority, Inland Empire Tobacco Securitization Corp., Series A (RB)	
	4.63%, 06/01/17 (c)	754,331
235,000	Inland Empire Tobacco Securitization Authority, Inland Empire Tobacco Securitization Corp., Series B (RB)	
	5.75%, 06/01/21 (c)	228,319
3,600,000	San Buenaventura, California Community Memorial Health System (RB)	
	7.50%, 12/01/21 (c)	4,032,900
	San Joaquin Hills Transportation Corridor Agency, Toll Road Refunding Revenue, Series A (RB) (NATL)	
310,000	5.38%, 03/10/14 (c)	294,268
4,320,000	5.50%, 03/10/14 (c)	4,209,149
140,000	San Joaquin Hills, California Transportation Corridor Agency, Senior Lien Toll Road (RB)	
	5.00%, 03/10/14 (c)	127,383
1,000,000	Thousand Oaks, California Community Facilities Special Tax, District No. 1994-1 (ST)	
	5.38%, 09/01/22 (c)	1,007,810
1,000,000	Tobacco Securitization Authority of Southern California (RB)	
	5.00%, 06/01/14 (c)	759,460
		64,368,481
Colorado: 1.9%		
1,500,000	City of Lakewood, Plaza Metropolitan District No. 1 (TA)	
	5.00%, 12/01/22 (c)	1,423,530
2,545,000	Colorado Health Facilities Authority, Covenant Retirement Communities, Inc. (RB)	
	4.00%, 12/01/22 (c)	2,306,075

	Colorado Health Facilities Authority, Health & Residential, Volunteers of America Care Facilities (RB)	
1,100,000	5.20%, 07/01/14 (c)	1,073,633
2,700,000	5.30%, 07/01/14 (c)	2,383,614
	Colorado Health Facilities Authority, Senior Residences Project (RB)	
1,000,000	6.75%, 06/01/22 (c)	1,000,500
1,500,000	7.00%, 06/01/22 (c)	1,497,960
	Denver, Colorado Special Facilities Airport Revenue, United Air Lines Project, Series A (RB)	
3,250,000	5.25%, 10/01/17 (c)	3,037,092
2,000,000	5.75%, 10/01/17 (c)	1,963,940
1,500,000	Salida Hospital District (RB)	
	5.25%, 10/01/16 (c)	1,449,765
		16,136,109
Connecticut: 0.5%		
1,330,000	Connecticut State Resources Recovery Authority, American Refunding Fuel Comp. Project, Series A (RB)	
	6.45%, 03/10/14 (c)	1,330,386
	Harbor Point Infrastructure Improvement District, Harbor Point Project, Series A (TA)	
899,000	7.00%, 04/01/20 (c)	965,130
1,500,000	7.88%, 04/01/20 (c)	1,642,065
		3,937,581
Delaware: 0.1%		
1,200,000	Delaware Economic Development Authority, Exempt Facility (RB)	
	5.38%, 10/01/20 (c)	1,197,192
District of Columbia: 1.1%		
305,000	District of Columbia (RB)	
	5.00%, 10/01/22 (c)	278,611
8,675,000	District of Columbia, Provident Group - Howard Properties, LLC Issue (RB)	
	5.00%, 10/01/22 (c)	7,605,806
1,500,000	Metropolitan Washington Airports Authority, Dulles Toll Road, Second Senior Lien, Series B (RB)	
	6.13%, 10/01/28 (c)	1,184,280
		9,068,697
Florida: 5.8%		
1,490,000	Alachua County, Florida Health Facilities Authority, Oak Hammock at the University of Florida Project, Series A (RB)	
	8.00%, 10/01/22 (c)	1,701,163
	Alachua County, Florida Health Facilities Authority, Terraces at Bonita Springs Project, Series A (RB)	
1,530,000	8.00%, 11/15/21 (c)	1,676,941
1,000,000	8.13%, 11/15/21 (c)	1,081,360
2,000,000	Callaway, Florida Capital Improvement Revenue, Special Capital Extension Project (RB) (ACA)	
	5.25%, 08/01/17 (c)	1,865,500
	County of Alachua, Industrial Development, Florida Retirement Village, Inc. Project, Series A (RB)	
350,000	5.63%, 11/15/17 (c)	342,507
1,640,000	5.88%, 11/15/17 (c)	1,486,414
4,000,000	Florida Development Finance Corp., Renaissance Charter School, Inc. Projects, Series A (RB)	

	7.63%, 06/15/21 (c)	4,106,760
3,000,000	Hillsborough County, Florida Industrial Development Authority Revenue (RB)	
	7.13%, 03/10/14 (c) §	3,000,450
	Lee County Industrial Development Authority, Industrial Development, Community Charter Schools, LLC Projects, Series A (RB)	
5,000,000	5.25%, 06/15/17 (c)	4,910,250
3,500,000	5.38%, 06/15/17 (c)	3,243,310
1,000,000	5.75%, 06/15/22 (c)	986,150
335,000	Lee County, Florida Industrial Development Authority Health Care Facilities, Shell Point/Alliance Obligation Group (RB)	
	5.13%, 11/15/16 (c)	315,041
	Martin County Health Facilities Authority (RB)	
500,000	5.50%, 11/15/21 (c)	513,635
1,000,000	5.50%, 11/15/21 (c)	1,009,990
1,180,000	Midtown Miami Community Development District, Infrastructure Project, Series B (SA)	
	6.50%, 05/01/14 (c)	1,181,310
1,500,000	Midtown Miami Community Development District, Parking Garage Project, Series A (SA)	
	6.25%, 05/01/14 (c)	1,500,465
	Orange County, Florida Health Facilities Authority, Orlando Lutheran Towers, Inc. (RB)	
1,200,000	5.50%, 07/01/17 (c)	1,140,012
3,750,000	5.50%, 07/01/17 (c)	3,474,975
1,100,000	5.70%, 07/01/15 (c)	1,100,231
	Orlando, Florida Aviation Authority, JetBlue Airways Corp. Project (RB)	
1,500,000	5.00%, 05/15/23 (c)	1,383,705
5,655,000	5.00%, 05/15/23 (c)	4,931,839
3,895,000	Stuart, Florida Capital Trust Agency, Stuart Lodge Project, Series B (RB)	
	7.38%, 01/01/18 (c)	3,251,351
440,000	Sumter County, Florida Village Community Development District No. 8, Phase II (SA)	
	6.13%, 05/01/20 (c)	475,750
965,000	Sumter County, Florida Village Community Development District No. 9, Special Assessment Revenue (SA)	
	5.50%, 05/01/22 (c)	988,662
2,945,000	Tavares, Florida Osprey Lodge at Lakeview Crest, Series A (RB)	
	8.75%, 07/01/16 (c)	3,016,976
		48,684,747
Georgia: 0.5%		
4,100,000	DeKalb County, Georgia Hospital Authority, DeKalb Medical Center, Inc. Project (RB)	
	6.13%, 09/01/20 (c)	4,127,265
Guam: 1.3%		
2,750,000	Guam Government Department of Education, John F. Kennedy Project, Series A (CP)	
	6.88%, 12/01/20 (c)	2,780,085
1,000,000	Guam Government General Obligation, Series A (GO)	
	6.75%, 11/15/19 (c)	1,039,970
1,200,000	Guam Government Limited Obligation, Series A (RB)	
	5.63%, 12/01/19 (c)	1,230,684
1,000,000	Guam Government Waterworks Authority (RB)	
	5.50%, 07/01/23 (c)	1,007,240
2,850,000	Guam Government Waterworks Authority, Water & Wastewater System (RB)	
	5.88%, 07/01/15 (c)	2,873,284
	Guam Power Authority, Series A (RB)	

160,000	5.00%, 10/01/22 (c)	156,363
250,000	5.50%, 10/01/20 (c)	255,563
1,000,000	Territory of Guam (GO)	
	7.00%, 11/15/19 (c)	1,050,050
1,000,000	Territory of Guam, Series A (GO)	
	5.25%, 11/15/17 (c)	890,510
		11,283,749
Hawaii: 0.3%		
2,500,000	Kuakini, Hawaii Health System, Special Purpose Revenue, Series A (RB)	
	6.30%, 03/10/14 (c)	2,502,975
Illinois: 5.9%		
1,300,000	Cook County, Illinois Recovery Zone Facility, Navistar International Corp. Project (RB)	
	6.50%, 10/15/20 (c)	1,269,281
	Illinois Finance Authority (RB)	
1,000,000	5.00%, 04/01/16 (c)	867,220
500,000	5.25%, 08/15/23	489,550
1,000,000	5.75%, 05/15/22 (c)	934,790
1,000,000	6.25%, 10/01/19 (c)	1,028,120
	Illinois Finance Authority, Franciscan Communities, Inc., Series A (RB)	
2,800,000	5.13%, 05/15/23 (c)	2,276,680
1,500,000	5.25%, 05/15/23 (c)	1,226,670
	Illinois Finance Authority, Greenfields of Geneva Project, Series A (RB)	
3,000,000	8.13%, 02/15/20 (c)	2,988,600
4,000,000	8.25%, 02/15/20 (c)	3,986,400
2,175,000	Illinois Finance Authority, Navistar International Corp. Project (RB)	
	6.50%, 10/15/20 (c)	2,123,605
	Illinois Finance Authority, Park Place of Elmhurst Project, Series A (RB)	
470,000	8.00%, 05/15/15 (c)	400,872
610,000	8.00%, 05/15/20 (c)	490,477
5,125,000	8.13%, 05/15/20 (c)	4,123,165
4,000,000	8.25%, 05/15/20 (c)	3,218,240
575,000	Illinois Finance Authority, Resurrection Health Care Corp. (RB)	
	6.13%, 05/15/19 (c)	634,587
2,000,000	Illinois Finance Authority, Roosevelt University Project (RB)	
	6.50%, 10/01/19 (c)	2,046,200
2,710,000	Illinois Finance Authority, Sherman Health System, Series A (RB)	
	5.50%, 08/01/17 (c)	2,859,077
3,070,000	Illinois Finance Authority, Swedish Covenant Hospital, Series A (RB)	
	6.00%, 02/15/20 (c)	3,181,195
	Illinois Finance Authority, The Admiral At The Lake Project, Series A (RB)	
1,565,000	8.00%, 05/15/20 (c)	1,639,118
10,000,000	8.00%, 05/15/20 (c)	10,396,700
1,250,000	Illinois Finance Authority, The Admiral At The Lake Project, Series D-1 (RB)	
	7.00%, 02/26/14 (c)	1,251,475
3,000,000	Southwestern Illinois Development Authority, United States Steel Corp. Project (RB)	
	5.75%, 08/01/22 (c)	2,421,420
		49,853,442
Indiana: 3.0%		
	Carmel, Indiana, The Barrington of Carmel Project, Series A (RB)	
1,500,000	7.13%, 11/15/22 (c)	1,506,075
4,000,000	7.13%, 11/15/22 (c)	4,003,240

2,000,000	Indiana Finance Authority, Environmental Improvement Revenue, United States Steel Corp. Project (RB)	
	6.00%, 12/01/19	2,068,160
	Indiana Finance Authority, King's Daughters' Hospital & Health Services (RB)	
1,475,000	5.13%, 08/15/20 (c)	1,453,067
4,500,000	5.50%, 08/15/20 (c)	4,169,385
	Indiana Finance Authority, Ohio Valley Electric Corp. Project, Series A (RB)	
2,000,000	5.00%, 06/01/22 (c)	1,959,900
2,500,000	5.00%, 06/01/22 (c)	2,367,275
1,040,000	Indiana Finance Authority, United States Steel Corp. Project (RB)	
	5.75%, 08/01/22 (c)	841,506
1,320,000	Indiana Health Facility Financing Authority, Hospital Revenue, The Methodist Hospitals, Inc. (RB)	
	5.50%, 03/10/14 (c)	1,320,079
	Vigo County, Indiana Hospital Authority, Union Hospital, Inc. (RB)	
2,000,000	5.70%, 09/01/17 (c) 144A	1,865,140
3,000,000	5.75%, 09/01/17 (c) 144A	2,767,590
1,160,000	5.80%, 09/01/17 (c) 144A	1,065,796
		25,387,213
Iowa: 1.6%		
2,685,000	Iowa Finance Authority, Alcoa, Inc. Project (RB)	
	4.75%, 08/01/22 (c)	2,324,351
5,000,000	Iowa Finance Authority, Iowa Fertilizer Comp. Project (RB)	
	5.25%, 12/01/23 (c)	4,653,200
	Iowa Finance Authority, Iowa Fertilizer Company Project (RB)	
500,000	5.00%, 12/01/19	494,255
3,000,000	5.50%, 12/01/18 (c)	2,894,130
1,500,000	Iowa Finance Authority, Senior Living Facilities, Deerfield Retirement Community, Series A (RB)	
	5.50%, 11/15/17 (c) §	615,000
230,000	Iowa Tobacco Settlement Authority (RB)	
	5.50%, 06/01/15 (c)	189,407
3,000,000	Iowa Tobacco Settlement Authority, Series C (RB)	
	5.38%, 06/01/15 (c)	2,366,760
		13,537,103
Kansas: 4.1%		
	Manhattan, Kansas Health Care Facility Revenue, Meadowlark Hills Retirement Community, Series A (RB)	
1,000,000	5.00%, 05/15/17 (c)	935,930
2,000,000	5.00%, 05/15/17 (c)	1,789,660
	Overland Park, Kansas Development Corp. (RB) (AMBAC)	
30,000,000	5.13%, 01/01/17 (c)	28,368,000
1,000,000	5.25%, 01/01/17 (c)	959,600
2,550,000	Overland Park, Kansas, Prairiefire At Lionsgate Project (RB)	
	6.00%, 12/15/22 (c)	2,370,480
		34,423,670
Kentucky: 1.9%		
11,500,000	County of Ohio, Kentucky Pollution Control, Big Rivers Electric Corp. Project, Series A (RB)	
	6.00%, 07/15/20 (c)	10,027,540
2,000,000	Kentucky Economic Development Finance Authority (RB)	

	6.00%, 06/01/20 (c)	2,114,860
1,325,000	Kentucky Economic Development Finance Authority, Owensboro Medical Health System, Inc., Series A (RB)	
	6.38%, 06/01/20 (c)	1,394,019
2,000,000	Kentucky Economic Development Finance Authority, Owensboro Medical Health System, Inc., Series B (RB)	
	6.38%, 06/01/20 (c)	2,105,260
		15,641,679
Louisiana: 1.1%		
4,250,000	Lakeshore Village Master Community Development District (SA)	
	5.25%, 07/01/17 § *	1,657,500
	Louisiana Local Government Environmental Facilities & Community Development Authority, Westlake Chemical Corp. Project, Series A (RB)	
910,000	6.50%, 08/01/20 (c)	1,011,975
2,300,000	6.50%, 11/01/20 (c)	2,514,337
270,000	Louisiana Public Facilities Authority (RB) (CIFG)	
	4.50%, 07/01/16 (c)	206,782
2,450,000	Louisiana Public Facilities Authority, Lake Charles Memorial Hospital Project (RB)	
	6.38%, 12/01/19 (c) 144A	2,546,701
1,050,000	Louisiana Public Facilities Authority, Ochsner Clinic Foundation Project, Series A (RB)	
	5.38%, 05/15/17 (c)	1,053,812
		8,991,107
Maine: 1.0%		
2,000,000	Maine Health & Higher Educational Facilities Authority (RB)	
	5.00%, 07/01/23 (c)	2,014,840
	Maine Health & Higher Educational Facilities Authority, General Medical Center (RB)	

We have also entered into change of control severance agreements with certain other officers under which they will receive severance benefits similar to those described above. In some cases, however, these benefits have a lower level of payment and a shorter coverage period. For a discussion of potential payments to our named executive officers upon a change of control or other events resulting in termination please see Potential Payments Upon Termination of Employment and Change of Control, beginning on page 56.

