STERLING FINANCIAL CORP /PA/
Form 425
December 12, 2007

Filed by The PNC Financial Services Group, Inc.
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James E, Rohr, Chairman and Chief Executive Officer of The PNC Financial Services Group, Inc. (PNC), gave a presentation to investors on December 12, 2007 at the Goldman Sachs Financial Services CEO Conference. This presentation was accompanied by a series of electronic slides that included information pertaining to the financial results and business strategies of PNC. The following slides and related material were posted on PNC s website on Wednesday, December 12, 2007.

The PNC Financial Services Group, Inc.
Goldman Sachs
Financial Services CEO Conference 2007
New York
December 12, 2007

This presentation contains forward-looking statements regarding our

outlook
or
expectations
relating
to
PNC s
future
business,
operations,
financial
condition,
financial
performance
and
asset
quality.
Forward-looking
statements
are
necessarily
subject
to
numerous
assumptions,
risks
and
uncertainties,
which
change
over
time.
The
forward-looking
statements
in
this
presentation
are
qualified
by
the
factors
affecting
forward-looking
statements
identified
in
the
more
detailed

Cautionary Statement included in the Appendix, which is included in the version of the presentation materials posted on our corporate website at www.pnc.com/investorevents. We provide greater detail regarding these factors in our 2006 Form 10-K, including in the Risk Factors and Risk Management sections, and in our current quarter 2007

Form 10-Q and other SEC reports (accessible on the SEC s website at www.sec.gov and on or through our corporate website). Future events or circumstances may change our outlook or expectations and may also affect the nature of the assumptions, risks and uncertainties to which our forward-looking statements are subject. The forward-looking statements in this presentation speak only as of the date of this presentation. We do not assume any duty and do not undertake to update those statements. In this presentation, we will sometimes refer to adjusted results to help illustrate the impact of the deconsolidation of BlackRock near the end of third quarter 2006 and the impact of certain types of items. Adjusted results reflect, as applicable, the following types of adjustments: (1) 2006 and earlier periods reflect the impact of the deconsolidation of BlackRock by adjusting as if we had recorded our BlackRock investment on the equity method prior to its deconsolidation; (2) adjusting the 2006 periods to exclude the impact of the third quarter 2006 gain on the BlackRock/MLIM transaction and losses on the repositioning of PNC s securities and mortgage loan portfolios; (3) adjusting fourth quarter 2006 and the 2007 periods to exclude the net mark-to-market adjustments on PNC s remaining BlackRock LTIP shares obligation and, as applicable, the gain PNC recognized in first quarter 2007 in connection with the company s transfer of BlackRock shares to satisfy a portion of its BlackRock LTIP shares obligation; (4) adjusting all 2007 and 2006 periods to exclude, as applicable, integration costs related to acquisitions and to the BlackRock/MLIM transaction; and (5) adjusting, as appropriate, for the tax impact of these adjustments. We have provided these adjusted amounts and reconciliations so that investors, analysts, regulators and others will be better able to evaluate the impact of these items on our results for the periods presented, in addition to providing a basis of comparability for the impact of the BlackRock deconsolidation given the magnitude of the impact of deconsolidation on various components of our income statement and balance sheet. We believe that information as adjusted for the impact of the specified items may

be
useful
due
to
the
extent
to
which
these
items
are
not
indicative
of
our
ongoing
operations
as
the
result
of
our
management
activities
on
those
operations.
While
we
have
not
provided
other
adjustments
for
the
periods
discussed,
this
is
not
intended
to
imply
that
there
could
not
have
been

other similar types of adjustments, but any such adjustments would not have been similar in magnitude to the amount of the adjustments shown. In certain discussions, we may also provide revenue information on a taxable-equivalent basis by increasing the interest income earned on tax-exempt assets to make it fully equivalent to interest income earned on taxable investments. We believe this adjustment may be useful when comparing yields and margins for all earning assets. This presentation may also include a discussion of other non-GAAP financial measures, which, to the extent not so qualified therein or in the Appendix, is qualified by

GAAP
reconciliation
information
available
on
our
corporate
website
at
www.pnc.com
under
About PNC
Investor Relations.
Cautionary Statement Regarding Forward-Looking
Information and Adjusted Information

Performance validates business model
Investing for the future
Differentiation to drive growth
PNC s Differentiation

