Kirschner Richard Dean
Form 3
May 25, 2007

FORM 3

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL	
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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Â Kirschner Richard Dean
(Last) (First) (Middle)

7701 FORSYTH BOULEVARD, SUITE 800
(Street)

ST. LOUIS,Â MOÂ 63105
(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)
05/24/2007

3. Issuer Name **and** Ticker or Trading Symbol
BELDEN INC. [BDC]

4. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Vice President - Manufacturing

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1.Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Restricted Stock Units	3,500 (1)	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
		Title			

	Date Exercisable	Expiration Date		Amount or Number of Shares		or Indirect (I) (Instr. 5)	
Stock Options	Â (2)	03/30/2015	Common Stock	10,000	$ 22.665	D	Â
Stock Appreciation Rights	Â (3)	02/22/2016	Common Stock	6,500	$ 25.805	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kirschner Richard Dean 7701 FORSYTH BOULEVARD, SUITE 800 ST. LOUIS,Â MOÂ 63105	Â	Â	Â Vice President - Manufacturing	Â

Signatures

/s/Richard D. Kirschner	05/24/2007
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Time vested Restricted Stock Units (RSUs).

(2) One-third of the options vested on the first (03/30/2006)and second (03/30/2007) anniversaries of the grant; the remaining one-third will vest on the third (03/30/2008) anniversary of the grant.

(3) One-third of the Stock Appreciation Rights (SARs) vested on the first (02/22/2007)anniversary of the grant and one-third will vest on the second (02/22/2008) and third (02/22/2009)anniversaries of the grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.
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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 financial and capital 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) and Yardville National Bancorp (Yardville) acquisitions. Acquisitions in general present us with risks other than those presented by the nature of the business acquired. In particular, acquisitions may be substantially more expensive to complete (including as a result of costs incurred in connection with the integration of the acquired company) and the anticipated benefits (including anticipated cost savings and strategic gains) may be significantly harder or take longer to achieve than expected. In some cases, acquisitions involve our entry into new businesses or new geographic or other markets, and these situations also present risks resulting from our inexperience in these new areas. As a regulated financial institution, our pursuit of attractive acquisition opportunities could be negatively impacted due to regulatory delays or other regulatory issues. Regulatory and legal issues related to the pre-acquisition operations of an acquired business may cause reputational harm to PNC following the acquisition and integration of the acquired business into ours and may result in additional future costs arising as a result of those issues.

- more -

ADDITIONAL INFORMATION ABOUT THE PNC/ STERLING FINANCIAL CORPORATION TRANSACTION

The PNC Financial Services Group, Inc. and Sterling Financial Corporation will be filing a proxy statement/prospectus and other relevant documents concerning the merger with the United States Securities and Exchange Commission (the SEC). WE URGE INVESTORS TO READ THE PROXY STATEMENT/PROSPECTUS AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE MERGER OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT/PROSPECTUS BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

Investors will be able to obtain these documents free of charge at the SEC s web site at http://www.sec.gov. In addition, documents filed with the SEC by The PNC Financial Services Group, Inc. will be available free of charge from Shareholder Relations at (800) 843-2206. Documents filed with the SEC by Sterling Financial Corporation will be available free of charge from Sterling Financial Corporation by contacting Shareholder Relations at (877) 248-6420.

The directors, executive officers, and certain other members of management and employees of Sterling Financial Corporation are participants in the solicitation of proxies in favor of the merger from the shareholders of Sterling Financial Corporation. Information about the directors and executive officers of Sterling Financial Corporation is included in the proxy statement for its May 8, 2007 annual meeting of shareholders, which was filed with the SEC on April 2, 2007. Additional information regarding the interests of such participants will be included in the proxy statement/prospectus and the other relevant documents filed with the SEC when they become available.

ADDITIONAL INFORMATION ABOUT THE PNC/YARDVILLE NATIONAL BANCORP TRANSACTION

The PNC Financial Services Group, Inc. and Yardville National Bancorp have filed with the United States Securities and Exchange Commission (the SEC) a proxy statement/prospectus and other relevant documents concerning the proposed transaction. YARDVILLE SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS REGARDING THE PROPOSED MERGER OF PNC AND YARDVILLE, WHICH WAS FIRST MAILED TO YARDVILLE SHAREHOLDERS ON OR ABOUT SEPTEMBER 5, 2007, BECAUSE IT CONTAINS IMPORTANT INFORMATION.