Change of Control Provisions in Other Grants. We also typically include provisions in our stock option, restricted stock and incentive share opportunity grants providing certain protections to our officers, such as accelerated vesting. Upon a change of control of PNC, 100% of the outstanding unvested equity-based (or phantom equity-based) employee grants will be subject to accelerated vesting, whether or not the employee has a qualifying termination of employment. As described on page 37, there is a provision in our incentive share opportunity programs entitling the officer to receive a payment upon a change of control of PNC. In addition, if an officer is terminated without cause or for good reason after a change of control, the officer will have a period of three years to exercise his or her options but not extending past the original option termination date.

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Our displaced employee assistance plans for employees generally provide for an increase in severance benefits following a change of control under certain circumstances. These plans do not apply to our executive officers, as they have change of control agreements as described above. If an employee s employment is terminated by the surviving corporation within two years following consummation of a change of control, the employee will receive a lump sum payment equal to twice the benefits to which such employee otherwise would be entitled under the applicable plan. In addition to that lump sum payment, selected officers and employees will become eligible for an additional severance benefit under similar circumstances, based on their annual variable cash compensation.

Policies on Equity Ownership

We have established several policies that reinforce the importance of aligning the financial interests of our executive officers and shareholders, and that impose certain controls and restrictions on the ability of an executive officer to buy or sell our securities.

Executive Officer Stock Ownership Policy. Our executive officers historically have held a significant portion of their personal wealth in the form of our common stock (or phantom common stock units that mirror the performance of our common stock). The committee believes it is important to require most of our executive officers, including all of the named executive officers, to meet minimum stock ownership guidelines. We express these guidelines in terms of the value of equity holdings as a multiple of each officer s base salary, as follows:

Officer	Stock Ownership Guideline
Chief Executive Officer	5 x base salary
President	4 x base salary
Other Executive Officers	1 to 3 x base salary (depending on relative position)

Equity interests that count toward satisfaction of the ownership guidelines include shares owned outright by the officer, or his or her spouse and dependent children, restricted shares (subject to vesting requirements), shares held in our ISP and phantom common stock units held in our SISP or Deferred Compensation Plan.

Newly hired or promoted executive officers have up to four years to meet these stock ownership guidelines. We may reduce future long-term incentive awards for any executive officer who fails to meet the ownership guidelines, depending upon the circumstances.

The committee monitors compliance with these stock ownership guidelines and has determined that all executive officers currently comply.

Blackout Periods and Pre-Clearance of Securities Transactions. Our Employee Conduct Policies prohibit certain employees, including all executive officers, from purchasing or selling our securities beginning 15 days before the end of each calendar quarter until the second business day after we release our earnings for that quarter. We may also impose additional blackout periods on our executive officers due to the availability of material, non-public information regarding us or our securities. In addition, we require certain employees, including all executive officers, to pre-clear personal investments (other than in specified types of securities) made by the individual or his or her immediate family members.

Other Trading Restrictions. Our Employee Conduct Policies also prohibit all employees from day trading or short selling PNC securities and prohibit employees from engaging in transactions in any derivative of PNC securities (other than securities issued under a PNC compensation plan), including buying and writing options.

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COMPENSATION COMMITTEE REPORT

We have reviewed and discussed the Compensation Discussion and Analysis with PNC s management, and based on our review and discussions, we recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

The Personnel and Compensation Committee of the

Board of Directors of The PNC Financial Services Group, Inc.

Dennis F. Strigl, Chairman

Paul W. Chellgren

Richard B. Kelson

Anthony A. Massaro

Thomas J. Usher

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COMPENSATION TABLES

The table below summarizes the compensation that we provided to our named executive officers for 2006, computed in accordance with SEC regulations. As described in the footnotes to this table, equity-based compensation is presented reflecting the compensation expense we recognized in 2006 with respect to awards made in 2006 and prior years. The use of this methodology means that the executive officer may ultimately realize a value from these awards that is greater than or less than the amounts shown in the table with respect to these awards, depending on the value of the stock when the award vests or is exercised. The equity awards made in 2006, and their values at the time of grant, are presented in the Grants of Plan-Based Awards in 2006 table on page 48.

The amounts shown under Stock Awards, Option Awards and Non-Equity Incentive Plan Compensation all have a performance or incentive element, with the ultimate value of these compensation elements to the employee depending on some combination of individual and corporate performance and/or the price of PNC stock. As the table shows, a majority of each named executive officer s compensation includes a performance or incentive element.

Summary Compensation Table

Name & Principal Position	Year	Salary (a)	Bonus (b)	Stock Awards (c)	Option Awards (d)	Non-Equity Incentive Plan Compensation (e)	Change in Pension Value & Nonqualified Deferred Compensation Earnings (f)	All Other Compensation (g)	Total
James E. Rohr Chairman and Chief Executive Officer	2006	$ 950,000	$	$ 5,380,000	$ 5,281,000	$ 2,850,000	$ 3,337,609	$ 271,917	$ 18,070,526
Richard J. Johnson Chief Financial Officer	2006	$ 377,885	$	$ 433,000	$ 323,000	$ 660,000	$ 44,076	$ 62,311	$ 1,900,272
William S. Demchak Vice Chairman	2006	$ 600,000	$	$ 3,986,000	$ 1,759,000	$ 1,740,000	$ 110,198	$ 122,213	$ 8,317,411
Joseph C. Guyaux President	2006	$ 620,000	$	$ 2,563,000	$ 2,296,000	$ 1,695,000	$ 648,974	$ 92,703	$ 7,915,677
Timothy G. Shack Executive Vice President and Chief Information Officer	2006	$ 510,000	$	$ 1,849,000	$ 1,911,000	$ 1,141,500	$ 476,153	$ 54,440	$ 5,942,093

(a) The salaries listed in this column also include amounts otherwise payable as salary that each officer deferred under our ISP and our SISP, which plans are described on page 40. See Non-Qualified Deferred Compensation for Fiscal 2006 on page 54 for the aggregate SISP deferrals during 2006.

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(b) As described on page 32, our bonuses are paid in a combination of cash and restricted stock. Under Item 402 of Regulation S-K, the cash portion of our bonuses is included under Non-Equity Incentive Plan Compensation, while the compensation expense related to the restricted stock portion of our bonuses is included under Stock Awards . We did not pay any bonuses in 2006 reportable under this column. Under SEC regulations through 2005, the cash portion of our bonuses was reported under a column labeled Bonus.

(c) The dollar amounts in this column reflect the compensation expense recognized in 2006 related to non-option stock awards, as described in *Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123 (revised 2004) Share-Based Payment* (FAS 123R). For additional information on how we have applied FAS 123R, including our application of the Black-Scholes valuation model, please see Note 18, *Stock-Based Compensation Plans,* to PNC s financial statements in the Form 10-K for the year ended December 31, 2006 (10-K Note 18).

This column includes compensation expense related to the deferral of a portion of bonuses for 2003 through 2006 under our 25/25 program, described on page 32, which may consist of restricted shares of our common stock or restricted phantom common stock units (as deferred under our Deferred Compensation Plan). See Non-Qualified Deferred Compensation for Fiscal 2006 for more information on the deferral of bonuses under the 25/25 program. This column also includes compensation expense related to Mr. Rohr s special bonus for 2006, as described in more detail on page 33.

This column also includes compensation expense related to grants of incentive share opportunities discussed on pages 35-38. Finally, this column includes compensation expense related to various other grants of restricted stock that vest over time. Mr. Demchak s amounts include an additional award of restricted shares and a special incentive share opportunity grant, which is discussed on pages 38-39.

Please see Grants of Plan-Based Awards in 2006 on page 48 for more information regarding the stock awards we granted in 2006. For a discussion of valuation assumptions, please see 10-K Note 18.

(d) The dollar amounts in this column reflect the compensation expense recognized in 2006 under FAS 123R for multiple stock option grants, on dates ranging from January 6, 2004 to November 28, 2006. Please see Grants of Plan-Based Awards in 2006 on page 48 for more information regarding the option grants we made in 2006, Outstanding Equity Awards at 2006 Fiscal Year-End on pages 50-51 for more information regarding options outstanding at December 31, 2006, and Option Exercises & Stock Vested in Fiscal 2006 on page 52 for more information regarding total option exercises during 2006. For a discussion of valuation assumptions, please see 10-K Note 18.

(e) For each officer, the dollar amount in this column equals 75% of the officer s 2006 bonus. Each officer received the remaining 25% of his 2006 bonus in the form of restricted stock. The 2006 compensation expense for the restricted stock portion for each officer s bonus is reflected in the Stock Awards column and discussed in more detail under footnote (c) and in Compensation Discussion and Analysis, beginning on page 27. A similar division of the bonus between cash and restricted stock occurred in 2003, 2004 and 2005 under the 25/25 program, and the compensation expense in 2006 for each of those awards is also reflected in the Stock Awards column.

(f) The dollar amounts in this column include the increase in the actuarial value of our Qualified Pension Plan, ERISA Excess Pension Plan and Supplemental Executive Retirement Plan, as measured from the plan measurement date used for our 2005 audited financial statements to the plan measurement date used for our 2006 audited financial statements. The amounts include both (1) the increase in value due to an additional year of service, compensation increases and plan

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amendments (if any) and (2) the change in value attributable to interest. We do not pay above-market or preferential earnings on any compensation that is deferred on a basis that is not tax-qualified, including such earnings on non-qualified defined contribution plans. For an additional explanation on how we calculate the earnings on our deferred compensation plans, please see Non-Qualified Deferred Compensation for Fiscal 2006 on pages 54-55.

(g) The amounts in this column include: (1) the aggregate incremental cost of perquisites and other personal benefits; (2) the dollar value of matching contributions made by us to the ISP and SISP; (3) the net premiums paid by us in connection with our Key Executive Equity Plan; (4) the executive long-term disability premiums paid by us; and (5) tax reimbursements. For an additional discussion of perquisites, please see Compensation Discussion and Analysis at pages 40-41. All amounts listed below are net of any reimbursement to us by each named executive officer. Certain officers participate in our Employee Stock Purchase Plan, which allows participants to purchase our common stock at a 5% discount from the market price. As this plan is available to substantially all employees, this column does not reflect any compensation expense related to such discounted stock purchases.

All Other Compensation

Name	Perquisites & Other Personal Benefits	Registrant Contributions to Defined Contribution Plans	Insurance Premiums	Tax Reimbursements	Total All Other Compensation
James E. Rohr	$ 46,797	$ 18,200	$ 202,420	$ 4,500	$ 271,917
Richard J. Johnson	$ 21,472	$ 14,231	$ 26,608	$	$ 62,311
William S. Demchak	$ 54,678	$ 18,200	$ 49,335	$	$ 122,213
Joseph C. Guyaux	$ 49,000	$ 18,200	$ 24,003	$ 1,500	$ 92,703
Timothy G. Shack	$ 16,867	$ 18,200	$ 19,373	$	$ 54,440

The dollar amount in the perquisite column includes personal aircraft usage for Messrs. Rohr ($46,797), Guyaux ($36,134) and Demchak ($54,678). We calculate the incremental cost for personal use of the aircraft based on direct operating costs for each hour of flight and including any related pilot expenses. Direct operating costs include the costs of landing and parking, fuel and oil and maintenance. By contract, our maintenance costs are fixed per hour. The other costs are calculated by taking our expenses for the full year and dividing them by total flight hours for the year.

The contributions to defined contribution plans include our matching contribution to the ISP for Messrs. Rohr, Demchak, Guyaux and Shack ($13,200 each) and Johnson ($9,231). It also includes our matching contribution to the SISP for each named executive officer in the amount of $5,000.

The amounts in the insurance premiums column include the 2006 net premiums we pay in connection with our Key Executive Equity Plan on behalf of Messrs. Rohr ($191,477); Johnson ($20,400); Demchak ($40,534); Guyaux ($12,536); and Shack ($8,314). These net premiums represent the full dollar amounts we pay for both the term and non-term portions of this plan, after any officer contributions. The amounts also include the long-term disability premiums we pay on behalf of Messrs. Rohr ($10,943); Johnson ($6,208); Demchak ($8,801); Guyaux ($11,467); and Shack ($11,059).

The amounts in the tax reimbursements column include tax gross-ups for dues we pay for club memberships not used exclusively for business purposes.