Growing Our Balance Sheet
As of September 30
$77B
$93B
$98B
$131B
Peer

net
loan CAGR
14%
(1) Peer reflects CAGR of the average of the super-regional banks identified in the Appendix other than PNC.
$51B
$42B
$60B
$50B
$65B
$48B
$78B
$65B
Peer
deposit
CAGR
10%
Peer
asset
CAGR
11%
Net loans
Deposits
Assets
1
1
1

2004
2005
2006
2007
Delivering the Bottom Line
2004
2005

2006
2007
For the Nine Months
Ended September 30
$890MM
$970MM
$1.12B
(as adjusted,
$2.22B as reported)
$1.34B
(as adjusted,
$1.29B as reported)
(1)
As adjusted. As reported net income CAGR 13%; diluted earnings per share CAGR 7%. Adjusted net income and diluted earnings per share for the nine months ended September 30, 2006 and 2007 are reconciled to GAAP figures

in
the
Appendix.
(2)
Peer
reflects
CAGR
of
the
average
of
the
super-regional
banks
identified
in
the
Appendix
other
than
PNC.
Peer
net
income CAGR
7%
For the Nine Months
Ended September 30
$3.13
$3.35
$3.77
(as adjusted,
$7.46 as reported)
$4.00
(as adjusted,
$3.85 as reported)
Peer
diluted
EPS CAGR
1%
Diluted Earnings Per Share
Net Income
2
2

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

$7
2004
2005
2006
Revenue
9%
Creating Positive Operating Leverage
Generating Capital by Growing Revenues Faster Than Expenses
billions
Compound Annual
Growth Rate
(2004
2006)
Adjusted Revenue
(as reported
$5.5 billion, $6.3 billion, $8.6 billion for 2004, 2005, 2006, respectively)
Adjusted Noninterest
Expense
(as reported $3.7 billion, $4.3 billion, $4.4 billion for 2004, 2005, 2006, respectively)
Adjusted Net Income
(as reported $1.2 billion, $1.3 billion, $2.6 billion for 2004, 2005, 2006, respectively)
Net Income
12%
$1.2
$1.3
$1.5
Expense
7%

Revenue	+20%
Expense	+15%
Net Income	+19%

Trend Continues[1]
(1) As reported: revenue (28%), expense (11%), net income (42%).
Adjusted amounts are reconciled to GAAP in the Appendix.
Nine months ended September 30, as adjusted
2007 vs 2006

WB
0.19 %
RF
0.27
PNC
0.30
CMA

0.32
STI
0.35
KEY
0.35
BBT
0.41
USB
0.54
NCC
0.54
FITB
0.60
WFC
1.02
USB
318 %
PNC
251
RF
182
CMA
176
BBT
171
KEY
168
WFC
142
WB
117
FITB
117
NCC
113
STI
93
Credit Discipline Reflected in
Reserves and Losses
Proactively Assessing Credits
For the three months ended September 30, 2007. Source: SNL DataSource, PNC as reported
3Q07
Managing the Risk
3Q07
Net Charge-offs to Average Loans
Reserves to Nonperforming Assets

PNC
58 %
USB
52
FITB
48
WFC

46
WB
42
STI
42
BBT
42
KEY
41
RF
39
NCC
37
CMA
30
Building a Diversified Business Mix
High Fee Income Contribution
YTD07
(1) For the nine months ended September 30, 2007. (2) As of September 30, 2007. (3) Reconciled to GAAP in the Appendix.
DataSource, PNC as reported
Less Net Interest Income Dependent
Noninterest Income to Total Revenue[1]
50%
without
PFPC and
BlackRock[3]
PNC
84 %
RF
101
STI
104
BBT
104
WB
106
KEY
108
WFC
108
FITB
110
NCC
114
CMA
118
USB
121
Loans to Deposits[2]
3Q07

Performance validates business model
Investing for the future
Differentiation to drive growth
PNC s Differentiation

Projected 5-Year Population Growth
$60,949
$56,250
$69,270
$54,620
$73,965
$69,363

$66,273
Median Household Income
Improving Our Demographics
3.7%
6.0%
2.0%
3.4%
8.4%
10.0%
3.9%
2003
Proforma
Acquisitions
2003
Proforma
Acquisitions
Amounts
based
on
data
at
time
of
acquisition
announcement.
United
Trust
data
reflects
demographics
of
footprint
counties
weighted
by
households.
Mercantile,
Yardville
and
Sterling
data
reflect
demographics
of
footprint
counties
of
that
company,
or

by MSA in the case of Riggs, weighted by deposits. PNC 2003 and PNC Proforma amounts reflect demographics, weighted by deposits, of PNC s 68 county footprint and 105 county footprint, respectively, including the impact of PNC s ongoing branch optimization process. PNC and Mercantile headquarter offices excluded for purposes of deposit

weighting.
Source:
SNL
DataSource.
*Pending.