Yardville shareholders may obtain a free copy of the proxy statement/prospectus and other related documents filed by PNC and Yardville with the SEC at the SEC s web site at http://www.sec.gov. In addition, documents filed with the SEC by PNC will be available free of charge from Shareholder Relations at (800) 843-2206. Documents filed with the SEC by Yardville will be available free of charge from Yardville by contacting Howard N. Hall, Assistant Treasurer s Office, 2465 Kuser Road, Hamilton, NJ 08690 or by calling (609) 631-6223.

The directors, executive officers, and certain other members of management and employees of Yardville are participants in the solicitation of proxies in favor of the merger from the shareholders of Yardville. Information about the directors and executive officers of Yardville is set forth in its Annual Report on Form 10-K filed on March 30, 2007 for the year ended December 31, 2006, as amended by the Form 10-K/A filed on May 10, 2007. Additional information regarding the interests of such participants is included in the proxy statement/prospectus and the other relevant documents filed with the SEC.

The PNC Financial Services Group, Inc. **Consolidated Financial Highlights** (Unaudited)

THREE MONTHS ENDED ***Dollars in millions, except per share data***	**As Reported**			**As Adjusted**		
	September 30 2007	**June 30 2007**	**September 30 2006**	**September 30 2007 (a)**	**June 30 2007 (a)**	**September 30 2006 (b)**
FINANCIAL PERFORMANCE						
Revenue						
Net interest income *(taxable-equivalent basis)* (c)	$ 767	$ 746	$ 574	$ 767	$ 746	$ 571
Noninterest income	990	975	2,943	1,042	977	832
Total revenue	$ 1,757	$ 1,721	$ 3,517	$ 1,809	$ 1,723	$ 1,403
Noninterest expense	$ 1,099	$ 1,040	$ 1,167	$ 1,058	$ 1,025	$ 872
Net income	$ 407	$ 423	$ 1,484	$ 469	$ 434	$ 380
Diluted earnings per common share	$ 1.19	$ 1.22	$ 5.01	$ 1.37	$ 1.25	$ 1.28
Cash dividends declared per common share	$ .63	$ .63	$ .55	$ .63	$ .63	$ .55
SELECTED RATIOS (d)						
Net interest margin	3.00%	3.03%	2.89%	3.00%	3.03%	2.88%
Noninterest income to total revenue (e)	57	57	84	58	57	60
Efficiency (f)	63	61	33	59	60	62
Return on:						
Average common shareholders equity	11.25%	11.61%	65.94%	12.96%	11.91%	16.88%
Average assets	1.27	1.38	6.17	1.46	1.41	1.58

Certain prior period amounts included in these Consolidated Financial Highlights have been reclassified to conform with the current period presentation.

(a) Amounts adjusted to exclude the impact of the following items, in each case, as appropriate, adjusted for the tax impact: (1) the net mark-to-market adjustment on our remaining BlackRock LTIP shares obligation and (2) acquisition and BlackRock/MLIM transaction integration costs. See pages 16-18 for additional information.

(b) Amounts adjusted to exclude the impact of the following items, in each case, as appropriate, adjusted for the tax impact: (1) the gain on the BlackRock/MLIM transaction, (2) the loss on the securities portfolio rebalancing, (3) BlackRock/MLIM transaction integration costs, and (4) the mortgage loan portfolio repositioning loss. Additionally, the amounts are adjusted as if we had recorded our investment in BlackRock on the equity method. See pages 16-18 for additional information.

(c) Reconciliations of net interest income on a GAAP basis to taxable-equivalent net interest income are provided on page 19.

(d) Reconciliations of selected ratios from the As Reported (GAAP) basis to the As Adjusted basis are provided on page 18.

(e) Calculated as noninterest income divided by the sum of net interest income (GAAP basis) and noninterest income. Noninterest income for the 2006 period included the impact of BlackRock on a consolidated basis, primarily consisting of asset management fees. Noninterest income for the 2007 periods reflected income from our equity investment in BlackRock included in the Asset management line item.

(f) Calculated as noninterest expense divided by the sum of net interest income (GAAP basis) and noninterest income. Noninterest expense for the 2006 period included the impact of BlackRock on a consolidated basis.