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Grants of Plan-Based Awards in 2006

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards (a)			Estimated Future Payouts Under Equity Incentive Plan Awards (b)			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards	Closing Market Price on Grant Date
Name	Grant Date	Thres-hold ($)	Target ($)	Maxi-mum ($)	Thres-hold (#)	Target (#)	Maxi-mum (#)	(#) (c)	(#) (d)	($/Sh) (e)	($/Sh) (f)	($/Sh) (g)
James E. Rohr	February 14, 2006	$	$ 1,900,000	$ 7,916,000								
	January 23, 2006								275,000	$ 65.45	$ 3,064,000	$ 64.66
	February 15, 2006							15,916			$ 1,094,000	
	March 21, 2006					50,000	100,000				$ 3,189,000	
	November 17, 2006								64,313(r)	$ 69.38	$ 619,000	$ 69.42
	November 17, 2006								26,541(r)	$ 69.38	$ 162,000	$ 69.42
Richard J. Johnson	July 19, 2006	$	$ 340,000	$								
	January 23, 2006								49,500	$ 65.45	$ 551,000	$ 64.66
	February 15, 2006							1,756			$ 121,000	
	March 21, 2006					8,000	16,000				$ 510,000	
William S.Demchak	February 14, 2006	$	$ 960,000	$ 3,562,200								
	January 23, 2006								110,000	$ 65.45	$ 1,225,000	$ 64.66
	February 14, 2006							52,000			$ 3,481,000	
	February 14, 2006					30,000	60,000				$ 2,008,000	
	February 15, 2006							7,474			$ 514,000	
	February 16, 2006								40,110(r)	$ 69.66	$ 412,000	$ 70.21
	February 27, 2006								10,000(r)	$ 70.90	$ 105,000	$ 70.98
	March 21, 2006					19,000	38,000				$ 1,212,000	
	November 7, 2006								28,512(r)	$ 69.67	$ 276,000	$ 69.44
	November 28, 2006								58,247(r)	$ 69.52	$ 538,000	$ 69.60
Joseph C. Guyaux	February 14, 2006	$	$ 930,000	$ 3,958,000								
	January 23, 2006								121,000	$ 65.45	$ 1,348,000	$ 64.66
	February 15, 2006							7,612			$ 523,000	
	March 21, 2006					19,000	38,000				$ 1,212,000	
Timothy G. Shack	February 14, 2006	$	$ 561,000	$ 2,374,800								
	January 23, 2006								82,500	$ 65.45	$ 919,000	$ 64.66
	February 15, 2006							5,230			$ 359,000	
	February 16, 2006								16,071(r)	$ 69.66	$ 165,000	$ 70.21
	February 16, 2006								11,931(r)	$ 69.66	$ 85,000	$ 70.21
	March 21, 2006					15,000	30,000				$ 957,000	
	August 16, 2006								7,190(r)	$ 71.38	$ 39,000	$ 71.46
	August 16, 2006								31,451(r)	$ 71.38	$ 356,000	$ 71.46

(a) The amounts listed in these columns relate to the bonus opportunity for 2006, as described in footnote (e) to the Summary Compensation Table on page 46. The Personnel and Compensation Committee determines the Target amount for each officer, based on a multiple of that officer s base salary at the end of 2006. For officers who are covered employees under §162(m) of the Internal Revenue Code of 1986, as amended, the Maximum amount is determined by the Personnel and Compensation Committee based on the pool available to officers as described in the 1996 Executive Incentive Award Plan, a §162(m)-qualified plan. There is no Maximum amount for Mr. Johnson, as he is not a §162(m) covered employee. Please see page 33 for a discussion of the bonuses awarded for 2006 and pages 7-12 for a summary of proposed changes to the 1996 Plan.

(b)

The amounts listed in these columns relate to the incentive share opportunities granted in 2006, as described in footnote (c) to the Summary Compensation Table on page 46. Mr. Demchak also received a special incentive share opportunity grant. For an additional discussion of the terms and performance goals related to these award opportunities, please see pages 35-39.

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As there is no guaranteed minimum payout for these awards, and the Personnel and Compensation Committee has the discretion to decrease any award otherwise payable, we have not included a Threshold amount in this column. The Target amount represents 100% of the grant and the Maximum amount represents 200% of that grant. For all grants, the performance period began on January 1, 2006 and will end on December 31, 2008.

(c) This column reflects a portion of the bonuses awarded on February 15, 2006 as part of our 25/25 program, which is described on page 32. Under this program, the following officers received shares of our restricted stock in the following amounts: Messrs. Rohr (15,916); Guyaux (7,612); and Johnson (1,756) and the following officers deferred restricted phantom common stock units under our Deferred Compensation Plan in the following amounts: Messrs. Demchak (7,474); and Shack (5,230). The restricted stock portion of the annual incentive awards vests on February 15, 2009.

In addition, as described in footnote (c) to the Summary Compensation Table on page 46, Mr. Demchak received an additional grant of 52,000 restricted shares on February 14, 2006. This award vests on February 14, 2009.

(d) Options marked with the symbol (r) indicate that an officer exercised a previously granted option with a reload feature in 2006 and received a new stock option grant, shown in this table, as the result of choosing to reload the previously granted option. For more information on reload options, please see page 35.

(e) The exercise price is calculated using the average of the high and low sale prices of our common stock on the grant date, as reported in The Wall Street Journal.

(f) The grant date fair values for stock options, restricted stock/units and incentive share opportunities are all calculated in accordance with FAS 123R. See 10-K Note 18 for more information. The grant date fair value for stock options represents 100% of the Black-Scholes valuation. The grant date fair value for restricted stock/units represents the average of the high and low sale prices for our common stock on the grant date. The grant date fair value for incentive share opportunity grants represents the average of the high and low sale prices for our common stock on the grant date, as adjusted for the present value of future dividends. All common stock prices are based on the reported prices in The Wall Street Journal.

(g) This column represents the closing price of our common stock on the option grant date, as reported in The Wall Street Journal.

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Outstanding Equity Awards at 2006 Fiscal Year-End

Name	Option Awards: Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Stock Awards: Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
	(a)					(b)	(c)	(d)	(c)
James E. Rohr	29,761			$ 55.47	February 17, 2009	188,015	$ 13,921,000	102,406	$ 7,582,000
	210,000(R)			$ 74.59	January 4, 2011				
	16,810			$ 70.58	January 31, 2010				
	60,778			$ 70.58	February 19, 2008				
	24,384			$ 70.58	January 6, 2010				
	26,768			$ 65.55	February 17, 2009				
	273,000(R)			$ 57.10	January 3, 2012				
	26,512			$ 60.65	January 6, 2010				
	28,559			$ 53.10	January 6, 2010				
	164,666	82,334		$ 54.04	January 6, 2014				
	71,643			$ 53.90	January 3, 2013				
	34,007			$ 56.94	February 16, 2010				
	40,316			$ 52.11	January 31, 2010				
	82,333	164,667		$ 53.50	January 25, 2015				
	73,832			$ 53.03	January 3, 2013				
	34,519			$ 58.65	February 16, 2010				
		275,000		$ 65.45	January 23, 2016				
		26,541		$ 69.38	February 17, 2009				
		64,313		$ 69.38	January 3, 2013				
Richard J. Johnson	20,000			$ 43.81	January 3, 2013	13,410	$ 993,000	16,385	$ 1,213,000
	6,000	3,000		$ 54.04	January 6, 2014				
	1,333	667		$ 52.23	April 23, 2014				
	6,666	13,334		$ 53.50	January 25, 2015				
	3,333	6,667		$ 55.37	July 22, 2015				
		49,500		$ 65.45	January 23, 2016				
William S. Demchak	27,892			$ 46.23	September 9, 2012	139,532	$ 10,331,000	98,914	$ 7,324,000
	63,333	31,667		$ 54.04	January 6, 2014				
	38,000	76,000		$ 53.50	January 25, 2015				
		110,000		$ 65.45	January 23, 2016				
		40,110		$ 69.66	January 3, 2013				
		10,000		$ 70.90	January 3, 2013				
		28,512		$ 69.67	January 3, 2013				
		58,247		$ 69.52	September 9, 2012				
Joseph C. Guyaux	14,644			$ 61.75	February 17, 2009	105,444	$ 7,807,000	38,914	$ 2,881,000
	63,000(R)			$ 74.59	January 4, 2011				
	84,000(R)			$ 57.10	January 3, 2012				
	17,718			$ 60.35	January 6, 2010				
	88,666	44,334		$ 54.04	January 6, 2014				
	44,333	88,667		$ 53.50	January 25, 2015				

121,000	$ 65.45	January 23, 2016

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Outstanding Equity Awards at 2006 Fiscal Year-End (Continued)

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
	(a)					(b)	(c)	(d)	(c)
Timothy G. Shack	47,250(R)			$ 74.59	January 4, 2011	74,670	$ 5,529,000	30,722	$ 2,275,000
	10,917			$ 72.09	January 6, 2010				
	609			$ 72.09	February 17, 2009				
	11,395			$ 72.21	February 17, 2009				
	7,974			$ 72.21	February 19, 2008				
	9,869			$ 68.12	February 19, 2008				
	68,250(R)			$ 57.10	January 3, 2012				
	11,988			$ 60.65	January 6, 2010				
	13,469			$ 49.45	January 6, 2010				
	17,888			$ 54.04	January 3, 2013				
	4,446	20,584		$ 54.04	January 6, 2014				
	23,750	47,500		$ 53.50	January 25, 2015				
	9,273			$ 57.05	February 16, 2010				
	17,603			$ 57.05	January 3, 2013				
		82,500		$ 65.45	January 23, 2016				
		11,931		$ 69.66	February 17, 2009				
		16,071		$ 69.66	January 3, 2013				
		7,190		$ 71.38	February 19, 2008				
		31,451		$ 71.38	January 6, 2014				

(a) Options marked with the symbol (R) indicate that an officer may still exercise the reload feature of this previously granted option, but has not yet done so. For more information on reload options, please see page 35.

(b) This column includes shares of our restricted stock or restricted phantom common stock units deferred under our Deferred Compensation Plan, as well as the restricted stock portion of our bonuses under the 25/25 program, which is described on page 32.

(c) The market value of restricted stock awards or restricted phantom common stock units outstanding is calculated using our common stock closing price of $74.04 as of December 31, 2006, as reported in The Wall Street Journal.

(d) This column reflects the Maximum amount that would have been paid under the 2006 incentive share opportunity grants had the three-year performance period ended on December 31, 2006. This projected amount was calculated based solely on our financial performance for 2006, the first year of the three-year performance period, plus dividends for that year. Actual payouts, if any, will not be determined until early 2009 and may be substantially less than the amounts listed in this column. For Mr. Demchak, his amount also includes the special incentive share opportunity granted in 2006. Please see footnote (c) to the Summary Compensation Table on page 46 and footnote (b) of Grants of Plan-Based Awards in 2006 on pages 48-49, as well as pages 35-39 of Compensation Discussion and Analysis.

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Option Exercises & Stock Vested in Fiscal 2006

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#) (a)	Value Realized on Exercise ($) (b)	Number of Shares Acquired on Vesting (#) (c)	Value Realized on Vesting ($) (d)
James E. Rohr	177,615	$ 3,793,000	176,119	$ 12,038,000
Richard J. Johnson			2,500	$ 177,000
William S. Demchak	172,108	$ 4,280,000	89,638	$ 6,138,000
Joseph C. Guyaux	240,129	$ 5,676,000	104,116	$ 7,126,000
Timothy G. Shack	126,716	$ 2,210,000	76,532	$ 5,237,000

(a) If an officer exercised options with reload features in 2006, this column includes the gross amount of shares received by the officer in connection with the exercise of the reloaded option. For more information on reload options, please see page 35.

(b) The dollar amount in this column includes the value realized upon the exercise of various options throughout 2006. This amount was computed by determining the difference between the average of the high and low sales prices of our common stock on the date of exercise (as reported in The Wall Street Journal), less the exercise price.

(c) The number of shares in this column includes shares that vested and were withheld for tax purposes. The number of shares also includes 7,085 restricted phantom common stock units previously deferred by Mr. Demchak.

(d) The dollar amount in this column includes the value realized upon the release of one-half of the shares under our 2003 and 2004 incentive share opportunity programs, the vesting of restricted stock (or deferral of restricted phantom common stock units) awarded in 2003 as part of the bonus program, and the value realized upon the vesting of various other restricted stock grants from September 9, 2002 to July 1, 2003.

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Pension Benefits at 2006 Fiscal Year-End

Name	Plan Name (a)	Number of Years Credited Service (b)	Present Value of Accumulated Benefit (c)
James E. Rohr	Qualified Pension Plan	34	$ 926,603
	ERISA Excess Pension Plan	34	$ 3,715,877
	Supplemental Executive Retirement Plan	34	$ 14,151,898
	TOTAL		$ 18,794,378
Richard J. Johnson	Qualified Pension Plan(d)	4	$ 31,938
	ERISA Excess Pension Plan(d)	4	$ 31,379
	Supplemental Executive Retirement Plan(d)	4	$ 17,061
	TOTAL		$ 80,378
William S. Demchak	Qualified Pension Plan(d)	4	$ 28,729
	ERISA Excess Pension Plan(d)	4	$ 108,633
	Supplemental Executive Retirement Plan(d)	4	$ 130,664
	TOTAL		$ 268,026
Joseph C. Guyaux	Qualified Pension Plan	34	$ 630,335
	ERISA Excess Pension Plan	34	$ 929,724
	Supplemental Executive Retirement Plan	34	$ 1,870,909
	TOTAL		$ 3,430,968
Timothy G. Shack	Qualified Pension Plan	30	$ 568,769
	ERISA Excess Pension Plan	30	$ 761,058
	Supplemental Executive Retirement Plan	30	$ 1,403,532
	TOTAL		$ 2,733,359

(a) No payments were made under any of these plans during fiscal 2006.

(b) The number of years of service is computed as of the same plan measurement date used for financial statement reporting with respect to our 2006 audited financial statements.

(c) The present values shown here are computed as of December 31, 2006 in accordance with *Financial Accounting Standards Board Statement of Financial Accounting Standards No. 87, Employers Accounting for Pensions* (FAS 87), as specified in the SEC regulations and do not necessarily reflect the amounts to which the executive officers would be entitled under the terms of these plans as of December 31, 2006.

(d) These benefits do not vest until the fifth anniversary of an employee s employment, which would be December 2007 in the case of Mr. Johnson and September 2007 in the case of Mr. Demchak. With respect to the Supplemental Executive Retirement Plan, benefits will vest before the fifth anniversary if an executive officer s employment terminates following a change of control, either for good reason by the officer or without cause by the employer.

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Non-Qualified Deferred Compensation for Fiscal 2006

Name	Executive Contributions in Last Fiscal Year (a)	Registrant Contributions in Last Fiscal Year (b)	Aggregate Earnings in Last Fiscal Year (c)	Aggregate Balance at Last Fiscal Year-End (d)
James E. Rohr	$ 148,800	$ 5,000	$ 1,168,913	$ 6,237,986
Richard J. Johnson	$ 304,674	$ 5,000	$ 144,174	$ 1,267,953
William S. Demchak	$ 1,633,859	$ 107,713	$ 1,053,319	$ 7,150,589
Joseph C. Guyaux	$ 56,944	$ 5,000	$ 370,348	$ 3,286,024
Timothy G. Shack	$ 339,800	$ 76,875	$ 194,989	$ 1,546,785

(a) The dollar amounts in this column include the value of the contributions made by the executive to our SISP in the following amounts: Messrs. Rohr ($148,800); Johnson ($42,105); Demchak ($72,102); Guyaux ($56,944); and Shack ($52,300) and under our Deferred Compensation Plan for Messrs. Johnson ($262,569) and Demchak ($1,150,907). This column also includes the dollar value of amounts deferred under our Deferred Compensation Plan as restricted phantom common stock units under the bonus program for Messrs. Demchak ($410,850) and Shack ($287,500).

