The PNC Financial Services Group, Inc.

First Quarter 2012

Earnings Conference Call

April 18, 2012

Cautionary Statement Regarding Forward-Looking Information and Adjusted Information

This presentation includes "snapshot" information about PNC used by way of illustration. It is not intended as a full business or financial review and should be viewed in the context of all of the information made available by PNC in its SEC filings. The presentation also contains forward-looking statements regarding our outlook for earnings, revenues, expenses, capital levels and ratios, liquidity levels, asset levels, asset quality and other matters regarding or affecting PNC and its future business and operations. 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 some of these factors in our 2011 Form 10-K as amended, including in the Risk Factors and Risk Management sections and in the Legal Proceedings and Commitments and Guarantees Notes of the Notes to Consolidated Financial Statements in that report, and in our subsequent SEC filings. Our forward-looking statements may also be subject to other risks and uncertainties, including those we may discuss in this presentation or in SEC filings, accessible on the SEC's website at www.sec.gov and on PNC's corporate website at www.pnc.com/secfilings. We have included web addresses in this presentation as inactive textual references only. Information on these websites is not part of this presentation.

Future events or circumstances may change our outlook and may also affect the nature of the assumptions, risks and uncertainties to which our forward-looking statements are subject. 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. Actual results or future events could differ, possibly materially, from those anticipated in forward-looking statements, as well as from historical performance.

In this presentation, we sometimes refer to adjusted results to help illustrate the impact of certain types of items. This information supplements our results as reported in accordance with GAAP and should not be viewed in isolation from, or as a substitute for, our GAAP results. We believe that this additional information and the reconciliations we provide may be useful to investors, analysts, regulators and others as they evaluate the impact of these respective items on our results for the periods presented due to the extent to which the items may not be indicative of our ongoing operations. We may also provide information on pretax pre-provision earnings (total revenue less noninterest expense), a non-GAAP measure that we believe is useful as a tool to help evaluate our earnings created by operating leverage. Where applicable, we provide GAAP reconciliations for such additional information, including in the Appendix and on our corporate website at www.pnc.com/investorevents.

In certain discussions, we may also provide information on yields and margins for all interest-earning assets calculated using net interest income on a taxable-equivalent basis by increasing the interest income earned on tax-exempt assets to make it fully equivalent to interest income earned on taxable investments. We believe this adjustment may be useful when comparing yields and margins for all earning assets. We may also use annualized, proforma, estimated or third party numbers for illustrative or comparative purposes only. These may not reflect actual results.

This presentation may also include 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."

Significant 1Q12 Achievements

1Q12 highlights

- Delivered excellent financial results driven by customer, loan and revenue growth
- Successfully completed conversion of RBC Bank (USA) – integration costs of $0.18 per diluted common share[1]
- Capital actions reflect balance sheet strength
  - Increased quarterly common stock dividend 14% to $0.40 per share for 2Q12
  - Plan to repurchase up to $250 million of common stock in 2012[2]
- Grew commercial and consumer loans
- Remained core-funded and liquid
- Stable overall credit quality and disciplined expense management

1Q12 financial summary	Net income	Diluted EPS from net income	Return on average assets
	$811 million	$1.44	1.16%

PNC Is Positioned to Deliver Even Greater Shareholder Value.

(1) Additional information is provided in Appendix. (2) Subject to factors such as market and general economic conditions, economic and regulatory capital conditions, alternative uses of capital, regulatory and contractual limitations, and the potential impact on credit ratings.