$0
$4
$8
$12
$16
$20
1Q06

3Q07
Asset Management
Service Charges
Brokerage
Corporate Services
Consumer and Other
Executing in the Greater Washington
Area (GWA)
40.5%
43.6%
0
25
50
75
100
125
Deepening Relationships and Growing Noninterest Income*
GWA noninterest income
to total revenue
PNC -
GWA Retail Relationships
(1) Riggs transaction completed May 2005
PNC GWA Region
*Excludes the impact of Mercantile
June 30
2005[1]
Sept 30
2007
PNC -
GWA Fee Growth
+14%
+48%
+45%
+96%
+38%
GWA business checking relationships
GWA consumer checking relationships
1Q06
3Q07

Transforming the Business Model
High Growth Product Focus
Albridge Solutions, Inc.
To
Integrated
Provider
Leveraging Our Global Fund Servicing

Platform
From
Processor
Unified client views
Performance reporting
$0
$100
$200
$300
$400
$500
$600
$700
Emerging Product
Revenue
Core Product
Revenue
Sept 04
Sept 07
21%
28%
72%
79%
Emerging product
revenue
3-yr CAGR 18%
For the nine months ended

Leveraging Corporate & Institutional
Relationships to Grow Noninterest Income
$0
$200
$400
$600
$800

Major Product Revenue[1]
(1) Represents consolidated PNC amounts
2006
2007
For the nine months ended
Capital Markets
Treasury Management
Midland Loan Services
Commercial Loan Servicing
CMBS Servicing Portfolio
Institutional Servicing Portfolio
Agency Servicing Portfolio
Construction Loan Administration
Government Services
Foreign exchange
Derivatives
Loan syndications
M&A advisory services
Securities underwriting
Securities sales and trading
Cash and investment management
Receivables management
Disbursement services
Funds transfer services
Information reporting
Global trade services
Deepening Relationships with Fee Based Products and Services

Leveraging Corporate & Institutional Banking
Channels to Grow Low Cost Deposits
3Q06
4Q06
3Q07
Corporate & Institutional Banking
Average Deposits

Total deposits
$13.6 billion
Treasury
Management
74%
Midland
25%
Other
1%
Midland
40%
Treasury
Management
59%
For the three months ended
$10.5B
$11.8B
$13.6B
Noninterest bearing
$7.2 billion

$0
$10
$20
$30
$40
$50
Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov

2006
CMBS Originations
A Strategic Business with
Unprecedented Liquidity Issues and Spread Widening
Focused on risk adjusted returns,
supports our servicing activity
High quality HFS credit portfolio
consistent with moderate risk
profile
Unprecedented market volatility
across entire non-government and
non-agency markets
As of November 30, 2007,
commercial mortgages held for
sale were approximately $1.5B
with $55 million of losses
Committed to the business
0
25
50
75
100
125
Market Volatility Impact on CMBS
10 Year, AAA Spread
over swaps, bps
CMBS Spreads
Nov 07
+121
2001 2002 2003 2004 2005 2006 2007
US CMBS Securitizations
Context
Sept 07
+65
Source: Commercial Mortgage Alert
2007

Performance validates business model
Investing for the future
Differentiation to drive growth
PNC s Differentiation

Foster
Innovation
Strengthen
the brand
Engage
Employees
Create a

sense of
urgency
PNC s Differentiation
Focus on
Execution

Brand Equity Contribution to Market Cap
Home
Appliances
Motor
Vehicles
Restaurants
Toiletries/

Cosmetics
Retailers
Banks
16.1%
14.8%
13.3%
13.3%
11.5%
6.8%
Source: CoreBrand

Foster
Innovation
Strengthen
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PNC s Differentiation
Focus on
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Performance validates business model
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Differentiation to drive growth
Summary