(b) The dollar amounts in this column include the value of matching contributions ($5,000 each) made pursuant to our SISP. This column also includes the dollar value of the 25% premium for amounts deferred under our Deferred Compensation Plan as restricted phantom common stock units under the bonus program for Messrs. Demchak ($102,713) and Shack ($71,875).

(c) Participants investing in the SISP have the same investment options as participants in our ISP, which is a contributory, qualified, defined contribution plan that covers substantially all of our employees. The ISP is a 401(k) plan and employee contributions under both the ISP and SISP are invested in a number of investment options, including several publicly available mutual funds (including BlackRock mutual funds), proprietary PNC investment funds, and a PNC common stock fund, all at the direction of the employee.

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Employees eligible to defer compensation under our Deferred Compensation Plan have many of the same investment options available to participants in the ISP and SISP. Investments under our Deferred Compensation Plan are considered deemed investments and invested on a phantom basis. In addition, employees eligible to defer under the Deferred Compensation Plan have seven additional investment options, consisting of BlackRock mutual funds. The investment options with listed ticker symbols are available for investment by the general public. For 2006, the fund choices for the ISP, the SISP and the Deferred Compensation Plan, and their annual rates of return, were as follows:

Fund	Ticker Symbol	Deferred Compensation Plan	ISP/SISP	2006 Annual Rate of Return
AM EuroPacific Growth Fund R5	RERFX	ü	ü	22.17%
American Beacon Small-Cap Value	AVFIX	ü	ü	14.68%
BlackRock Asset Allocation Portfolio	PBAIX	ü		10.39%
BlackRock High Yield Bond Portfolio	BRHYX	ü	ü	11.68%
BlackRock Intermediate Government Bond Portfolio	PNIGX	ü		4.10%
BlackRock International Bond Portfolio	CINSX	ü		6.17%
BlackRock International Opportunities Portfolio	BISIX	ü		31.88%
BlackRock Investment Trust Fund	PNEIX	ü		14.33%
BlackRock Liquidity Funds TempFund	TMPXX	ü	ü	5.01%
BlackRock Managed Income Portfolio	PNMIX	ü		4.09%
BlackRock Mid-Cap Growth Equity Portfolio	CMGIX	ü	ü	6.55%
BlackRock Small-Cap Growth Equity Portfolio	PSGIX	ü	ü	19.05%
BlackRock Total Return Portfolio II	CCBBX		ü	4.33%
BlackRock U.S. Opportunities Portfolio	BMCIX	ü		18.79%
CRM Mid-Cap Value Fund	CRIMX	ü	ü	17.26%
Dodge & Cox Stock Fund	DODGX	ü	ü	18.53%
Harbor Capital Appreciation Fund	HACAX	ü	ü	2.33%
ISP Aggressive Profile Fund	n/a		ü	17.37%
ISP Conservative Profile Fund	n/a		ü	8.85%
ISP Moderate Profile Fund	n/a		ü	12.81%
PNC Common Stock Fund	PNC	ü	ü	19.81%
PNC Investment Contract Fund	n/a	ü	ü	4.79%
Vanguard Institutional Index	VINIX	ü	ü	15.78%

(d) The dollar amounts in this column are calculated by taking the aggregate balance at the end of fiscal year 2005 and adding the totals in columns (a), (b) and (c) to that balance. The aggregate balance at the end of fiscal year 2006 includes any unrealized gains and losses on investments.

These amounts include restricted phantom common stock units issued under our 25/25 program in lieu of restricted stock as a result of deferral elections made by executive officers.

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Potential Payments Upon Termination of Employment and Change of Control

Depending on the circumstances of termination of employment, the named executive officers receive various forms of post-employment compensation or post-employment benefits. The factors that influence the amount and nature of post-employment compensation and benefits include whether the termination resulted from death or disability, termination by the executive officer or by the company and, if by the company, whether without cause or for cause. They also include whether or not the termination followed a change of control. (Changes of control also result in some benefits without a termination of employment.) In addition, resignations by retirement-eligible employees are treated as retirements, as are terminations of retirement-eligible employees by PNC without cause, which treatment affects post-employment compensation and benefits. For these purposes, retirement-eligible means a person who is at least 55 years old and has at least five years of service with us. As of December 31, 2006, Messrs. Rohr, Guyaux and Shack were retirement eligible; Messrs. Johnson and Demchak were not. Most of our executive officers are eligible to participate in the plans and benefits described below, many of which are also available on a broader basis to other employees.

Standard Retirement Benefits and Deferred Compensation. Our named executive officers each participate in our qualified cash balance pension plan, our excess pension plan, our supplemental retirement benefit plan, our incentive savings plan (the ISP, or 401(k) plan), our supplemental incentive savings plan (the SISP) and our Deferred Compensation Plan. Please see Compensation Discussion and Analysis at pages 39-40. These benefits are all earned while the participant is employed by PNC in respect of services to PNC. As a result, entitlement to these benefits, including the amount of the benefit following termination of employment, is not dependent on the circumstances of termination, with the following exception. In the case of Mr. Rohr, his supplemental retirement benefit plan is higher in the event of his death than in any other circumstance of termination of employment. Assuming a death or other termination of employment on December 31, 2006, the present value of his benefit under this plan determined using plan provisions would have been $3,023,498 higher in the case of death as compared to all other forms of termination.

Unvested Equity. Regardless of whether the executive officer is subsequently terminated, upon a change of control, his unvested restricted stock (including restricted stock issuable under the 25/25 program but deferred in the form of restricted phantom common stock units) and options vest, as does a pro rata portion of his outstanding incentive share opportunities at the higher of target or actual performance, using performance through the end of the prior quarter to determine the performance factor. In the case of termination by the surviving company without cause or resignation by the executive officer with good reason following a change of control, the executive officer will have the right to exercise his options for a period of three years but not extending past the original option termination date.

Generally, a named executive officer s equity-based compensation is forfeited upon a termination of employment, except as follows. Upon death, his equity-based compensation is treated in an identical fashion as upon a change of control, except that his entitlement to a portion of his outstanding incentive share opportunities (calculated substantially the same as in the case of a change of control) is subject to committee discretion and his options generally remain exercisable until the original option termination date. Upon retirement, a portion of his outstanding stock options (those granted more than one year prior to the retirement) are not forfeited but continue in effect in accordance with their original terms. In the case of stock options granted more than six months but less than one year prior to retirement, one-third continue in effect in accordance with their original terms with the remainder being forfeited. In addition, in the case of retirement, the committee has the discretion to permit all or a portion of the

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restricted stock to vest on schedule or to accelerate vesting and also has the discretion to award an amount, payable on the originally scheduled payment date, in respect of incentive share opportunities (subject in the latter case to a cap substantially equal to the amount specified above in the event of death). Upon termination for disability, his outstanding options vest, and he has three years to exercise them (but not past the original option termination date), restricted shares are treated the same as in the case of retirement, and the committee has the discretion to award an amount, payable on the originally scheduled payment date, equal to the full incentive share opportunity, without proration.

Severance Benefits. We do not have a plan or program under which a named executive officer whose employment terminates is generally entitled to severance compensation, although the committee has the discretion to provide severance compensation. However, if, within three years of a change of control of PNC, a named executive officer is terminated by the surviving company without cause or resigns with good reason, he is entitled to severance compensation under our change of control severance agreements. These agreements, which are described under Compensation Discussion and Analysis Change of Control Arrangements, provide for a cash payment computed by reference to various components of the named executive officer s compensation, as well as continuation of benefits under, or cash payments computed by reference to, some of our retirement and health and welfare benefit plans. These agreements also require a payment to the named executive officer to reimburse him for any excise taxes on severance or other benefits that are considered excess parachute payments under the Internal Revenue Code.

Change of Control Benefits. The table on page 58 summarizes for each of the named executive officers the compensation and benefits that he would have received if there had been a change of control of PNC and his employment had been terminated by the surviving company without cause or by the named executive officer with good reason, with both assumed to have occurred on December 31, 2006. To the extent relevant, the amounts in the table assume a PNC stock price of $74.04, the most recent closing price for our stock on that date. The compensation and benefits shown in this table reflect the terms of the plans, programs and agreements described above in this section.

If we computed these amounts using a different date, even one only slightly different, the change in the amounts shown could be significant. For example, each of these executive officers received new equity awards in January and February 2007 and other equity awards vested during that period, all of which would impact the amounts shown if we had calculated the amounts based on a February 2007 change of control and termination date. Also, several of the items shown (in particular under Cash Severance and Excise Tax Gross-Up) depend on compensation received over a period of time and thus can be impacted by the point in time when they are measured.

As noted above, the benefits listed in the table under Acceleration of Unvested Equity are received upon the change of control itself and do not require termination of employment, while the other benefits require a qualifying termination of employment. In addition, it is possible that an Excise Tax Gross-Up payment could be required to be made if there was a change of control even without a qualifying termination of employment.

The amounts shown under Restricted Stock are the market value of restricted stock held by the named executive officer on December 31, 2006, including restricted stock issuable under the 25/25 program but deferred in the form of restricted phantom common stock units. The amounts shown under Incentive Share Opportunity and, in the case of Mr. Demchak, Special Incentive Share Opportunity are the amounts determined by applying actual performance to the relevant performance metrics (see pages 35-39 of Compensation Discussion and Analysis), prorated one-third for the passage of the first year of these three-year award opportunities, and then adjusted by a transition factor to reflect the transition that began in 2006 with the committee s decision to grant incentive share opportunities annually rather than every three years, with the amounts of the annual grants being relatively smaller as a result. The transition factor is only applied in connection with changes of control and not in connection with any other potential accelerated vesting situation (such as those resulting from death or retirement). The transition factor was 3x from 2006 until the grant date of additional incentive share opportunities in early 2007, and will be 1.5x from the grant date of the 2007 incentive share opportunities through the grant date of any additional incentive share opportunities in early 2008, at which point there will no longer be a transition factor.

The amounts shown under Unexercisable Options are the aggregate for each named executive officer of the excess of the market price over the exercise price for all of his unvested options. The other amounts shown are computed in accordance with the terms of the change of control severance agreements. Perquisites Allowance is based on any specific perquisite allowance (such as an auto allowance) to which the executive officer was entitled during 2006, as well as the use of financial consulting services. It does not include all of the perquisites an executive officer received in 2006. See pages 40-41 of Compensation Discussion and Analysis.

Potential Change of Control Payments

	Mr. Rohr	Mr. Johnson	Mr. Demchak	Mr. Guyaux	Mr. Shack
Change of Control Severance Benefits					
Bonus for Year of Separation	$ 1,900,000	$ 340,000	$ 960,000	$ 930,000	$ 561,000
Cash Severance	$ 16,035,718	$ 2,969,116	$ 7,361,364	$ 7,812,619	$ 5,455,726
Enhanced Retirement Benefit (Defined Benefit and Defined Contribution Plans)	$ 5,948,621	$ 105,938	$ 375,613	$ 1,862,969	$ 1,295,588
General Health and Welfare Benefits	$ 22,515	$ 19,411	$ 22,515	$ 21,355	$ 22,515
Perquisites Allowance	$ 91,860	$ 52,860	$ 52,860	$ 62,262	$ 52,860
Change of Control Severance Benefits	*$ 23,998,714*	*$ 3,487,325*	*$ 8,772,352*	*$ 10,689,205*	*$ 7,387,689*
Acceleration of Unvested Equity					
Restricted Stock	$ 12,899,915	$ 726,036	$ 8,851,704	$ 7,807,074	$ 4,865,761
Incentive Share Opportunity	$ 7,582,140	$ 1,213,145	$ 2,881,193	$ 2,881,193	$ 2,274,657
Special Incentive Share Opportunity			$ 1,480,800		
Unexercisable Options	$ 7,815,945	$ 898,390	$ 3,735,007	$ 3,747,895	$ 2,322,045
Total Unvested Equity	*$ 28,298,000*	*$ 2,837,571*	*$ 16,948,704*	*$ 14,436,162*	*$ 9,462,463*
Excise Tax Gross-Up	*$ 12,926,843*	*$ 2,040,580*	*$ 6,695,558*	*$ 5,850,349*	*$ 3,963,703*
Total Benefits	**$ 65,223,557**	**$ 8,365,476**	**$ 32,416,614**	**$ 30,975,716**	**$ 20,813,855**

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Director Compensation for Fiscal 2006

Mr. Rohr receives no additional compensation for serving as a PNC director. All other directors are paid under compensation schedules approved by the Nominating and Governance Committee. The committee reviews the directors compensation schedules annually, with the help of Towers Perrin, a nationally recognized compensation consultant. If a director performs extraordinary service, the Nominating and Governance Committee may approve special compensation for that director.

The elements of the directors 2006 compensation program are explained below. The Nominating and Governance Committee will conduct its annual compensation review on April 24, 2007 after the annual meeting of shareholders. The committee may decide to revise the schedules shown below at that meeting or at another meeting.

Annual Retainer Schedule	
Retainer for each Director	$ 45,000
Committee Chair s retainer, for each Committee chaired	$ 10,000
Additional retainer for Chairs of the Audit and Risk Committees	$ 10,000
Presiding Director s retainer	$ 10,000
Meeting Fee Schedule	
Each Board meeting, except quarterly telephonic dividend meetings	$ 1,500
Each quarterly telephonic dividend meeting	$ 750
For each of the first six meetings held annually by each Committee or Subcommittee on which the Director serves	$ 1,500
For the seventh and each succeeding meeting held annually by each Committee or Subcommittee on which the Director serves	$ 2,000
2006 Equity-Based Grants	
Value of January 3, 2007 annual grant of PNC common stock under the 1992 Director Share Incentive Plan*	$ 5,035
Value of 1,300 deferred stock units awarded to each Director s account under the Outside Directors Deferred Stock Unit Plan as of April 25, 2006	$ 90,129

* PNC recognized compensation expense under FAS 123R in 2006 for this 2007 grant.

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Deferred Compensation Plans. Our non-management directors are eligible to participate in the two deferred compensation plans described in this table:

Directors Deferred Compensation Plan	Outside Directors Deferred Stock Unit Plan
Voluntary deferral of retainers and meeting fees	No voluntary deferrals by directors; Nominating and Governance Committee makes awards of deferred stock units
Minimum annual deferral of $11,250	Deferred stock unit is a phantom share of PNC common stock; no investment alternatives are offered
Can choose investment in an interest rate alternative (10-year Treasury note) or phantom shares of PNC common stock	
Director chooses payout date and beneficiary	Director chooses beneficiary and payout date, which generally can t be before retirement from the Board or age 70
Each phantom share tracks the value of a share of PNC common stock and receives deemed dividends, but has no voting rights	Each deferred stock unit tracks the value of a share of PNC common stock and receives deemed dividends, but has no voting rights
Distributions from plan made only in cash	Distributions from plan made only in cash

Other Director Benefits. Our directors are generally entitled to the following benefits:

Directors may choose to participate in the PNC Directors Charitable Matching Gift Program. A director s personal gifts to qualifying charities are matched up to an aggregate limit of $5,000 per year. Mr. Rohr is not eligible to participate in this charitable matching gift program; however, he is eligible to participate in a PNC employee charitable matching gift program that currently has an annual aggregate limit of $2,500.