The PNC Financial Services Group, Inc. **Consolidated Financial Highlights** (Unaudited)

NINE MONTHS ENDED *Dollars in millions, except per share data*	As Reported		As Adjusted	
	September 30 2007	September 30 2006	September 30 2007 (a)	September 30 2006 (b)
FINANCIAL PERFORMANCE				
Revenue				
Net interest income *(taxable-equivalent basis)* (c)	$ 2,142	$ 1,699	$ 2,142	$ 1,689
Noninterest income	2,956	5,358	2,960	2,581
Total revenue	$ 5,098	$ 7,057	$ 5,102	$ 4,270
Noninterest expense	$ 3,083	$ 3,474	$ 3,016	$ 2,618
Net income	$ 1,289	$ 2,219	$ 1,337	$ 1,123
Diluted earnings per common share	$ 3.85	$ 7.46	$ 4.00	$ 3.77
Cash dividends declared per common share	$ 1.81	$ 1.60	$ 1.81	$ 1.60
SELECTED RATIOS (d)				
Net interest margin	3.00%	2.92%	3.00%	2.92%
Noninterest income to total revenue (e)	58	76	58	61
Efficiency (f)	61	49	59	62
Return on:				
Average common shareholders equity	12.62%	33.87%	13.10%	17.13%
Average assets	1.44	3.17	1.50	1.60

Certain prior period amounts included in these Consolidated Financial Highlights have been reclassified to conform with the current period presentation.

(a) Amounts adjusted to exclude the impact of the following items, in each case, as appropriate, adjusted for the tax impact: (1) the gain recognized in connection with the transfer of BlackRock shares to satisfy a portion of our BlackRock LTIP shares obligation, (2) the net mark-to-market adjustment on our remaining BlackRock LTIP shares obligation, and (3) acquisition and BlackRock/MLIM transaction integration costs. See pages 16-19 for additional information.

(b) Amounts adjusted to exclude the impact of the following items, in each case, as appropriate, adjusted for the tax impact: (1) the gain on the BlackRock/MLIM transaction, (2) the loss on the securities portfolio rebalancing, (3) BlackRock/MLIM transaction integration costs, and (4) the mortgage loan portfolio repositioning loss. Additionally, the amounts are adjusted as if we had recorded our investment in BlackRock on the equity method. See pages 16-19 for additional information.

(c) Reconciliations of net interest income on a GAAP basis to taxable-equivalent net interest income are provided on page 19.

(d) Reconciliations of selected ratios from the As Reported (GAAP) basis to the As Adjusted basis are provided on page 18.

(e) Calculated as noninterest income divided by the sum of net interest income (GAAP basis) and noninterest income. Noninterest income for the 2006 period included the impact of BlackRock on a consolidated basis, primarily consisting of asset management fees. Noninterest income for the 2007 period reflected income from our equity investment in BlackRock included in the Asset management line item.

(f) Calculated as noninterest expense divided by the sum of net interest income (GAAP basis) and noninterest income. Noninterest expense for the 2006 period included the impact of BlackRock on a consolidated basis.

The PNC Financial Services Group, Inc. **Consolidated Financial Highlights** (Unaudited)

In millions	Three months ended September 30 2007	June 30 2007	September 30 2006	Nine months ended September 30 2007	September 30 2006
BUSINESS EARNINGS SUMMARY (a) (c)					
Retail Banking (b)	$ 250	$ 227	$ 206	$ 678	$ 581
Corporate & Institutional Banking (b)	87	122	111	341	328
PFPC	33	32	40	96	93
Other, including BlackRock (b) (c)	37	42	1,127	174	1,217
Total consolidated net income (d)	$ 407	$ 423	$ 1,484	$ 1,289	$ 2,219

(a) Our business segment information is presented based on our management accounting practices and management structure. We refine our methodologies from time to time as our management accounting practices are enhanced and our businesses and management structure change. Certain prior period amounts have been reclassified to conform with the current period presentation.

(b) Amounts for 2007 include Mercantile, beginning with the acquisition closing on March 2, 2007.

(c) We consider BlackRock to be a separate reportable business segment but have combined its results with Other for this presentation. Our Quarterly Report on Form 10-Q for the third quarter of 2007 will provide additional business segment disclosures for BlackRock.

(d) See pages 13-14 and 16-17.