RBC Bank (USA): Closed, Converted and Accretive

- Expanded into faster growing regions with attractive market demographics while adding:
  - 900,000 customers
  - Over 400 branches
  - Approximately $15 billion loans
  - Approximately $18 billion deposits
- Attractive pricing
  - Immediately accretive to 1Q12 earnings[1]
  - Acquired for less than tangible book value

Attractive market demographics

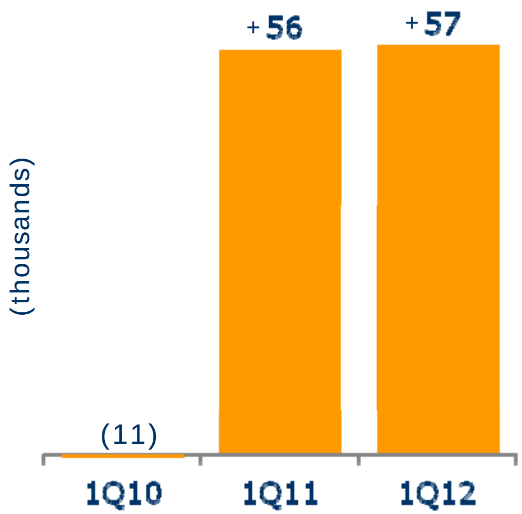
	Five year growth forecast (CAGR): Annual population[2]	Annual GDP[3]	HH >1MM Net Worth[4]
Atlanta	2.0%	4.0%	65,296
Charlotte	2.2%	3.7%	21,697
Raleigh	2.7%	3.8%	14,246
Mobile	0.3%	3.4%	2,035
Birmingham	0.6%	3.6%	10,559
National Average	0.8%	3.2%	N/A

(1) Excluding integration costs. (2) Source: Nielsen annual population forecasts based on five year projections from 2011 to 2016. (3) Moody's annual forecast based on real GDP (2005 chained dollars) five year projections from December 2011 to December 2016. (4) IXI Services December 2010. Net worth is the household's total investable assets excluding primary residence.

Focused on Growing Client Relationships

Retail Banking

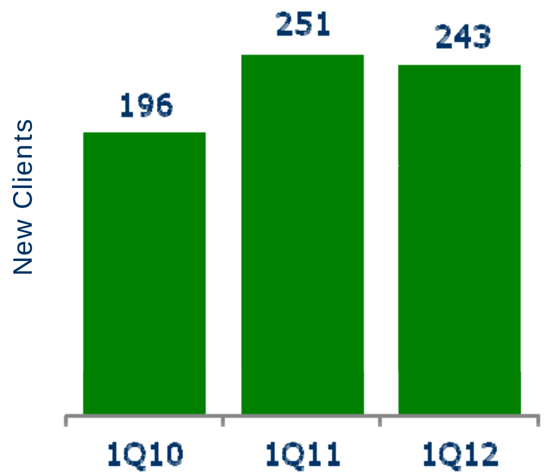
Net organic checking relationship growth[1]



- 61% of checking accounts opened in 1Q12 were relationship accounts[4]
- Active online bill payment customers increased 13% from 1Q11, 5% from 4Q11

Corporate & Institutional Banking

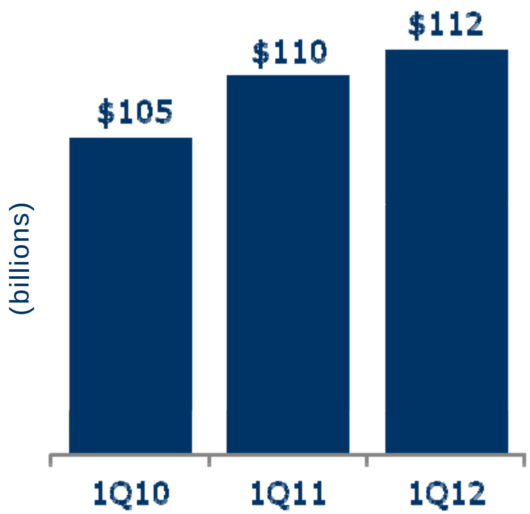
Corporate Banking new primary clients[2]



- Growth markets (Florida, Milwaukee, Chicago, St. Louis) combined added 24% more new clients compared to 1Q11
- All legacy C&IB business segments ahead of 1Q11 sales

Asset Management Group

Discretionary assets under management[3]



- 1Q12 referral sales[5] up 38% vs. 1Q11
- Total sales have increased by 35% for 1Q12 vs. 1Q11

(1) Net organic checking relationship growth refers to consumer and small business accounts exclusive of accounts acquired through acquisition. (2) A Corporate Banking primary client is defined as a corporate banking relationship with annual revenue generation of $50,000 or more or, within corporate banking, a commercial banking client relationship with annual revenue generation of $10,000 or more. (3) Discretionary assets under management are assets over which we have sole or shared investment authority for our customers/clients. (4) Relationship checking accounts refer to accounts with a committed balance level of self service accounts with lower cost of servicing. (5) New client sales referred to AMG by Retail banking or C&IB.