Cautionary Statement Regarding
Forward-Looking Information
Appendix
We
make
statements
in

this presentation, and we may from time to time make other statements, regarding our outlook or expectations for earnings, revenues, expenses and/or other matters regarding or affecting PNC that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are typically identified by words such

as
believe,
expect,
anticipate,
intend,
outlook,
estimate,
forecast,
will ,
project
and
other
similar
words
and
expressions.
Forward-looking
statements
are
subject
to
numerous
assumptions,
risks
and
uncertainties,
which
change
over
time.
Forward-looking
statements
speak
only
as
of
the
date
they
are
made.
We
do
not
assume
any
duty
and
do
not

undertake to update our forward-looking statements. Because forward-looking statements are subject to assumptions and uncertainties, actual results or future events could differ, possibly materially, from those that we anticipated in our forward-looking statements, and future results could differ materially from our historical performance. Our forward-looking statements are subject to the following principal risks and uncertainties. We provide greater detail regarding some of these factors in our Form 10-K for the year ended December 31, 2006, including in the Risk Factors and Risk Management sections of that report, and in our current quarter 2007 Form 10-Q and other SEC reports. Our forward-looking statements may also be subject to other risks and uncertainties, including those that we may discuss elsewhere in this presentation or in our filings with the SEC, accessible on the SEC s website at www.sec.gov and on or through our corporate website at www.pnc.com under About PNC

Investor Relations

Financial Information. Our businesses and financial results are affected by business and economic conditions, both generally and specifically in the principal markets in which we operate. In particular, our businesses and financial results may be impacted by:

Changes in interest rates and valuations in the debt, equity and other financial markets.

Disruptions in the liquidity and other functioning of financial markets, including such disruptions in the markets for real estate and other assets commonly securing financial products.

Actions by the Federal Reserve and other government agencies, including those that impact money supply and market interest rates.

Changes in our

customers , suppliers and other counterparties performance in general and their creditworthiness in particular. Changes in customer preferences and behavior, whether as a result of changing business and economic conditions or other factors. A continuation of recent turbulence in significant portions of the global financial markets could impact our performance, both directly by affecting our revenues and the value of our assets and liabilities and indirectly by affecting the economy generally.

Our operating results are affected by our liability to provide shares of BlackRock common stock to help fund certain BlackRock long-term incentive plan (LTIP) programs, as our LTIP liability is adjusted quarterly (marked-to-market) based on changes in BlackRock s common stock price and the number of remaining committed shares, and we recognize gain or loss on such shares at such times as shares are transferred for payouts under the LTIP programs.

Competition can have an impact on customer acquisition, growth and retention, as well as on our credit spreads and product pricing, which can affect market share, deposits and revenues.

Our ability to implement our business initiatives and strategies could affect our financial performance over the next several years.

Legal and regulatory developments could have an impact on our ability to operate our businesses or our financial condition or results of operations or our competitive position or reputation. Reputational impacts, in turn, could affect matters such as business generation and retention, our ability to attract and retain management, liquidity, and funding. These legal and regulatory developments could include: (a) the unfavorable resolution of legal proceedings or regulatory and other governmental inquiries; (b) increased litigation risk from recent regulatory and other governmental developments; (c) the results of the regulatory examination process, our failure to satisfy the requirements of agreements with governmental agencies, and regulators future use of supervisory and enforcement tools; (d) legislative and regulatory reforms, including changes to laws and regulations involving tax, pension, education lending, and the protection of confidential customer information; and (e) changes in accounting policies and principles.

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

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

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

Our business and operating results

can also be affected by widespread natural disasters, terrorist activities or international hostilities, either as a result of the impact on the economy and capital and other financial markets generally or on us or on our customers, suppliers or other counterparties specifically. Also, risks and uncertainties that could affect the results anticipated in forward-looking statements or from historical performance relating to our equity interest in BlackRock, Inc. are discussed in more detail in BlackRock s 2006 Form 10-K, including in the Risk Factors section, and in BlackRock s other filings with the SEC, accessible on the SEC s website and on or through

BlackRock s website at www.blackrock.com. We grow our business from time to time by acquiring other financial services companies, including our pending Sterling Financial Corporation (Sterling)