We pay for various insurance policies that protect directors and their families from personal loss connected with Board service.

We pay for our directors travel, lodging, meals and other expenses connected with their Board service.

Directors may also receive incidental benefits because they serve on our Board. These benefits include: holiday gifts; tickets to sports, cultural, social and other events; and travel on corporate aircraft for personal purposes in very limited circumstances, such as a family emergency or when a seat is available on a trip already planned by one of our officers.

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With respect to fiscal year 2006, the compensation provided to directors was as follows:

Name (a)	Fees Earned or Paid in Cash (b)	Stock Awards (c)	Option Awards (d)	All Other Compensation (e)	Total
Paul W. Chellgren	$ 126,000	$ 95,164	$ 5,115	$ 73,691	$ 299,970
Robert N. Clay	$ 72,000	$ 95,164	$ 5,115	$ 43,306	$ 215,585
J. Gary Cooper	$ 87,750	$ 95,164	$ 5,115	$ 13,126	$ 201,155
George A. Davidson, Jr.	$ 88,500	$ 95,164	$ 5,115	$ 30,938	$ 219,717
Kay Coles James	$ 59,184	$ 95,164	$	$ 1,942	$ 156,290
Richard B. Kelson	$ 94,500	$ 95,164	$ 5,115	$ 22,061	$ 216,840
Bruce C. Lindsay	$ 96,000	$ 95,164	$ 5,115	$ 27,627	$ 223,906
Anthony A. Massaro	$ 83,000	$ 95,164	$ 5,115	$ 17,666	$ 200,945
Thomas H. O Brien	$ 40,500	$ 90,129	$ 5,115	$ 22,011	$ 157,755
Jane G. Pepper	$ 71,250	$ 95,164	$ 5,115	$ 23,741	$ 195,270
Lorene K. Steffes	$ 72,000	$ 95,164	$ 5,115	$ 20,374	$ 192,653
Dennis F. Strigl	$ 93,000	$ 95,164	$ 5,115	$ 30,397	$ 223,676
Stephen G. Thieke	$ 93,500	$ 95,164	$ 5,115	$ 14,939	$ 208,718
Thomas J. Usher	$ 112,500	$ 95,164	$ 5,115	$ 50,440	$ 263,219
George H. Walls, Jr.	$ 72,184	$ 95,164	$	$ 2,177	$ 169,525
Milton A. Washington	$ 18,500	$	$ 5,115	$ 15,299	$ 38,914
Helge H. Wehmeier	$ 72,000	$ 95,164	$ 5,115	$ 41,802	$ 214,081

(a) On April 25, 2006, Mr. Washington retired as a director of PNC and our principal banking subsidiary, PNC Bank, National Association. In accordance with our Corporate Governance Guidelines, which provide that any person age 70 or older shall not be nominated for re-election as a director, Mr. Washington was not nominated for re-election at the annual meeting of shareholders held on that date. Effective September 29, 2006, Mr. O Brien resigned from the Board of Directors of PNC and PNC Bank. In accordance with the age limit set forth in our Corporate Governance Guidelines, Mr. O Brien would not have been eligible to stand for re-election in 2007. Mr. O Brien, who also was a director of BlackRock, Inc., resigned before the expiration of his current term so that he could continue his service at BlackRock with the status of an independent director and serve as Chairman of BlackRock s Nominating and Governance Committee following the closing, as of September 29, 2006, of the transaction between BlackRock and Merrill Lynch Investment Managers. Ms. James and Mr. Walls joined the Board upon their election at the annual shareholders meeting held on April 25, 2006.

(b) This column includes the annual retainer for directors, 2006 Board and committee meeting fees, and the following fees deferred under our Directors Deferred Compensation Plan, a non-qualified defined contribution plan: Messes. James ($6,563); Pepper ($10,000); and Steffes ($15,025); and Messrs. Chellgren ($125,250); Cooper ($41,250); Lindsay ($79,250); Strigl ($89,750); Thieke ($10,000); Usher ($111,750); Walls ($32,250); and Washington ($6,000).

(c) The dollar values in this column include the recognized compensation expense for 2006, as described in FAS 123R, for 1,300 deferred stock units awarded to each director s account under our Outside Directors Deferred Stock Unit Plan as of April 25, 2006 and 68 shares awarded to each Director on January 3, 2007 under the 1992 Director Share Incentive Plan.

(d) The dollar values in this column include the recognized compensation expense for 2006, as described in FAS 123R, for 2,000 options granted to each director on April 26, 2005. We did not grant any stock options to directors in 2006.

(e) This column reflects matching gifts made by us to charitable organizations on behalf of the following directors: Messes. Pepper ($5,000) and Steffes ($1,550); and Messrs. Chellgren ($5,000);

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Clay ($5,000); Cooper ($1,000); Davidson ($5,000); Kelson ($5,000); Lindsay ($5,000); Massaro ($5,000); O Brien ($5,000); Strigl ($5,000); Thieke ($5,000); Usher ($5,000); and Wehmeier ($5,000). This column also includes income under the Director Deferred Compensation Plan and Director Deferred Stock Unit Plan in the following amounts: Messes. James ($1,508); Pepper ($18,307); Steffes ($18,390); and Messrs. Chellgren ($56,440); Clay ($37,872); Cooper ($11,692); Davidson ($25,504); Kelson ($16,627); Lindsay ($22,193); Massaro ($12,232); O Brien ($6,891); Strigl ($24,953); Thieke ($9,505); Usher ($45,006); Walls ($1,743); Washington ($15,299); and Wehmeier ($36,368), and dividend income of $9,232 for Mr. Chellgren under the PNC Bank Kentucky, Inc. Directors Deferred Compensation Plan. This column also includes the following costs associated with personal aircraft usage by a director or his or her guest: Messrs. Chellgren ($2,585) and O Brien ($10,120). The amount in this column also includes the value of a holiday gift basket provided to each current director at the end of the year.

Our Common Stock Holdings Requirement For Non-Management Directors. Our Board has adopted a common stock purchase requirement providing that each non-management director must annually purchase or otherwise acquire PNC common stock or phantom common stock in an amount at least equal to twenty-five percent of the annual retainer fee then in effect. This required purchase amount currently equals $11,250. A director may satisfy this requirement through open market purchases, participation in our Dividend Reinvestment and Stock Purchase Plan or investments in phantom shares of common stock in the Directors Deferred Compensation Plan. Any non-management director who holds at least 5,000 shares of PNC common stock and/or phantom common stock units as of the last business day of the preceding calendar year is not subject to this requirement. Each non-management director subject to the requirement has complied, or, in the case of a director who joined the Board in 2006, has committed to comply, with it.

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SECURITY OWNERSHIP OF DIRECTORS, NOMINEES, EXECUTIVE OFFICERS AND CERTAIN BENEFICIAL OWNERS

The following table, under the caption Common Stock Ownership, sets forth information concerning the beneficial ownership of common stock as of February 28, 2007 by each director and nominee for election as a director, each of the executive officers named in the Summary Compensation Table on page 45 and all directors, nominees and executive officers as a group. Except as otherwise noted, each individual exercises sole voting and investment power over the shares of common stock shown. The column captioned Common Stock Unit Ownership shows phantom or deferred common stock units owned by the individual or group through the compensation or benefit plan identified in the corresponding footnote. The information in this column is not required by SEC regulations because the common stock units can be settled only in cash and carry no voting rights. Nevertheless, we believe that this information provides a more complete picture of the financial stake that our directors and executive officers have in our company.

We determine the number of shares of shown under the Common Stock Ownership column as beneficially owned by each director and executive officer pursuant to SEC regulations and the information is not necessarily indicative of beneficial ownership for any other purpose. For purposes of the Common Stock Ownership column, beneficial ownership includes any shares of common stock as to which the individual has sole or shared voting power or investment power. We also include any shares of common stock that the individual has the right to acquire within 60 days of February 28, 2007, through the exercise of any option, warrant or right.

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Name **(a)**	***Common Stock Ownership**** *(Amount and Nature of Beneficial Ownership) (#)* **(b)**	***Common Stock Unit Ownership (#)*** **(c)**
Richard O. Berndt		
Charles E. Bunch		
Paul W. Chellgren	23,479(1)(2)	28,675(a)(b)
Robert N. Clay	15,776(3)	18,739(a)(b)
J. Gary Cooper	6,452(4)	6,617(a)(b)
George A. Davidson, Jr.	25,827(2)	12,830(a)
William S. Demchak	383,994(5)(6)(9)	29,980(c)(d)
Joseph C. Guyaux	432,664(5)(6)(7)(9)	1,447(d)
Kay C. James	83	1,488(a)(b)
Richard J. Johnson	82,932(5)(6)	5,599(c)(d)
Richard B. Kelson	6,443(4)	8,588(a)(b)
Bruce C. Lindsay	21,682(2)	11,947(a)(b)
Anthony A. Massaro	8,623(4)	6,489(a)(b)
Jane G. Pepper	16,659(2)	9,527(a)(b)
James E. Rohr	1,949,174(5)(6)(8)	84,882(c)(d)
Timothy G. Shack	412,367(5)(9)	9,234(d)
Donald J. Shepard		
Lorene K. Steffes	15,860(2)(9)	7,688(a)(b)
Dennis F. Strigl	15,533(2)	10,202(a)(b)
Stephen G. Thieke	7,472(4)(9)	5,322(a)(b)
Thomas J. Usher	20,958(2)	23,069(a)(b)
George H. Walls, Jr.	168	1,896(a)(b)
Helge H. Wehmeier	28,376(2)	18,022(a)(b)
Plus six remaining executives officers	1,062,904(5)(6)(9)(10)	24,712(c)(d)
Directors, nominees and executive officers as a group (29 persons)	4,537,426(11)	326,953

* As of February 28, 2007, there were 293,403,508 shares of PNC common stock issued and outstanding. The number of shares of common stock held by each individual is less than 1% of the outstanding shares of common stock; the total number of shares of common stock held by the group is approximately 1.53% of the class. These percentages were calculated by adding shares subject to employee or non-employee director stock options to the foregoing number if the options were either exercisable as of February 28, 2007 or exercisable within 60 days of that date. No director, nominee or executive officer beneficially owns shares of PNC preferred stock.

(1) Includes shares held in PNC Bank Kentucky Deferred Compensation Plan.

(2) Includes 14,000 shares subject to non-employee director non-statutory exercisable stock options.

(3) Includes 8,000 shares subject to non-employee director non-statutory exercisable stock options.

(4) Includes 6,000 shares subject to non-employee director non-statutory exercisable stock options.

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(5) Includes shares subject to employee nonstatutory stock options held by the executive officers and exercisable as of April 29, 2007. The shares subject to such options are as follows: Rohr (1,454,221); Johnson (64,166); Demchak (209,668); Guyaux (338,051); and Shack (328,117). The aggregate number of shares subject to such options for the remaining six executive officers is 704,716.

(6) Includes shares held in our ISP.

(7) Includes 18 shares held indirectly as custodian for grandchild.

(8) Includes 472 shares held indirectly as custodian for daughter; 58,200 shares owned by spouse; and 3,555 shares held as assets of a grantor retained annuity trust.

(9) Includes shares held jointly with spouse.

(10) Includes, for an executive officer not named in the table, six shares held indirectly by the executive officer s spouse as custodian for a daughter, as to which six shares the individual disclaims beneficial ownership.

(11) Includes, for 13 non-employee directors, an aggregate total of 144,000 shares subject to director nonstatutory exercisable stock options. Also includes the text of footnotes (1) through (10).

(a) Includes phantom common stock units credited to an account established under the Outside Directors Deferred Stock Unit Plan.

(b) Includes phantom common stock units credited to an account established under the Directors Deferred Compensation Plan.

(c) Includes phantom common stock units held in our SISP.

(d) Includes phantom common stock units held in our Deferred Compensation Plan.

Security Ownership of Certain Beneficial Owners. As of March 9, 2007, based solely on Schedules 13D and 13G filed with the SEC under the Securities Exchange Act of 1934 (Exchange Act), the following persons are known by us to be the beneficial owners of more than five percent of our common stock. The numbers shown on the table represent holdings as of December 31, 2006 and should be interpreted in light of the related footnotes.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
UBS AG(1) Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	15,614,577(2)	5.3%(2)

(1) According to the Schedule 13G filed by UBS AG with the SEC, the shares of our common stock are beneficially owned by the UBS Global Asset Management business group of UBS AG on behalf of its clients, and does not reflect securities, if any, beneficially owned by any other division or business group of UBS.

(2) UBS AG disclaims beneficial ownership of these shares of common stock pursuant to Rule 13d-4 of the Securities Exchange Act of 1934, as amended.

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TRANSACTIONS INVOLVING DIRECTORS AND EXECUTIVE OFFICERS

This section discusses the various relationships between us (or our subsidiaries) and our directors, executive officers and/or their affiliated entities. Certain of these persons or entities were customers of, and had transactions with, us during 2006. Finally, this section describes the various policies we have in place to monitor and analyze related party transactions.

Transactions with Directors

The following is a summary of the transactions between PNC and our directors and/or their affiliated entities. Except as discussed on page 16 with respect to Mr. Berndt, all of these transactions meet our categorical standards for independence under the New York Stock Exchange rules; none of them meet the NYSE s bright-line tests for non-independence.

Customer Relationships. In the ordinary course of business, we provide certain financial services to most of our directors (including directors who retired or resigned in 2006) and to some of their immediate family members and affiliated organizations. These services are provided on substantially the same terms and conditions, including price, as would be available to similarly situated customers. We also provide extensions of credit to certain of our directors, immediate family members and affiliated organizations. These extensions of credit are governed by Regulation O, and we discuss Regulation O and our processes for managing transactions governed by Regulation O on page 69.

Business Relationships. In the ordinary course of business, we may enter into relationships with, or receive services from, entities affiliated with our directors or nominees, or their immediate family members, including the following:

Mr. Berndt is the Managing Partner of the law firm of Gallagher, Evelius & Jones LLP. This law firm has historically provided legal services to Mercantile Bankshares Corporation, which we acquired in March 2007.

Mr. Shepard is Chief Executive Officer of AEGON N.V, an insurance company. PNC engages in ordinary course business relationships with AEGON or its subsidiaries (collectively, AEGON). PNC and Mercantile have purchased bank-owned life insurance from AEGON, and we have purchased a substantial amount of bank-owned life insurance through a broker that was recently acquired by AEGON. In addition, we offer to our clients certain of AEGON s fixed and variable annuity and life insurance products.