Strong Financial Performance

Balance Sheet Growth		1Q12	4Q11	1Q11
	Loans ($ billions)	**$176**	$159	$149
	Deposits ($ billions)	**$206**	$188	$182

Strong Earnings		1Q12	4Q11	1Q11
	Net income ($ millions)	**$811**	$493	$832
	Earnings per diluted common share	**$1.44**	$.85	$1.57

Capital Adequacy		1Q12	4Q11	1Q11
	Tier 1 common capital ratio[1]	**9.3%**	10.3%	10.3%

Performance Measures		1Q12	4Q11	1Q11
	Return on average assets	**1.16%**	0.72%	1.29%
	Return on Tier 1 common capital[1,2]	**14.0%**	8.2%	15.4%

(1) Tier 1 common capital ratio is period-end Tier 1 common capital divided by period-end risk weighted assets and is estimated for 1Q12.
(2) Return on Tier 1 common capital is calculated as annualized net income divided by period-end Tier 1 common capital and is estimated for 1Q12. Further information is provided in the Appendix.

A Higher Quality, Differentiated Balance Sheet

Category (billions)	Mar. 31, 2012	Change from: Dec. 31, 2011
Total investment securities	$64.6	$3.9
Commercial lending	100.6	12.3
Consumer lending	75.6	4.9
Total loans	176.2	17.2
Other assets	55.1	3.6
Total assets	$295.9	$24.7
Transaction deposits	$164.6	$16.9
Retail CDs	29.3	(0.2)
Other	12.2	1.5
Total deposits	206.1	18.2
Borrowed funds, other	54.8	5.5
Shareholders' equity	35.0	1.0
Total liabilities and equity	$295.9	$24.7

1Q12 highlights

- Loans increased $17 billion or 11% from 4Q11 driven by organic commercial loan growth and approximately $15 billion from RBC Bank (USA) transaction
- Overall credit quality remained stable
- Transaction deposits increased nearly $17 billion or 12% from 4Q11 reflecting increased commercial and consumer liquidity and $10 billion from RBC Bank (USA) acquisition
- Retail CDs declined $.2 billion from 4Q11, reflecting expected run-off of $4.2 billion of PNC's higher cost CDs, offset by $4 billion of RBC Bank (USA) CDs
- Equity increased $1 billion primarily due to retained earnings

Loan Growth Driving Net Interest Income

	1Q12	4Q11	3Q11	2Q11	1Q11
Average interest earning assets (in billions)	**$237.7**	**$228.4**	**$224.1**	**$220.7**	**$224.1**
Average yields/rate:					
Interest-earning assets	4.41%	4.44%	4.52%	4.64%	4.67%
Interest-bearing liabilities	.70	.80	.86	.95	.95
Interest rate spread	3.71	3.64	3.66	3.69	3.72
Net interest margin[1]	**3.90%**	**3.86%**	**3.89%**	**3.93%**	**3.94%**

(millions)	1Q12	4Q11	3Q11	2Q11	1Q11
Interest income - loans	$1,951	$1,902	$1,904	$1,905	$1,884
Total interest income	2,597	2,534	2,530	2,547	2,583
Total interest expense	306	335	355	397	407
Total net interest income	**$2,291**	**$2,199**	**$2,175**	**$2,150**	**$2,176**

1Q12 highlights

- Average earning assets grew by $9 billion or 4% from 4Q11 and 6% from 1Q11 with RBC Bank (USA) contributing $4 billion
- Net interest margin remained relatively stable
- Total net interest income grew 4% from 4Q11 and 5% from 1Q11; included $91 million from RBC Bank (USA) acquisition
  - Higher loan balances
  - Lower funding costs
  - Purchase accounting accretion remained stable
- Balance sheet positioned to benefit from an increase in rates

(1) Calculated as annualized taxable-equivalent net interest income divided by average earning assets. See Appendix for additional information.