BALANCE SHEET DATA *Dollars in millions, except per share data*	September 30 2007 (a)	June 30 2007 (a)	September 30 2006
Assets	$ 131,366	$ 125,651	$ 98,436
Loans, net of unearned income	65,760	64,714	48,900
Allowance for loan and lease losses	717	703	566
Securities available for sale	28,430	25,903	19,512
Loans held for sale	3,004	2,562	4,317
Goodwill and other intangibles	8,935	8,658	4,008
Equity investments	5,975	5,584	5,130
Deposits	78,409	77,221	64,572
Borrowed funds	27,453	24,516	14,695
Shareholders equity	14,539	14,504	10,758
Common shareholders equity	14,532	14,497	10,751
Book value per common share	43.12	42.36	36.60
Common shares outstanding (millions)	337	342	294
Loans to deposits	84%	84%	76%
ASSETS ADMINISTERED *(billions)*			
Managed	$ 77	$ 77	$ 52
Nondiscretionary	112	111	89
FUND ASSETS SERVICED *(billions)*			
Accounting/administration net assets	$ 922	$ 868	$ 774
Custody assets	497	467	399
CAPITAL RATIOS			
Tier 1 risk-based (b)	7.5%	8.3%	10.4%
Total risk-based (b)	10.8	11.8	13.6
Leverage (b)	6.8	7.3	9.4
Tangible common equity (c)	5.2	5.5	7.5
Common shareholders equity to assets	11.1	11.5	10.9
ASSET QUALITY RATIOS			
Nonperforming loans to total loans	.38%	.34%	.34%
Nonperforming assets to total loans and foreclosed assets	.43	.38	.39
Nonperforming assets to total assets	.22	.20	.19

Net charge-offs to average loans (for the three months ended)	.30	.20	.37
Allowance for loan and lease losses to loans	1.09	1.09	1.16
Allowance for loan and lease losses to nonperforming loans	290	322	339

(a) Amounts for 2007 include Mercantile, beginning with the acquisition closing on March 2, 2007.

(b) The ratios as of September 30, 2007 are estimated.

(c) Common shareholders equity less goodwill and other intangible assets net of deferred taxes (excluding mortgage servicing rights) divided by assets less goodwill and other intangible assets net of deferred taxes (excluding mortgage servicing rights).

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The PNC Financial Services Group, Inc. **Consolidated Financial Highlights** (Unaudited)

RECONCILIATIONS OF AS REPORTED (GAAP) NET INCOME

AND DILUTED EPS TO AS ADJUSTED AMOUNTS

In millions, except per share data

THREE MONTHS ENDED	**September 30, 2007**			**June 30, 2007**		
	Adjustments, Pretax	**Net Income**	**Diluted EPS**	**Adjustments, Pretax**	**Net Income**	**Diluted EPS**
Net income, as reported		$ 407	$ 1.19		$ 423	$ 1.22
Adjustments:						
BlackRock LTIP (a)	$ 50	32	.09	$ 1		
Integration costs (b)	43	30	.09	16	11	.03
Net income, as adjusted		$ 469	$ 1.37		$ 434	$ 1.25

	September 30, 2006		
	Adjustments, Pretax	**Net Income**	**Diluted EPS**
Net income, as reported		$ 1,484	$ 5.01
Adjustments:			
Gain on BlackRock/MLIM transaction (c)	$ (2,078)	(1,293)	(4.36)
Securities portfolio rebalancing loss (c)	196	127	.43
Integration costs (b)	72	31	.10
Mortgage loan portfolio repositioning loss (c)	48	31	.10
Net income, as adjusted		$ 380	$ 1.28

NINE MONTHS ENDED	**September 30, 2007**			**September 30, 2006**		
	Adjustments, Pretax	**Net Income**	**Diluted EPS**	**Adjustments, Pretax**	**Net Income**	**Diluted EPS**
Net income, as reported		$ 1,289	$ 3.85		$ 2,219	$ 7.46
Adjustments:						
BlackRock LTIP (a)	$ (1)	(1)				
Integration costs (b)	72	49	.15	$ 91	39	.13
Gain on BlackRock/MLIM transaction (c)				(2,078)	(1,293)	(4.35)
Securities portfolio rebalancing loss (c)				196	127	.43
Mortgage loan portfolio repositioning loss (c)				48	31	.10
Net income, as adjusted		$ 1,337	$ 4.00		$ 1,123	$ 3.77

(a) Includes the impact of the gain recognized in connection with PNC s transfer of BlackRock shares to satisfy a portion of our BlackRock LTIP shares obligation and the net mark-to-market adjustment on our remaining BlackRock LTIP shares obligation, as applicable.