Mr. Strigl is employed by Verizon Communications, which provides certain telecommunications services to us. These services are provided to us in the ordinary course of business.

Certain Charitable Contributions. Ms. Pepper is employed by an organization that has received contributions from us or the PNC Foundation that do not exceed the thresholds described in our categorical standards of independence. We also make contributions to charitable organizations where our directors serve as directors or trustees but not executive officers.

Family Relationships

There is no family relationship as defined in the SEC s regulations between any executive officer or director and any other executive officer or director. Family relationships exist between certain of

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PNC s executive officers or directors and some of the approximately 24,000 employees of PNC and its various subsidiaries. These employees participate in compensation and incentive plans or arrangements on the same basis as other similarly situated employees. Specific information concerning the compensation paid during 2006 to certain of these employees is provided below.

Norma Hajduk, a Senior Vice President and National Sales Manager of a subsidiary of PNC Bank, National Association, is the sister of Timothy G. Shack, Executive Vice President and Chief Information Officer of PNC. For 2006, Ms. Hajduk received a salary of $180,000 and a bonus of $182,340. In addition, during 2006, she was granted 600 nonstatutory stock options and was awarded 480 restricted shares of PNC common stock.

Adam M. Shack is the son of Timothy G. Shack, Executive Vice President and Chief Information Officer of PNC. For 2006, Mr. Shack received salary and commissions of $231,659 from BlackRock.

Thomas H. O Brien, Jr. was a Vice President and senior investment associate of PNC Equity Management Corp, a PNC subsidiary engaged in private equity activities, until June 5, 2004, the effective date of his resignation. Mr. O Brien, Jr. is the son of Thomas H. O Brien, a former director and retired Chairman and Chief Executive Officer of PNC. Although Mr. O Brien, Jr. is no longer an employee, he continues to be a participant in two plans pursuant to which employees invest indirectly in two investment partnerships that PNC Equity Management Corp has established. Participants share in the investment returns, profits and, in one case, fees earned by those general partners, although Mr. O Brien, Jr. does not receive any fees. These programs were implemented beginning in 1999 and generally contain features found in similar plans at other financial services firms. Mr. O Brien, Jr. has committed to contribute an aggregate of $117,955 under the investment plans (of which 99% had been invested as of December 31, 2006). Mr. O Brien, Jr. received aggregate cash distributions of $274,478 during 2006 pursuant to such plans, of which $45,761 is being held in escrow and will be distributed to him if the conditions specified in the escrow agreement are satisfied. In addition, Mr. O Brien, Jr. is vested in another incentive program whereby he receives incentives based on the net returns of certain investments committed to during his tenure at PNC. Mr. O Brien, Jr. received aggregate cash distributions of $120,681 during 2006, pursuant to such program.

Jeffrey Troutman, a Senior Vice President and a sales manager for PNC s Treasury Management business, is the son-in-law of Thomas H. O Brien, a former director and retired Chairman and Chief Executive Officer of PNC. For 2006, Mr. Troutman received a salary of $127,869, bonuses totaling $70,000 and 200 restricted shares of PNC common stock.

Indemnification and Advancement of Costs

Pursuant to our By-Laws, we provide indemnification to our directors, officers and, in some instances, employees and agents against certain liabilities incurred as a result of their service on our behalf or at our request. We also advance costs incurred in connection with certain claims or proceedings on behalf of covered individuals. These persons must sign written undertakings to repay all these amounts if it is ultimately determined that the individual is not entitled to indemnification. We also have obtained directors and officers insurance providing coverage for them against certain liabilities and other expenses resulting from their service on our behalf or at our request. These By-Law provisions and insurance coverage provide a potentially significant financial benefit to our directors and executive officers. During 2006, PNC advanced costs pursuant to these By-Law

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provisions on behalf of several of its current and former executive officers and directors in connection with various matters, including certain of the legal proceedings described in Item 3 of our 2006 Annual Report on Form 10-K. A copy of that report is posted on the About PNC Investor Relations page of our corporate website at **www.pnc.com**.

Disclosure Regarding Related Party Transaction Policies

Our principal policies relating to transactions of the types required to be disclosed under Item 404(a) of Regulation S-K (for the purposes of this proxy statement, related persons transactions) are our Employee Conduct Policies, which are a broad set of ethics-related policies that provide more detailed rules and guidance in support of the provisions of PNC s Code of Business Conduct and Ethics. We also have policies designed to support our compliance with banking regulations relating to the extension of credit by our subsidiary banks to insiders, including PNC s executive officers and directors and entities in which these individuals have specified control positions (the federal statutory and regulatory provisions that establish these restrictions are often referred to as Regulation O).

We believe that these policies are adequate to provide appropriate levels of control and monitoring of the types of related persons transactions that are likely to arise in the nature of our business and the associated risks. The policies in place are described in more detail below.

PNC Employee Conduct Policies. PNC s Employee Conduct Policies contain several provisions that regulate related persons transactions. These policies were revised as of the end of 2006, but not in any way that significantly impacted rules governing related party transactions.

The Employee Conduct Policies apply generally to all employees (including executive officers) and in some cases to directors. There are other policies, described below, that regulate some of the same types of transactions more specifically in the case of executive officers and directors. Under the Employee Conduct Policies

Prior approval from PNC s Corporate Ethics Office is required before any employee or director becomes involved in a decision-making capacity or other non-ministerial role on behalf of PNC in a material transaction with any entity in which the employee or director (or an immediate family member) has a significant personal or financial interest. (For purposes of PNC s Employee Conduct Policies immediate family member has a narrower definition than the definition used in Item 404(a), being focused more on individuals residing with or supported by the PNC employee or director; the term extended family member has a definition similar to that used in Item 404(a).)

Employees and directors are prohibited from transacting business on behalf of PNC with respect to their own accounts or those of their extended family members or from directing subordinates to perform any transaction that they would be prohibited from doing themselves.

Employees may only purchase from PNC those properties or services that are available to the general public, to substantially all employees, or to substantially all employees within a particular business or within a particular market. Transaction terms must be market rate or general employee rate. Employees may only sell or lease property or services to PNC at a market rate and on terms as favorable to PNC as the employee would offer to an unrelated third party in similar circumstances.

For non-employee directors (1) they may not purchase property or services from PNC unless such property or services are offered in the regular course of PNC s business and must be

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purchased on terms comparable to other similarly situated customers of PNC, (2) they and their affiliated companies may not sell any property or services to PNC unless such property or services are sold in the regular course of their or their affiliated companies business and sold to PNC on terms comparable with those available to other similarly situated customers.

We employ several relatives of executive officers and directors, in some cases under circumstances that constitute related party transactions. See Family Relationships on pages 66-67. We have procedures in place to track the employment and compensation of relatives of executive officers and directors. Special treatment in the hiring or compensation of a relative of an executive officer or director would be restricted under the Employee Conduct Policy. For directors, our employment of a relative would be a factor in the determination of the director s independence under New York Stock Exchange rules and our categorical standards for director independence. See x-reference to director independence disclosure.

Under the Employee Conduct Policies, employees may generally request exemptions from the above-described restrictions from the Corporate Ethics Office. The Corporate Ethics Office may refer specific requests to the Ethics Policy Committee (a committee of senior managers that provides management oversight of ethics-related issues), which in turn may refer such requests to the Audit Committee (which provides Board-level oversight of ethics-related issues), another appropriate Board committee or the entire Board of Directors. Significant requests under the Employee Conduct Policies, including any that arose under the provisions described above, relating to executive management would normally be referred at least to the Ethics Policy Committee for review. There were no requests for exemptions under any of the provisions described above by executive officers or directors in 2006.

Regulation O Policies. PNC s policies that control extensions of credit to officers and directors covered by Regulation O in essence are designed to achieve conduct that would result in compliance with Regulation O. In general, these policies require

Extensions of credit to covered individuals or entities must be made on substantially the same terms (including interest rates and collateral) as those prevailing at the time for comparable transactions with non-covered individuals or entities (or, in the case of extensions of credit pursuant to a benefit or compensation program that is widely available to employees, must not give preference to any covered individual over other employees).

The covered extension of credit must be made following credit underwriting procedures that are not less stringent that those prevailing at the time for comparable transactions with non-covered individuals or entities. The covered extension of credit may not involve more than the normal risk of repayment or present other unfavorable features.

There are individual and aggregate lending limits, depending on the identity of the borrower and the nature of the loan.

Each of PNC s banks has a Regulation O Credit Officer responsible for reviewing extensions of credit for compliance with these policies. Extensions of credit that would result in more than $500,000 in the aggregate of credit extended to any director or executive officer and all of his or her covered entities require approval by the board of directors of the lending bank. All extensions of credit subject to these policies made to executive officers of the lending bank (which may not include all of PNC s executive officers) are reported to the board of directors of the lending bank. An extension of credit in compliance with these policies would satisfy the requirements of the Employee Conduct Policies.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers and persons who own more than ten percent of a registered class of our equity securities (currently there are no such shareholders) to file with us, the Securities and Exchange Commission and the New York Stock Exchange initial reports of ownership and reports of changes in ownership of any PNC equity securities. With respect to 2006, to the best of our knowledge, all required report forms were filed on a timely basis, except with respect to one late Form 4 filing by Timothy G. Shack, which represented one transaction. In making this statement, we have relied in part on the written representations of our current non-employee directors and our current and certain former executive officers and on copies of the reports provided to us.

INDEPENDENT AUDITORS

PNC engaged Deloitte & Touche LLP as PNC s principal accountants to audit PNC s 2006 consolidated financial statements. This engagement was approved by the Audit Committee on February 14, 2006 and was ratified by our shareholders on April 25, 2006. Details about the nature of the services provided by, and the fees that PNC paid to, Deloitte & Touche LLP for such services provided during 2006 are set forth below.

The Audit Committee undertook a process to consider the selection of independent auditors for the 2007 audit. This process included consideration of audit firms in addition to Deloitte & Touche LLP (D&T), which is the firm that the Audit Committee engaged to act as our independent auditor for the 2006 audit. The decision to evaluate more than one potential audit firm reflected the scheduled required rotation of the lead audit partner of D&T.

Upon completion of this process, on November 15, 2006, the Audit Committee decided to select PricewaterhouseCoopers LLP (PwC) as our new independent registered public accounting firm for the year ending December 31, 2007. Please also see the discussion beginning on page 13 in connection with management s proposal to ratify the Audit Committee s selection of PwC.

D&T continued as our independent registered public accounting firm until D&T completed its procedures regarding our consolidated financial statements as of and for the year ending December 31, 2006, management s assessment of and the effectiveness of our internal control over financial reporting as of December 31, 2006 and the 2006 Annual Report on Form 10-K in which such consolidated financial statements and such assessment were included.

The reports of D&T on our consolidated financial statements as of and for the years ended December 31, 2006 and 2005 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

During the years ended December 31, 2006 and 2005, there were no (a) disagreements with D&T on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to D&T s satisfaction, would have caused D&T to make reference to the subject matter thereof in connection with its reports for such years or (b) reportable events, as described under Item 304(a)(1)(v) of Regulation S-K.

We provided D&T with a copy of the disclosures included in this section of the proxy statement. During the years ended December 31, 2006 and 2005, we did not consult with PwC regarding any of the matters or events set forth in Item 304(a)(2)(i) or (ii) of Regulation S-K.

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Representatives of Deloitte & Touche LLP and PricewaterhouseCoopers LLP are expected to be present at the annual meeting with the opportunity to make a statement if they desire to do so and to be available to respond to appropriate questions.

The Audit Committee s Procedures for the Pre-approval of Audit and Permitted Non-Audit Services

Under statutes, regulations and rules applicable to us and the Audit Committee of the Board and under the Audit Committee s charter, the Audit Committee is responsible for pre-approving audit and permitted non-audit services, such as tax and other services, to be provided to us or our subsidiaries by our independent auditors. With certain limited exceptions, no such services may be provided without such pre-approval. The committee is given this responsibility to confirm that the provision of these services by the independent auditors does not impair the independent auditors independence. The committee also performs this function with respect to our employee benefit plans.

The responsibility for pre-approval of audit and permitted non-audit services includes pre-approval of the fees for such services (even though the pre-approval of fees is not required by SEC regulations) and the other terms of the engagement. The committee may preapprove specific fees or a methodology for determining fees for audit and permitted non-audit services.

The committee may provide general pre-approval of certain types of services to be provided by the independent auditors, or it may approve specific services individually. During 2006, the committee did not provide general pre-approval of certain types of services and the Audit Committee approved all specific services individually. If the committee does provide any general pre-approval of certain types of services, it will review and pre-approve the provision of such services at least annually. The committee will be responsible for approving any fee or other compensation arrangements for services covered by a general pre-approval to the extent not approved at the time of pre-approval of the provision of such types of services.

The authority to pre-approve the provision of services by the independent auditors may be exercised by the committee as a whole, or by the chairman of the committee as required between committee meetings. The committee may also delegate this authority, in whole or in part, to one or more other members of the committee. Any person exercising delegated authority will report on any such approvals at the next scheduled meeting of the committee, which will be reflected in the minutes of the meeting. The Audit Committee may not delegate its pre-approval authority to any other person, including any member of our management or other employee or agent of PNC.

Our independent auditors must receive pre-approval for any audit or permitted non-audit services in writing. Any written request for pre-approval must include, at the least, a description of the nature of the engagement and of the proposed fee for the services. The written request must also include a statement by the independent auditors as to whether, in their view, the provision of such services is consistent with SEC and other applicable rules on auditor independence. The committee or the chairman of the committee, in reviewing any request for pre-approval, may request appropriate members of our management to provide their views as to whether the provision of the services in question is consistent with the applicable rules on auditor independence.

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The Audit Committee may amend these procedures from time to time.

The following table summarizes the aggregate fees billed to PNC by Deloitte & Touche LLP for 2006 and 2005.

	2006	2005
Audit Fees	$ 9,893,625	$ 12,378,574
Audit-Related Fees	$ 639,515	$ 790,792
Tax Fees	$ 53,457	$ 101,297
All Other Fees	$ 123,020	$ 296,835
Total Fees Billed	$ 10,709,617	$ 13,567,498

Note: The 2005 amounts listed above include fees for services billed to PNC with respect to BlackRock, Inc., a former consolidated subsidiary of PNC. BlackRock was deconsolidated from PNC following the merger of BlackRock and Merrill Lynch Investment Managers on September 29, 2006. Although the fees paid by BlackRock for 2006 include services provided prior to the deconsolidation, BlackRock was no longer a consolidated subsidiary at the effective date of the audit. As a result, the 2006 amounts listed above do not include any fees for services with respect to BlackRock. Based on information provided to us by BlackRock, the aggregate fees for total services billed to BlackRock by Deloitte & Touche LLP in 2006 were approximately $11 million.