Client Growth and Sales Driving Noninterest Revenue

(millions)	1Q12	4Q11	3Q11	2Q11	1Q11
Asset management[1]	$284	$250	$287	$288	$263
Consumer services	264	269	330	333	311
Corporate services[2]	232	266	187	228	217
Residential mortgage	230	157	198	163	195
Deposit service charges	127	140	140	131	123
Client fee income	$1,137	$1,082	$1,142	$1,143	$1,109
Net gains on sales of securities less net OTTI	19	18	33	43	3
Other	285	250	194	266	343
Total noninterest income	$1,441	$1,350	$1,369	$1,452	$1,455

Noninterest income increased 7%

1Q12 highlights

- Noninterest income increased 7% from 4Q11
- Asset management increased 14% due to improved equity markets
- Corporate services declined primarily due to lower commercial mortgage banking revenue and merger and acquisition advisory fees
- Residential mortgage increased primarily due to higher MSR hedging gains and loan sales revenue
- Consumer services and deposit service charges declined primarily due to seasonally lower transaction volumes
- Other increased largely as a result of higher revenue from equity investments

(1) Asset management includes the Asset Management Group and BlackRock. (2) Corporate services include impairment charges/recoveries related to commercial mortgage servicing rights.

Disciplined Expense Management While Investing for Growth

(millions)	1Q12	4Q11	3Q11	2Q11	1Q11
Core[1]:					
Personnel	$1,067	$1,050	$948	$975	$989
Occupancy	178	197	171	176	193
Equipment	168	173	159	158	167
Marketing	54	73	70	61	40
Other	843	1,000	784	801	681
Total core noninterest expense[1]	**$2,310**	**$2,493**	**$2,132**	**$2,171**	**$2,070**
Selected items:					
Integration costs	145	28	8	5	1
Trust preferred securities redemption charges	-	198	-	-	-
Total noninterest expense	**$2,455**	**$2,719**	**$2,140**	**$2,176**	**$2,071**