(b) In addition to acquisition integration costs related to recent or pending PNC acquisitions reflected in the 2007 periods, all 2007 and 2006 periods presented include BlackRock/MLIM transaction integration costs. BlackRock/MLIM transaction integration costs recognized by PNC in 2007 were included in noninterest income as a negative component of the Asset management line item, which includes the impact of our equity earnings from our investment in BlackRock. The third quarter and first nine months of 2006 BlackRock/MLIM transaction integration costs were included in noninterest expense.

(c) Included in noninterest income on a pretax basis.

The tables on pages 16-18 and the first table on page 19 represent reconciliations of certain As Reported (GAAP) amounts to As Adjusted amounts for certain specified items.

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. 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.

Adjusted 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. Our 2006 Form 10-K includes additional information regarding our accounting for the prior year adjustments included in the tables above, the BlackRock/MLIM transaction and the BlackRock LTIP shares obligation. Our first and second quarter 2007 Form 10-Qs provide additional information regarding integration costs.

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The PNC Financial Services Group, Inc. **Consolidated Financial Highlights** (Unaudited)

RECONCILIATIONS OF AS REPORTED (GAAP) CONDENSED CONSOLIDATED

INCOME STATEMENT TO AS ADJUSTED AMOUNTS

In millions

THREE MONTHS ENDED		**September 30, 2007**			**June 30, 2007**	
	As Reported	**Adjustments**	**As Adjusted (a)**	**As Reported**	**Adjustments**	**As Adjusted (a)**
Net interest income	$ 761		$ 761	$ 738		$ 738
Provision for credit losses	65		65	54		54
Noninterest income	990	$ 52	1,042	975	$ 2	977
Noninterest expense	1,099	(41)	1,058	1,040	(15)	1,025
Income before income taxes	587	93	680	619	17	636
Income taxes	180	31	211	196	6	202
Net income	$ 407	$ 62	$ 469	$ 423	$ 11	$ 434

THREE MONTHS ENDED		**September 30, 2006**	
	As Reported	**Adjustments**	**As Adjusted (b)**
Net interest income	$ 567	$ (3)	$ 564
Provision for credit losses	16		16
Noninterest income	2,943	(2,111)	832
Noninterest expense	1,167	(295)	872
Income before minority interest and income taxes	2,327	(1,819)	508
Minority interest in income of BlackRock	6	(6)	
Income taxes	837	(709)	128
Net income	$ 1,484	$ (1,104)	$ 380

NINE MONTHS ENDED		**September 30, 2007**			**September 30, 2006**	
	As Reported	**Adjustments**	**As Adjusted (c)**	**As Reported**	**Adjustments**	**As Adjusted (b)**
Net interest income	$ 2,122		$ 2,122	$ 1,679	$ (10)	$ 1,669
Provision for credit losses	127		127	82		82
Noninterest income	2,956	$ 4	2,960	5,358	(2,777)	2,581
Noninterest expense	3,083	(67)	3,016	3,474	(856)	2,618
Income before minority interest and income taxes	1,868	71	1,939	3,481	(1,931)	1,550
Minority interest in income of BlackRock				47	(47)	
Income taxes	579	23	602	1,215	(788)	427
Net income	$ 1,289	$ 48	$ 1,337	$ 2,219	$ (1,096)	$ 1,123

(a) Third quarter 2007 amounts adjusted to exclude the impact of the following pretax items: (1) the net mark-to-market adjustment of $50 million on our remaining BlackRock LTIP shares obligation, and (2) acquisition and BlackRock/MLIM transaction integration costs totaling $43 million. For the second quarter of 2007, these adjustments totaled $1 million and $16 million, respectively. The net tax impact of these items is reflected in the adjustment to income taxes.

We believe that information as adjusted for the impact of these 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. Integration costs can vary significantly from period to period depending on whether or not we have any such transaction pending or in process and depending on the size and nature of the transaction. Our BlackRock LTIP shares obligation results from an agreement entered into in 2002 and predominantly reflects the market price of BlackRock stock at specified times.

(b) Amounts adjusted to exclude the impact of the following pretax items: (1) the gain of $2.078 billion on the BlackRock/MLIM transaction, (2) the loss of $196 million on the securities portfolio rebalancing, (3) BlackRock/MLIM transaction integration costs of $72 million for the third quarter of 2006 and $91 million for the first nine months of 2006, and (4) the mortgage loan portfolio repositioning loss of $48 million. The net tax impact of these items is reflected in the adjustment to income taxes. We believe that information as adjusted for the impact of these 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. See pages 16 and 18-19 for additional information.