Audit Fees

The aggregate fees billed for audit services for the years ended December 31, 2006 and 2005 were $9,893,625 and $12,378,574, respectively. These fees consisted primarily of the audit of PNC s annual consolidated financial statements, reviews of PNC s quarterly consolidated financial statements included in Form 10-Q filings, audit of internal control over financial reporting, SAS 70 reports, comfort letters and other services related to Securities and Exchange Commission matters, and assistance with the implementation of new accounting pronouncements.

Audit-Related Fees

The aggregate fees billed for audit-related services for the year ended December 31, 2006 were $639,515. These fees consisted primarily of the employee benefit plan audits, a SAS 70 report and transaction-related services.

The aggregate fees billed for audit-related services for the year ended December 31, 2005 were $790,792. These fees consisted primarily of the employee benefit plan audits, investment performance verifications and financial accounting and reporting consultations.

Tax Fees

The aggregate fees billed for tax services for the year ended December 31, 2006 were $53,457. That amount was attributable to tax compliance services.

The aggregate fees billed for tax services for the year ended December 31, 2005 were $101,297. Of that amount, $55,834 was attributable to tax compliance services, which are services rendered based upon facts already in existence or transactions that have already occurred to document, compute and obtain government approval for amounts to be included in tax filings and consisted of preparation of K-1 s and tax returns of PNC or its subsidiaries. The majority of the remaining fees of $44,582 related to a license renewal of tax preparation software.

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All Other Fees

The aggregate fees billed for all other services for the year ended December 31, 2006 were $123,020. These fees consist of services for agreed-upon procedures relating to commercial mortgage-backed securities transactions and agreed-upon procedures relating to fund administration.

The aggregate fees billed for all other services for the year ended December 31, 2005 were $296,835. These fees consist of services related to the response to an information document request, agreed-upon procedures relating to commercial mortgage-backed securities transactions and a regulatory compliance attestation.

In considering the nature of the services provided by the independent auditors, the Audit Committee determined that such services are compatible with the provision of independent audit services. The committee discussed these services with the independent auditors and our management to determine that they are permitted under the SEC rules and regulations concerning auditor independence.

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REPORT OF THE AUDIT COMMITTEE

The PNC Board of Directors has appointed an Audit Committee composed of six directors, each of whom is independent as defined in the New York Stock Exchange listing standards. Acting on the recommendation of the Nominating and Governance Committee, the Board of Directors has determined that each of Messrs. Chellgren and Kelson is an audit committee financial expert, as that term is defined in Securities and Exchange Commission rules.

The Board of Directors has approved a written charter for the Audit Committee. A copy of that charter, as approved and amended by the Board on February 15, 2006, is available on PNC s website at **www.pnc.com**. The Audit Committee s job is one of oversight as set forth in its charter. It is not the duty of the Audit Committee to prepare PNC s consolidated financial statements, to plan or conduct audits, or to determine that PNC s financial statements are complete and accurate and are in accordance with generally accepted accounting principles. PNC s management is responsible for preparing PNC s consolidated financial statements and for establishing and maintaining effective internal control over financial reporting. PNC s management is also responsible for its assessment of the effectiveness of internal control over financial reporting. The independent auditors are responsible for the audit of PNC s consolidated financial statements and the audit of the effectiveness of PNC s internal control over financial reporting. In addition, the independent auditors are responsible for the audit of management s assessment of the effectiveness of internal control over financial reporting as of December 31, 2006.

The Audit Committee has reviewed and discussed PNC s audited consolidated financial statements with management and with Deloitte & Touche LLP, PNC s Independent Registered Public Accounting Firm for 2006. A portion of the Audit Committee s review and discussion of PNC s audited consolidated financial statements with Deloitte & Touche LLP occurred in private sessions, without PNC management present. Subject to shareholder ratification, the Audit Committee has selected PricewaterhouseCoopers LLP as PNC s independent auditors for 2007.

The Audit Committee has discussed with Deloitte & Touche LLP the matters required to be discussed by Statement on Auditing Standards No. 61.

The Audit Committee has received from Deloitte & Touche LLP the written statements required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*, has discussed Deloitte & Touche LLP s independence with Deloitte & Touche LLP and has considered the compatibility of non-audit services with the auditors independence.

Based on the review and discussions referred to above, the Audit Committee has recommended to the Board of Directors that the audited consolidated financial statements be included in PNC s Annual Report on Form 10-K for the year ended December 31, 2006, for filing with the Securities and Exchange Commission.

THE AUDIT COMMITTEE

Paul W. Chellgren, Chairman

J. Gary Cooper

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In accordance with SEC regulations, the Report of the Audit Committee shall not be incorporated by reference into any of our future filings made under the Securities Exchange Act of 1934 or the Securities Act of 1933. The report is not deemed to be soliciting material or to be filed with the SEC under the Exchange Act or the Securities Act.

OTHER MATTERS

Our Board of Directors knows of no other business to be presented at the meeting. If, however, any other business should properly come before the meeting, or there is any adjournment of the meeting, proxies will be voted in accordance with the best judgment of the persons named in the proxies.

By Order of the Board of Directors,

George P. Long, III

Corporate Secretary

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Exhibit A

THE PNC FINANCIAL SERVICES GROUP, INC.

1996 EXECUTIVE INCENTIVE AWARD PLAN

(as amended and restated effective as of January 1, 2007)

1. GENERAL PURPOSES OF PLAN

The PNC Financial Services Group, Inc. 1996 Executive Incentive Award Plan is designed to (i) assist The PNC Financial Services Group, Inc. and its Subsidiaries in attracting, motivating, and retaining the senior executive officers most critical to the long-term success of the Corporation and its Subsidiaries, (ii) promote the identification of their interests with those of the Corporation s shareholders and (iii) enable the Corporation to pay annual bonuses which are based upon the achievement of specified levels of performance.

It is intended that the payments under this Plan qualify as performance-based compensation within the meaning of Section 162(m) of the Internal Revenue Code.

2. DEFINITIONS

Terms not otherwise defined herein will have the following meanings:

2.1 Additional Stock means Additional Stock as defined in Section 7.2 hereof.

2.2 Award means an award granted under the Plan that, subject to the terms hereof and such terms as may be specified by the Committee in accordance with the Plan, provides a Participant with an opportunity to receive an Award Payment for an Award Period, subject to and in accordance with Sections 5 and 6 of the Plan.

2.3 Award Payment means the amount payable to a Participant for a given Award Period in respect of an Award.

2.4 Award Period means the Corporation s fiscal year, except to the extent the Committee determines otherwise, provided that the last day of an Award Period must be the last day of the Corporation s fiscal year.

2.5 Board means the Board of Directors of the Corporation.

2.6 Common Stock means the common stock, par value $5.00 per share, of the Corporation.

2.7 Committee means the Board committee designated by the Board to establish and administer the Plan as provided herein; provided, however, that the Committee will have two or more members and each member of the Committee will be an outside director as defined for purposes of Section 162(m) of the Internal Revenue Code. Unless otherwise determined by the Board, the Committee will be the Personnel and Compensation Committee of the Board.

2.8 Corporation means The PNC Financial Services Group, Inc. and its successors and assigns and any corporation that acquires substantially all of its assets.

2.9 Fair Market Value means, as of the date Fair Market Value is being determined, an amount equal to the most recent reported closing price of a share of Common Stock on the New York Stock Exchange, or as otherwise determined using any other reasonable method

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adopted by the Committee in good faith for such purpose that uses actual transactions in Common Stock as reported by a national securities exchange or the Nasdaq National Market.

2.10 Incentive Income means the consolidated net income of the Corporation, adjusted to add back income taxes, and further adjusted for the impact of any item for which such impact was the result of a change in tax law for the impact of any extraordinary items, discontinued operations, acquisition costs and merger integration costs, and for the impact of the Corporation s obligation to fund BlackRock long-term incentive programs (including both charges or credits for the mark-to-market of the obligation and gains or losses on the transfer of shares in satisfaction of such obligation).

All of the preceding terms, other than merger integration costs, will have the meanings assigned to such terms in accordance with generally accepted accounting principles accepted in the United States of America (GAAP). Merger integration costs will mean amounts identified as such by the Corporation in publicly-disclosed financial information.

Where the Plan requires that Incentive Income be determined for an Award Period that consists of other than one full fiscal year, Incentive Income for that Award Period will be calculated based on Incentive Income for the full quarters within that Award Period only.

2.11 Internal Revenue Code means the Internal Revenue Code of 1986, as it may be amended from time to time, and any Treasury Regulations promulgated thereunder.

2.12 Participant means an employee of PNC or one of its Subsidiaries who is eligible to receive an Award, subject to the terms of the Plan.

2.13 Plan means The PNC Financial Services Group, Inc. 1996 Executive Incentive Award Plan, which is the Plan set forth in this document, as amended from time to time.

2.14 Subsidiary means a corporation of which at least 50% of the total combined voting power of all classes of stock is owned by the Corporation either directly or through one or more other subsidiaries.

3. ADMINISTRATION; DELEGATION

Subject to the express provisions of the Plan, the Committee will have plenary authority to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, and to make all other determinations deemed necessary or advisable for the administration of the Plan, including but not limited to determinations regarding whether to make Awards, the terms of all Awards, the Participants who receive Awards, the time or times at which Award grants are made, the Award Period to which each Award relates, the actual dollar amount of any Award Payments, the form of payment of any Award Payments, and the issuance of any Additional Stock. The determinations of the Committee pursuant to this authority will be conclusive and binding.

The Board or the Committee may, in its discretion, authorize the Chief Executive Officer of the Corporation or another person or persons to act on its behalf except with respect to matters relating to such Chief Executive Officer or such other person or persons or which are required to be certified by the Committee under the Plan or in order to satisfy the requirements of the performance-based compensation exception under Section 162(m) of the Code and the regulations promulgated thereunder.

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4. ELIGIBILITY

Participants for each Award Period will be identified by the Committee in accordance with Section 5.1. Participants may be identified in terms of position or title held, or base salary paid, during the applicable Award Period, or by such other means as the Committee may deem appropriate.

Unless otherwise determined by the Committee, a Participant must still be an employee of the Corporation or one of its Subsidiaries on the last day of an Award Period in order to be eligible to receive an Award Payment with respect to that Award Period.

5. AWARDS; TERMS OF AWARDS

5.1 Participants. The Committee will, in writing, not later than the earlier of (i) 90 days after the commencement of an Award Period or (ii) the expiration of 25% of the Award Period: (a) designate the Participants or class of Participants who are eligible to receive an Award for that Award Period; (b) specify the period to be covered by that Award Period, in accordance with Section 5.2; and (c) establish an Award for each Participant with respect to that Award Period, in accordance with Section 5.3.

5.2 Award Periods. The Committee will establish the period to be covered by each Award Period in accordance with Section 5.1. An Award Period may cover a full fiscal year or may cover a shorter or longer period; however, no Award Period may be less than one full fiscal quarter, and an Award Period shall, in all cases, end on the last day of the Corporation s fiscal year.

5.3 Awards. The Committee will establish an Award for each Participant with respect to each Award Period in accordance with Section 5.1. An Award will be expressed as the opportunity to receive a dollar-denominated Award Payment of a specified percentage of the Incentive Income for that Award Period.

For each Award Period, the dollar-denominated Award Payment opportunity for each Participant will consist of 0.2% of the Incentive Income for that Award Period. The maximum amount that a Participant may receive pursuant to the terms of any Award in respect of any Award Period is (a) a dollar-denominated Award Payment equal to 0.2% of the Incentive Income for that Award Period, plus (b) if the Committee has determined, in accordance with Section 5.4, that all or a specified portion of the dollar-denominated Award Payment will be paid in the form of Common Stock, shares of Additional Stock not in excess of 25% of the number of shares of Common Stock issued to the Participant in full or partial payment of the dollar-denominated Award Payment.

5.4 Additional Stock; Payment Form; Other Terms and Conditions. The Committee will, in its sole discretion, establish in writing, not later than the earlier of (i) 90 days after the commencement of an Award Period or (ii) the expiration of 25% of the Award Period: (a) whether any shares of Additional Stock will be issued to the Participant in respect of any shares of Common Stock issued in full or partial payment of a dollar-denominated Award Payment; and (b) if shares of Additional Stock are to be issued pursuant to the preceding clause (a), the extent, if any, to which the dollar-denominated Award Payment, if and to the extent payable to a Participant, will be paid in the form of Common Stock (valued based on Fair Market Value).

6. CERTIFICATION; AWARD PAYMENTS

6.1 Certification. As soon as reasonably practicable following the end of an Award Period, but in all events prior to the payment of any Award Payments, the Committee will certify in writing the achievement of Incentive Income for that Award Period and the amount of the maximum Award Payment for each Participant in respect of each Award for that Award Period.

In performing such computation, the Committee may rely upon financial statements supplied by the Corporation s officers, provided that the Committee believes such statements to have been prepared in accordance with GAAP, as applicable.

6.2 Award Payments. As soon as practicable following the Committee s completion of the actions specified in Section 6.1, the Committee will: (a) certify in writing the amount of the dollar-denominated Award Payment, if any, to be paid to each Participant for that Award Period, which may not exceed the maximum amount certified pursuant to Section 6.1 but which may be reduced by the Committee in the exercise of its discretion to reduce pursuant to Section 6.3; and (b) authorize the Corporation to pay the Award Payment and issue any Additional Shares to each Participant in accordance with the terms and conditions of the Plan and the applicable Award.

If the terms of an Award require, pursuant to the terms of Section 5.4 hereof, that all or a specified portion of a dollar-denominated Award Payment, if and to the extent payable to a Participant, be paid in the form of Common Stock (valued based on Fair Market Value) and that Additional Shares are to be issued to a Participant with respect to such Award Payment, then any payment authorized by the Committee with respect to such Award will be made in that form.

Otherwise, the Committee may, in its discretion at the time of payment, authorize the payment of the amount of a dollar-denominated Award Payment in the form of cash, Common Stock (valued based on Fair Market Value), or a combination thereof, but no Additional Shares may be issued in respect of such Award.

6.3 Committee Discretion to Reduce. The Committee may, in its sole discretion, determine not to pay an Award Payment or not to issue shares of Additional Stock or to reduce an Award Payment or the number of shares of Additional Stock below the maximum amount or number of shares payable or issuable under the terms of the Award without the consent of a Participant.

6.4 Termination of Employment. Unless otherwise determined by the Committee, no Award Payment or Additional Stock will be paid or issued to a Participant unless the Participant is employed by the Corporation or a Subsidiary as of the date of payment or issuance.