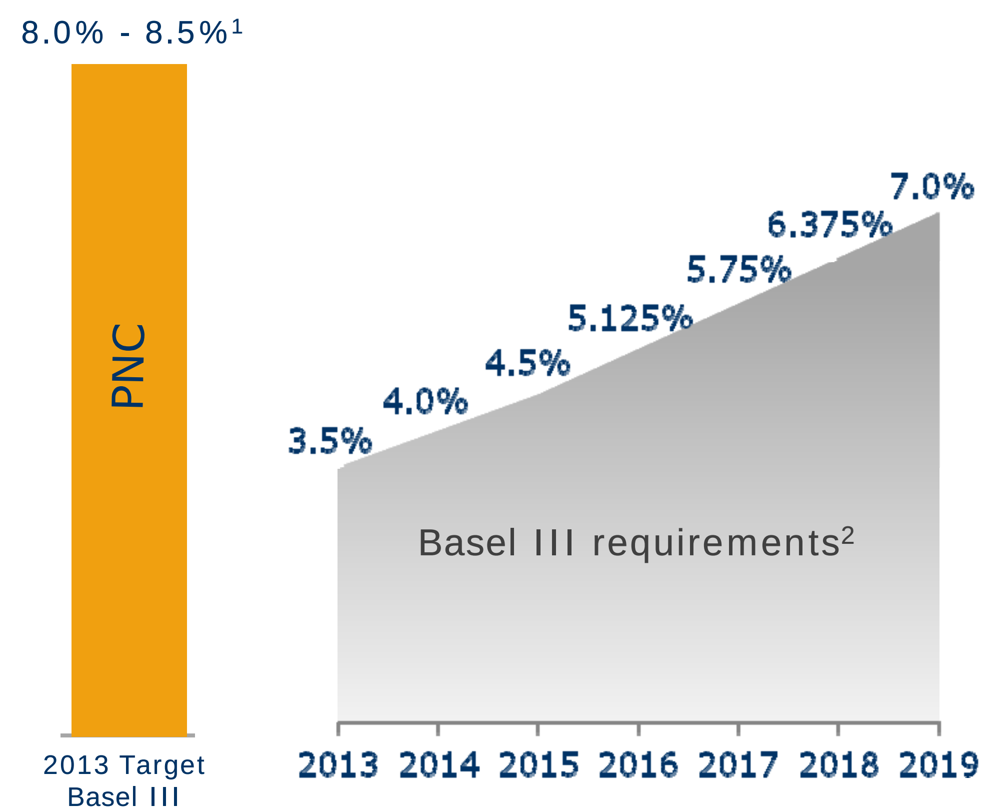
1Q12 highlights

- Total noninterest expense declined $264 million
- Core noninterest expense impacted by:
  - RBC Bank (USA) operating costs of $40 million
  - Residential mortgage foreclosure-related expenses of $38 million ($240 million in 4Q11)
  - Additions to legal reserves of $72 million
- Progressing well towards continuous improvement goals

(1) Core noninterest expense items do not include the impact of integration costs and trust preferred securities redemption charges, which are listed separately in the table above, but do include the impact of RBC Bank (USA) operating expenses. See the Appendix for the impact of integration costs and trust preferred securities redemption charges for unamortized discount on each category of noninterest expense.

Strong Capital and Liquidity Position

Basel III Tier 1 common ratio



1Q12 highlights

- Basel I Tier 1 common ratio of 9.3%[3]
- Target Basel III Tier 1 common ratio estimated to be between 8.0-8.5%[1] by year-end 2013
- Capital priorities:
  - Build capital to support client growth and business investment
  - Maintain appropriate capital in light of economic uncertainty
  - Return excess capital to shareholders
- Strong liquidity position
  - Loan-to-deposit ratio of 85%
  - Parent company two year liquidity coverage[4] of 114%

(1) Proforma estimate is based on PNC's estimated Basel I Tier 1 common ratio of 9.3% as of 3/31/12, adjusted by 1.6% to reflect projected retained earnings using First Call 2012 and 2013 estimates and the current dividend payout, and a decrease of 2.5%-3.0% primarily representing the estimated increase in risk weighted assets due to Basel II methodology regarding credit, operational and market risks. This includes the assumed treatment of our investment in BlackRock and sub-investment grade securities (assuming no AOCI double counting) in accordance with Basel II. This estimate is subject to further regulatory guidance and clarity, and is based on the phase-in (beginning in 2013) of the Basel III framework in effect as of 3/31/12. (2) Regulatory requirements are inclusive of the capital conservation buffer and subject to further regulatory guidance and clarity. (3) Estimated. (4) Parent company liquidity coverage defined as liquid assets divided by funding obligations within a two year period.

Improving Outlook[1] – Full Year 2012 vs. 2011

- Strong balance sheet and revenue growth expected to drive positive operating leverage
- Credit costs expected to improve
- RBC Bank (USA) acquisition expected to be accretive in 2012

		Estimated % Change[3]
Combined[2] Balance sheet	Loans	Increase mid to high teens
Combined[2] Income statement	Total revenue	**Increase high single digits[4]**
	Net interest income	**Increase high single digits[4]**
	Noninterest income	Increase mid single digits
	Noninterest expense	**Increase mid to high single digits[4,5]**
	Loan loss provision	**Improving[4,6]**

PNC is Positioned to Deliver Strong Results in 2012.

(1) Refer to the Cautionary Statement in the Appendix, including assumptions. (2) Reflects combined PNC and RBC Bank (USA). (3) Estimated change for 2012 is based on comparable 2011 results. (4) Bold items reflect revision to previous guidance. (5) Excluding legal and regulatory related contingencies, integration costs and capital actions related to TPS redemptions for 2011 and 2012. (6) Excluding legal and regulatory related contingencies.