Additionally, the amounts are also adjusted as if we had recorded our investment in BlackRock on the equity method. We believe that providing amounts adjusted as if we had recorded our investment in BlackRock on the equity method for all periods presented provides a basis of comparability for the impact of the BlackRock deconsolidation given the magnitude of the impact on various components of our consolidated income statement.

(c) Amounts adjusted to exclude the impact of the following pretax items: (1) the gain of $83 million recognized in connection with PNC s transfer of BlackRock shares to satisfy a portion of our BlackRock LTIP shares obligation, (2) the net mark-to-market adjustment totaling $82 million on our remaining BlackRock LTIP shares obligation, and (3) acquisition and BlackRock/MLIM transaction integration costs totaling $72 million. The net tax impact of these items is reflected in the adjustment to income taxes.

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The PNC Financial Services Group, Inc. **Consolidated Financial Highlights** (Unaudited)

RECONCILIATION OF AS REPORTED (GAAP)

SELECTED RATIOS TO AS ADJUSTED RATIOS (a)

	Three months ended		
	September 30 2007	**June 30 2007**	**September 30 2006**
Net interest margin, as reported			2.89%
Pretax impact of adjustments			(.01)
Net interest margin, as adjusted			2.88%
Noninterest income to total revenue, as reported	57%		84%
Pretax impact of adjustments	1		(24)
Noninterest income to total revenue, as adjusted	58%		60%
Efficiency, as reported	63%	61%	33%
Pretax impact of adjustments	(4)	(1)	29
Efficiency, as adjusted	59%	60%	62%
Return on:			
Average common shareholders equity, as reported	11.25%	11.61%	65.94%
After-tax impact of adjustments	1.71	.30	(49.06)
Average common shareholders equity, as adjusted	12.96%	11.91%	16.88%
Average assets, as reported	1.27%	1.38%	6.17%
After-tax impact of adjustments	.19	.03	(4.59)
Average assets, as adjusted	1.46%	1.41%	1.58%

	Nine months ended	
	September 30 2007	**September 30 2006**
Noninterest income to total revenue, as reported		76%
Pretax impact of adjustments		(15)
Noninterest income to total revenue, as adjusted		61%
Efficiency, as reported	61%	49%
Pretax impact of adjustments	(2)	13
Efficiency, as adjusted	59%	62%
Operating leverage, as reported	(17)%	
Pretax impact of adjustments	22	

Operating leverage, as adjusted (b)	5%	
Return on:		
Average common shareholders equity, as reported	12.62%	33.87%
After-tax impact of adjustments	.48	(16.74)
Average common shareholders equity, as adjusted	13.10%	17.13%
Average assets, as reported	1.44%	3.17%
After-tax impact of adjustments	.06	(1.57)
Average assets, as adjusted	1.50%	1.60%

(a) Adjustments reflected in these reconciliations are disclosed on pages 16-17.

(b) See Operating Leverage table on page 19.

The PNC Financial Services Group, Inc. **Consolidated Financial Highlights** (Unaudited)

OPERATING LEVERAGE (a)

NINE MONTHS ENDED	**September 30, 2007**		**September 30, 2006**		**Change**	
Dollars in millions	**As Reported**	**As Adjusted (b)**	**As Reported**	**As Adjusted (b)**	**As Reported**	**As Adjusted**
Net interest income	$ 2,122	$ 2,122	$ 1,679	$ 1,669		
Noninterest income	2,956	2,960	5,358	2,581		
Total revenue	$ 5,078	$ 5,082	$ 7,037	$ 4,250	(28)%	20%
Noninterest expense	$ 3,083	$ 3,016	$ 3,474	$ 2,618	(11)%	15%
Operating leverage					(17)%	5%

(a) See also the reconciliation of the As Reported operating leverage ratio to the As Adjusted ratio on page 18. Operating leverage is presented on a nine-month basis only due to quarterly variations and the impact of seasonality on revenues and expenses.

(b) See adjusted results and related disclosures on page 14.

TAXABLE-EQUIVALENT NET INTEREST INCOME

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

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

	Three months ended			**Nine months ended**	
In millions	**September 30 2007**	**June 30 2007**	**September 30 2006**	**September 30 2007**	**September 30 2006**
Net interest income, GAAP basis	$ 761	$ 738	$ 567	$ 2,122	$ 1,679
Taxable-equivalent adjustment	6	8	7	20	20
Net interest income, taxable-equivalent basis	$ 767	$ 746	$ 574	$ 2,142	$ 1,699