6.5 Withholding. Award Payments payable, and shares of Common Stock issuable, hereunder will be subject to applicable federal, state and local withholding taxes and other applicable withholding in accordance with the Corporation s payroll practices as in effect from time to time.

6.6 Deferrals. The Committee may require the deferral of payment of all or a portion of an Award Payment subject to such terms and conditions as it may determine, and, if so permitted by the Committee, a Participant may, pursuant to any deferred compensation plan of the Corporation, defer the payment of all or a portion of an Award Payment or the receipt of Additional Stock, provided, in either case, that (1) any additional amounts credited to such deferred amounts or shares will be based either on a reasonable rate of interest or the actual rate of return of one or more predetermined investments specified by the Committee or pursuant to the terms of such deferred compensation plan and (2) both the terms of the deferral or the deferred compensation plan, as applicable, and the election by the Participant to defer, if applicable, comply with Section 409A of the Internal Revenue Code and any other then applicable provisions governing such deferrals.

7. ISSUANCE OF COMMON STOCK

7.1 Common Stock issued under this Plan will be subject to such terms and conditions as may be established by the Committee pursuant to the terms of an Award or at the time of issuance, including but not limited to, terms and conditions that provide for the lapse of transfer restrictions or forfeiture provisions to be contingent on continued employment.

7.2 To the extent that the terms of an Award require, pursuant to the terms of Section 5.4 hereof, that shares of Common Stock be issued to a Participant in full or partial payment of a dollar-denominated Award Payment, the terms of an Award may also provide for the issuance of additional shares of Common Stock (Additional Stock) not in excess of 25% of the number of shares of Common Stock issued to the Participant in payment of the dollar-denominated Award Payment pursuant to the terms of the Award.

7.3 Fractional shares will not be issued pursuant to the Plan.

8. TRANSFERABILITY

Awards and Common Stock issued hereunder (to the extent provided by the terms on which such shares are issued hereunder) will not be subject to the claims of creditors and may not be assigned, alternated, transferred or encumbered in any way other than by will or pursuant to the laws of descent and distribution.

9. TERMINATION OR AMENDMENT

The Board or the Committee may amend, modify or terminate the Plan in any respect at any time without the consent of the Participants.

10. EFFECTIVE DATE; TERM OF THE PLAN

The Plan was first effective as of January 1, 1996. Subject to approval by a vote of the Corporation s shareholders at the 2007 annual meeting of shareholders, the Plan as amended and restated will be effective as of January 1, 2007 for Award Periods beginning with fiscal year 2007.

The effective date of any amendment to the Plan will be the date specified by the Board or the Committee, as applicable. Awards may be granted prior to shareholder approval of amendments, but each Award requiring such amendments will be subject to the approval of the amendment by the shareholders.

The Plan, as amended and restated as of January 1, 2007, will remain in effect through April 23, 2017 unless terminated earlier by the Board or the Committee pursuant to Section 9. No Awards may be made under the Plan after its termination, provided that termination of the Plan will not affect any Awards or shares of Common Stock granted or issued prior to termination of the Plan, and such Awards and shares of Common Stock will continue to be subject to the terms of the Plan notwithstanding termination of the Plan.

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11. INDEMNIFICATION OF COMMITTEE

In addition to such other rights of indemnification as they may have as directors or as members of the Committee, each of the members of the Committee will be indemnified by the Corporation against the reasonable expenses, including attorneys fees, actually and reasonably incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or any Award made hereunder; and against all amounts reasonably paid by them in settlement thereof or paid by them in satisfaction of a judgment in any such action, suit or proceeding to the maximum extent permitted by law.

12. GENERAL PROVISIONS

12.1 The establishment of the Plan will not confer upon any Participant any legal or equitable right against the Corporation or any Subsidiary, except as expressly provided in the Plan.

12.2 The Plan does not constitute an inducement or consideration for the employment of any Participant, nor is it a contract between the Corporation, or any Subsidiary, and any Participant. Participation in the Plan will not give a Participant any right to be retained in the employ of the Corporation or any Subsidiary.

12.3 Nothing contained in this Plan will prevent the Board or Committee from adopting other or additional compensation arrangements, subject to shareholder approval if such approval is required, and such arrangements may be either generally applicable or applicable only in specific cases.

12.4 The Plan will be governed, construed and administered in accordance with the laws of the Commonwealth of Pennsylvania, without reference to its conflict of laws provision.

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Exhibit B

THE PNC FINANCIAL SERVICES GROUP, INC.

CATEGORICAL STANDARDS TO ASSIST THE BOARD OF DIRECTORS

IN DETERMINING THE INDEPENDENCE OF THE CORPORATION S DIRECTORS

FOR PURPOSES OF SECTION 303A, AS AMENDED, OF

THE NEW YORK STOCK EXCHANGE LISTED COMPANY MANUAL

AS AMENDED AND RESTATED BY THE BOARD OF DIRECTORS ON

JANUARY 19, 2005

INTRODUCTION

The Board of Directors has adopted the categorical standards set forth below to assist it in determining whether or not certain relationships between its directors and the Corporation or its subsidiaries (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Corporation) are material relationships for purposes of Section 303A.02(a) of the New York Stock Exchange Listed Company Manual.

Relationships not described in these categorical standards will be evaluated on an individual basis as provided for in Section 303A.02(a). A director who has a relationship with the Corporation or its subsidiaries that is not described in these categorical standards nevertheless may be determined to be independent by the Board of Directors. In such a case, the Board s basis for the determination of independence will be specifically explained in the proxy statement for the annual meeting of shareholders at which the director is standing for election to the Board of Directors.

The term immediate family members as used in these categorical standards is defined in the general commentary to Section 303A.02(b) to include a director s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-inlaw, and anyone (other than domestic employees) who shares the director s home.

APPLICATION OF CATEGORICAL STANDARDS

None of the relationships described below shall be deemed to be a material relationship between a director and the Corporation and thus a director having such a relationship may be deemed to be independent for purposes of Section 303A.02, unless the relationship causes the director not to be independent as a result of any of the provisions of Section 303A.02(b). The provisions of Section 303A.02(b) establish mandatory independence standards involving the employment, affiliations, and compensation of a director or an immediate family member.

Also, a director who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, the Corporation or its subsidiaries in an amount which, in any single fiscal year, exceeds the greater of $1 million or 2% of such other company s consolidated gross revenues, is not independent until three years after falling below such threshold (the Payments Test).

In applying these categorical standards, the Corporation s Board of Directors will take into account any look-back or transition period specified for purposes of Section 303A of the New York Stock Exchange Listed Company Manual.

(1) *Relationships arising in the ordinary course of business.* Lending, deposit, banking, or other financial service relationships (such as those involving fiduciary, brokerage, investment management, custody, capital markets, treasury management, or similar products and services) or other relationships

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involving the provision of products or services either by or to the Corporation or its subsidiaries and involving a director, his or her immediate family members, or a company or charitable organization of which the director or an immediate family member is a partner, shareholder, officer, employee or director will not be considered material relationships if the following conditions and the Payments Test are satisfied:

(a) the products and services are being provided in the ordinary course of business and on substantially the same terms and conditions, including price, as would be available to similarly situated customers;

(b) the relationship does not involve the provision of consulting, legal, or accounting services to the Corporation or its subsidiaries by the director or immediate family member personally when the Corporation or a subsidiary is the primary client of the director or immediate family member, or by a firm of which the director or immediate family member is a partner, managing member, principal, or an executive officer with significant policy-making authority over the firm; and

(c) any extension of credit: (i) was made in the ordinary course of business, was made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons; (ii) is pass-rated and performing; and (iii) complies with any additional requirements imposed on the extension of credit by Regulation O of the Board of Governors of the Federal Reserve System or other applicable laws and regulations.

(2) *Relationships with companies of which a director is a shareholder or partnerships of which a director is a partner.* Any relationship not described in Section (1), above, between the Corporation or one of its subsidiaries and a company (including a limited liability company) or partnership to which a director is connected solely as a shareholder or partner will not be considered a material relationship, provided the director is not a principal shareholder of the company or a principal partner of the partnership. For purposes of this categorical standard, a person is a principal shareholder of a company if he or she directly or indirectly, or acting in concert with one or more persons, owns, controls, or has the power to vote more than 10 percent of any class of voting securities of the company. A person is a principal partner of a partnership if he or she directly or indirectly, or acting in concert with one or more persons, owns, controls, or has the power to vote a 25 percent or more general partnership interest, or more than a 10 percent overall partnership interest and has the single largest interest in the partnership. Shares or partnership interests owned or controlled by a director s immediate family member who shares the director s home are considered to be held by the director.

(3) *Contributions made or pledged to charitable organizations.* Contributions made to any charitable organization pursuant to a matching gift program maintained by the Corporation or by its subsidiaries or by any foundation sponsored by or associated with the Corporation or its subsidiaries are not considered to be a material relationship and shall not be included in calculating the materiality threshold set forth in (a), below. Other contributions made or pledged by the Corporation, its subsidiaries, or by any foundation sponsored by or associated with the Corporation or its subsidiaries to a charitable organization of which a director or an immediate family member is an executive officer, director, or trustee will not be considered a material relationship if the following conditions are satisfied:

(a) within the preceding three years, the aggregate amount of such contributions during any single fiscal year of the charitable organization did not exceed the greater of $1 million or 2 percent of the charitable organization s consolidated gross revenues for that fiscal year; and

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(b) the charitable organization is not a family foundation created by the director or an immediate family member.

(4) *Certain familial relationships.* A relationship involving a director s relative will not be considered a material relationship solely by virtue of the familial relationship if the relative is not an immediate family member of the director.

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Admission Ticket

Electronic Voting Instructions
You can vote by Internet or telephone! Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central Time, on April 24, 2007.

Vote by Internet

Log on to the Internet and go to **www.investorvote.com**

Follow the steps outlined on the secured website.

Vote by telephone

Call toll free 1-800-652-VOTE (8683) within the United States, Canada & Puerto Rico any time on a touch tone telephone. There is **NO CHARGE** to you for the call.

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas. X

Follow the instructions provided by the recorded message.

Annual Meeting Proxy Card

Ú IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.Ú

A Proposals

1. The Board of Directors recommends a vote FOR all nominees listed in Item 1, FOR approval of The PNC Financial Services Group, Inc. 1996 Executive Incentive Award Plan as described in Item 2, and FOR the ratification of the Audit Committee s selection of independent auditors as described in Item 3. All shares, including full and partial shares of stock credited to your Plan account, will be voted as directed below. In the absence of instructions, all shares (including unallocated shares) will be voted FOR all nominees listed in Item 1, FOR approval of The PNC Financial Services Group, Inc. 1996 Executive Incentive Award Plan as described in Item 2, and FOR the ratification of independent auditors as described in Item 3 or in the manner required or permitted by the governing Plan documents.

	For	Withhold		For	Withhold		For	Withhold
01 - Mr. Berndt	¨	¨	02 - Mr. Bunch	¨	¨	03 - Mr. Chellgren	¨	¨
04 - Mr. Clay	¨	¨	05 - Mr. Davidson	¨	¨	06 - Ms. James	¨	¨
07 - Mr. Kelson	¨	¨	08 - Mr. Lindsay	¨	¨	09 - Mr. Massaro	¨	¨
10 - Ms. Pepper	¨	¨	11 - Mr. Rohr	¨	¨	12 - Mr. Shepard	¨	¨
13 - Ms. Steffes	¨	¨	14 - Mr. Strigl	¨	¨	15 - Mr. Thieke	¨	¨

16 - Mr. Usher	¨	¨	17 - Mr. Walls	¨	¨	18 - Mr. Wehmeier	¨	¨

	For	Against	Abstain
2. Approval of The PNC Financial Services Group, Inc. 1996 Executive Incentive Award Plan, as amended and restated.	¨	¨	¨
3. Ratification of the Audit Committee s selection of PricewaterhouseCoopers LLP as independent auditors for 2007.	¨	¨	¨

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.

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Notice of Annual Meeting of Shareholders

THE PNC FINANCIAL SERVICES GROUP, INC.

2007 Annual Meeting of Shareholders

For the purpose of considering and acting upon the election of 18 directors to serve until the next annual meeting and until their successors are elected and qualified, the approval of The PNC Financial Services Group, Inc. 1996 Executive Incentive Award Plan, as amended and restated, the ratification of the Audit Committee s selection of PricewaterhouseCoopers LLP as independent auditors for 2007 and such other business as may properly come before the meeting or any adjournments thereof.

Tuesday, April 24, 2007 11:00 a.m. Eastern Time

One PNC Plaza 249 Fifth Avenue

Pittsburgh, Pennsylvania 15222 2707

Upon arrival, please present this admission ticket

and photo identification at the registration desk.

Ú IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. Ú

Proxy The PNC Financial Services Group, Inc.

This proxy is solicited on behalf of the Board of Directors for the

Annual Meeting of Shareholders on April 24, 2007.

James E. Rohr, Joseph C. Guyaux, and George P. Long, III, and each of them with full power to act alone and with full power of substitution, are hereby authorized to represent the undersigned at The PNC Financial Services Group, Inc. Annual Meeting of Shareholders to be held on April 24, 2007, or at any adjournment thereof, and to vote, as indicated on the reverse side, the shares of common stock and/or preferred stock that the undersigned would be entitled to vote if personally present at said meeting. The above-named individuals are further authorized to vote such stock upon any other business as may properly come before the meeting, or any adjournment(s) thereof, in accordance with their best judgment.

If you are a participant in The PNC Financial Services Group, Inc. Incentive Savings Plan or the PFPC Inc. Retirement Savings Plan, this proxy also serves as a voting instruction card and directs PNC Bank, N.A., as Trustee of The PNC Financial Services Group, Inc. Incentive Savings Plan and the PFPC Inc. Retirement Savings Plan to vote all shares credited to your account as indicated on the reverse side at the Annual Meeting of Shareholders to be held on April 24, 2007 or at any adjournment(s) thereof.

The Pennsylvania Business Corporation Law of 1988, as amended, 15 Pa. C.S.A. section 1759 (b), provides that shareholders voting by means of the telephone or the Internet, as instructed, will be treated as transmitting a properly authenticated proxy for voting purposes. Pennsylvania law permits the use of telephone or Internet voting both when a shareholder of record is voting and when a beneficial owner is communicating its vote to a shareholder of record, such as a securities depositary or brokerage firm.

Please sign on the reverse side and return promptly.

B Non-Voting Items
Change of Address Please print your new address below.

Will use Webcast ·· Will use Teleconference ·· Will attend Meeting ··

C Authorized Signatures This section must be completed for your vote to be counted. Date and Sign Below

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) Please print date below. Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.

/ /

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.