Cautionary Statement Regarding Forward-Looking Information

Appendix

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

We also make statements in this presentation, and we may from time to time make other statements, regarding our outlook for earnings, revenues, expenses, capital levels and ratios, liquidity levels, asset levels, asset quality and other matters regarding or affecting PNC and its future business and operations 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," "plan," "expect," "anticipate," "see," "look," "intend," "outlook," "project," "forecast," "estimate," "goal," "will," "should" 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 made. We do not assume any duty and do not undertake to update forward-looking statements. Actual results or future events could differ, possibly materially, from those anticipated in forward-looking statements, as well as from historical performance.

Our forward-looking statements are subject to the following principal risks and uncertainties.

- Our businesses, financial results and balance sheet values are affected by business and economic conditions, including the following::
  - Changes in interest rates and valuations in debt, equity and other financial markets.
  - Disruptions in the liquidity and other functioning of U.S. and global financial markets.
  - The impact on financial markets and the economy of the downgrade by Standard & Poor's of U.S. Treasury obligations and other U.S. government-backed debt, as well as issues surrounding the level of U.S. and European government debt and concerns regarding the creditworthiness of certain sovereign governments, supranationals and financial institutions in Europe.
  - Actions by Federal Reserve, U.S. Treasury and other government agencies, including those that impact money supply and market interest rates.
  - Changes in customers', suppliers' and other counterparties' performance and creditworthiness.
  - Slowing or failure of the current moderate economic recovery.
  - Continued effects of aftermath of recessionary conditions and uneven spread of positive impacts of recovery on the economy and our counterparties, including adverse impacts on levels of unemployment, loan utilization rates, delinquencies, defaults and counterparty ability to meet credit and other obligations.
  - Changes in customer preferences and behavior, whether due to changing business and economic conditions, legislative and regulatory initiatives, or other factors.

- Our forward-looking financial statements are subject to the risk that economic and financial market conditions will be substantially different than we are currently expecting. These statements are based on our current view that the moderate economic expansion will persist in 2012 and interest rates will remain very low.

Cautionary Statement Regarding Forward-Looking Information (continued)

Appendix

- Legal and regulatory developments could have an impact on our ability to operate our businesses, financial condition, results of operations, competitive position, reputation, or pursuit of attractive acquisition opportunities. Reputational impacts could affect matters such as business generation and retention, liquidity, funding, and ability to attract and retain management. These developments could include:
  - Changes resulting from legislative and regulatory reforms, including major reform of the regulatory oversight structure of the financial services industry and changes to laws and regulations involving tax, pension, bankruptcy, consumer protection, and other industry aspects, and changes in accounting policies and principles. We will be impacted by extensive reforms provided for in the Dodd-Frank Wall Street Reform and Consumer Protection Act and otherwise growing out of the recent financial crisis, the precise nature, extent and timing of which, and their impact on us, remains uncertain.
  - Changes to regulations governing bank capital and liquidity standards, including due to the Dodd-Frank Act and to Basel III initiatives.
  - Unfavorable resolution of legal proceedings or other claims and regulatory and other governmental investigations or other inquiries. In addition to matters relating to PNC's business and activities, such matters may include proceedings, claims, investigations, or inquiries relating to pre-acquisition business and activities of acquired companies, such as National City. These matters may result in monetary judgments or settlements or other remedies, including fines, penalties, restitution or alterations in our business practices and in additional expenses and collateral costs, and may cause reputational harm to PNC.
  - Results of the regulatory examination and supervision process, including our failure to satisfy requirements of agreements with governmental agencies.
  - Impact on business and operating results of any costs associated with obtaining rights in intellectual property claimed by others and of adequacy of our intellectual property protection in general.
- Business and operating results are affected by our ability to identify and effectively manage risks inherent in our businesses, including, where appropriate, through effective use of third-party insurance, derivatives, and capital management techniques, and to meet evolving regulatory capital standards. In particular, our results currently depend on our ability to manage elevated levels of impaired assets.
- Business and operating results also include impacts relating to our equity interest in BlackRock, Inc. and rely to a significant extent on information provided to us by BlackRock. Risks and uncertainties that could affect BlackRock are discussed in more detail by BlackRock in its SEC filings.
- Our acquisition of RBC Bank (USA) presents us with risks and uncertainties related both to the acquisition itself and to the integration of the acquired businesses into PNC, including:
  - Anticipated benefits of the transaction, including cost savings and strategic gains, may be significantly harder or take longer to achieve than expected or may not be achieved in their entirety as a result of unexpected factors or events.
  - Our ability to achieve anticipated results from this transaction is dependent also on the extent of credit losses in the acquired loan portfolios and the extent of deposit attrition, in part related to the state of economic and financial markets. Also, litigation and regulatory and other governmental investigations that may be filed or commenced, as a result of this transaction or otherwise, could impact the timing or realization of anticipated benefits to PNC.
  - Integration of RBC Bank (USA)'s business and operations into PNC may take longer than anticipated or be substantially more costly than anticipated or have unanticipated adverse results relating to RBC Bank (USA)'s or PNC's existing businesses. PNC's ability to integrate RBC Bank (USA) successfully may be adversely affected by the fact that this transaction results in PNC entering several geographic markets where PNC did not previously have any meaningful retail presence.

Cautionary Statement Regarding Forward-Looking Information (continued)

Appendix

- In addition to the RBC Bank (USA) transaction, we grow our business in part by acquiring from time to time other financial services companies, financial services assets and related deposits and other liabilities. These other acquisitions often present risks and uncertainties analogous to those presented by the RBC Bank (USA) transaction. Acquisition risks include those presented by the nature of the business acquired as well as risks and uncertainties related to the acquisition transactions themselves, regulatory issues, and the integration of the acquired businesses into PNC after closing.
- Competition can have an impact on customer acquisition, growth and retention and on credit spreads and product pricing, which can affect market share, deposits and revenues. Industry restructuring in the current environment could also impact our business and financial performance through changes in counterparty creditworthiness and performance and in the competitive and regulatory landscape. Our ability to anticipate and respond to technological changes can also impact our ability to respond to customer needs and meet competitive demands.
- Business and operating results can also be affected by widespread disasters, dislocations, terrorist activities or international hostilities through impacts on the economy and financial markets generally or on us or our counterparties specifically.

We provide greater detail regarding some of these factors in our 2011 Form 10-K as amended by amendment no. 1 thereto, including in the Risk Factors and Risk Management sections and the Legal Proceedings and Commitments and Guarantees Notes of the Notes to Consolidated Financial Statements in that report, and our subsequent SEC filings. Our forward-looking statements may also be subject to other risks and uncertainties, including those we may discuss elsewhere in this presentation or in SEC filings, accessible on the SEC's website at www.sec.gov and on our corporate website at www.pnc.com/secfilings. We have included these web addresses as inactive textual references only. Information on these websites is not part of this document.

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

Non-GAAP to GAAP Reconcilement

Appendix

In millions, except per share data	For the quarter ended Mar. 31, 2012	Dec. 31, 2011	Mar. 31, 2011
Integration costs, pretax	$145	$28	$1
Integration costs, after-tax	94	18	-
Integration costs impact on diluted earnings per share	$0.18	$0.04	$0.00

After-tax amounts were calculated using a marginal federal income tax rate of 35% and include applicable income tax adjustments.

In millions	As of or for the three months ended Mar. 31, 2012	Dec. 31, 2011	Mar. 31, 2011
Tier 1 common capital (1)	$23,322	$23,732	$21,976
Reported net income	811	493	832
Reported net income, if annualized	3,262	1,956	3,374
Return on tier 1 common capital	14.0%	8.2%	15.4%

PNC believes that return on tier 1 common capital is useful as a tool to help measure and assess a company's use of common equity.

(1) Estimated for Mar. 31, 2012.

Non-GAAP to GAAP Reconcilement

Appendix

	For the three months ended				
	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011
Average yields/rates					
Yield on interest-earning assets					
Loans					
Commercial	4.51%	4.66%	4.86%	4.88%	5.04%
Commercial real estate	5.19	5.33	5.25	5.51	4.63
Equipment lease financing	4.74	4.84	5.11	4.86	5.00
Consumer	4.78	4.81	4.82	4.94	4.99
Residential real estate	5.59	5.35	5.90	6.22	6.15
Total loans	4.78	4.85	5.00	5.11	5.09
Investment securities	3.47	3.51	3.59	3.80	3.76
Other	4.17	3.68	3.14	3.04	4.16
Total yield on interest-earning assets	4.41	4.44	4.52	4.64	4.67
Rate on interest-bearing liabilities					
Interest-bearing deposits					
Money market	0.23	0.25	0.31	0.34	0.35
Demand	0.04	0.05	0.08	0.10	0.10
Savings	0.10	0.16	0.19	0.19	0.19
Retail certificates of deposit	0.80	1.16	1.26	1.32	1.28
Time deposits in foreign offices and other time	0.49	0.53	0.72	0.75	0.54
Total interest-bearing deposits	0.31	0.42	0.51	0.55	0.55
Borrowed funds	2.01	2.17	2.20	2.46	2.35
Total rate on interest-bearing liabilities	0.70	0.80	0.86	0.95	0.95
Interest rate spread	3.71	3.64	3.66	3.69	3.72
Impact of noninterest-bearing sources	0.19	0.22	0.23	0.24	0.22
Net interest margin	3.90%	3.86%	3.89%	3.93%	3.94%

Calculated as annualized taxable-equivalent net interest income divided by average earning assets. The interest income earned on certain earning assets is completely or partially exempt from federal income tax. As such, these tax-exempt instruments typically yield lower returns than taxable investments. To provide more meaningful comparisons of yields and margins for all earning assets in calculating net interest margins, in this table we use net interest income on a taxable-equivalent basis by increasing the interest income earned on tax-exempt assets to make it fully equivalent to interest income earned on taxable investments. This adjustment is not permitted under generally accepted accounting principles (GAAP) in the Consolidated Income Statement. The taxable-equivalent adjustments to net interest income for the three months ended March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011, and March 31, 2011, were $31 million, $28 million, $27 million, $25 million, and $24 million, respectively.

Non-GAAP to GAAP Reconcilement

Appendix

In millions	For the quarter ended Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011
Personnel, as reported	$1,111	$1,052	$949	$976	$989
Integration costs	44	2	1	1	-
Core Personnel	1,067	1,050	948	975	989
Occupancy, as reported	190	198	171	176	193
Integration costs	12	1	-	-	-
Core Occupancy	178	197	171	176	193
Equipment, as reported	175	177	159	158	167
Integration costs	7	4	-	-	-
Core Equipment	168	173	159	158	167
Marketing, as reported	68	74	72	63	40
Integration costs	14	1	2	2	-
Core Marketing	54	73	70	61	40
Other, as reported	911	1,218	789	803	681
Integration costs	68	20	5	2	-
TPS redemption charges	-	198	-	-	-
Core Other	843	1,000	784	801	681
Total core noninterest expense	$2,310	$2,493	$2,132	$2,171	$2,070
Selected items:					
Integration costs	$145	$28	$8	$5	$1
Trust preferred securities redemption charges	-	198	-	-	-
Total noninterest expense	$2,455	$2,719	$2,140	$2,176	$2,071

Peer Group of Banks

	Ticker
The PNC Financial Services Group, Inc.	PNC
BB&T Corporation	BBT
Bank of America Corporation	BAC
Capital One Financial, Inc.	COF
Comerica Inc.	CMA
Fifth Third Bancorp	FITB
JPMorgan Chase	JPM
KeyCorp	KEY
M&T Bank	MTB
Regions Financial Corporation	RF
SunTrust Banks, Inc.	STI
U.S. Bancorp	USB
Wells Fargo & Co.	WFC