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YARDVILLE NATIONAL BANCORP

Form 425

July 19, 2007

Filed by The PNC Financial Services Group, Inc.

Pursuant to Rule 425 under the Securities Act of 1933 and

deemed filed pursuant to Rule 14a-12 of the Securities Exchange Act of 1934

Subject Company: Yardville National Bancorp

Commission File No. 000-26086

On July 19, 2007, The PNC Financial Services Group, Inc. ( PNC ) issued a press release and held a conference call for investors regarding PNC s earnings and business results for the three months ended June 30, 2007. PNC also provided supplementary financial information on its web site, including financial information disclosed in connection with its press release, and provided electronic presentation slides on its web site used in connection with the related investor conference call. Such supplementary financial information and electronic presentation slides consisted of the following:

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

**FINANCIAL SUPPLEMENT**

**SECOND QUARTER 2007**

**(UNAUDITED)**

**THE PNC FINANCIAL SERVICES GROUP, INC.****FINANCIAL SUPPLEMENT****SECOND QUARTER 2007****(UNAUDITED)**

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The information contained in this Financial Supplement is preliminary, unaudited and based on data available on July 19, 2007. We have reclassified certain prior period amounts included in this Financial Supplement to be consistent with the current period presentation. This information speaks only as of the particular date or dates included in the schedules. We do not undertake any obligation to, and disclaim any duty to, correct or update any of the information provided in this Financial Supplement. Our future financial performance is subject to risks and uncertainties as described in our United States Securities and Exchange Commission ( SEC ) filings.

***Additional Information About the PNC/Sterling Financial Corporation Transaction***

The PNC Financial Services Group, Inc. ( PNC ) and Sterling Financial Corporation ( Sterling Financial ) will be filing a proxy statement/prospectus and other relevant documents concerning the merger with 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 ([www.sec.gov](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 Sterling Financial will be available free of charge from Sterling Financial by contacting Shareholder Relations at (877) 248-6420.

The directors, executive officers, and certain other members of management and employees of Sterling Financial are participants in the solicitation of proxies in favor of the merger from the shareholders of Sterling Financial. Information about the directors and executive officers of Sterling Financial 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.

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

***Additional Information About the PNC/Yardville National Bancorp Transaction***

PNC and Yardville National Bancorp ( Yardville ) have filed with the SEC a Registration Statement on Form S-4 that includes a preliminary version of a proxy statement of Yardville that also constitutes a preliminary prospectus of PNC. The S-4 has not yet become effective. The parties will file other relevant documents concerning the proposed transaction with the SEC. Following the S-4 being declared effective by the SEC, Yardville intends to mail the final proxy statement to its shareholders. Such final documents, however, are not currently available. **WE URGE INVESTORS TO READ THE FINAL 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, IF AND WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.**

Investors may obtain these documents, if and when they become available, free of charge at the SEC's web site ([www.sec.gov](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 will be included in the proxy statement/prospectus and the other relevant documents filed with the SEC if and when they become available.

***Mercantile Acquisition***

We completed our acquisition of Mercantile Bankshares Corporation ( Mercantile ) on March 2, 2007 and our financial results include Mercantile from that date. PNC issued approximately 53 million shares of common stock and paid approximately \$2.1 billion in cash as consideration for the acquisition, and accounted for the transaction under the purchase method.

***BlackRock/MLIM Transaction***

As further described in our Annual Report on Form 10-K for the year ended December 31, 2006, on September 29, 2006, Merrill Lynch contributed its investment management business ( MLIM ) to BlackRock, Inc. ( BlackRock ), formerly a majority-owned subsidiary of PNC, in exchange for 65 million shares of newly issued BlackRock common and preferred stock.

For the quarters ended September 30, 2006 and June 30, 2006 and the six months ended June 30, 2006 presented in this Financial Supplement, our Consolidated Income Statement reflects our former majority ownership interest in BlackRock. However, our Consolidated Income Statement for the quarters ended June 30, 2007, March 31, 2007, and December 31, 2006 and the six months ended June 30, 2007 and our Consolidated Balance Sheet as of June 30, 2007, March 31, 2007, December 31, 2006 and September 30, 2006 reflect the September 29, 2006 deconsolidation of BlackRock's balance sheet amounts and recognize our approximate 34% ownership interest in BlackRock as of those dates as an investment accounted for under the equity method.

We have also provided, for information purposes only, adjusted results in this document to reflect BlackRock as if it had been accounted for under the equity method for all periods presented.

## THE PNC FINANCIAL SERVICES GROUP, INC.

## Consolidated Income Statement (Unaudited)

<i>In millions, except per share data</i>	<i>For the six months ended</i>		<i>For the three months ended</i>				<i>June 30</i>
	<i>June 30</i>	<i>June 30</i>	<i>June 30</i>	<i>March 31</i>	<i>December</i>	<i>September</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2007</i>	<i>31 2006</i>	<i>30 2006</i>	<i>2006</i>
<b>Interest Income</b>							
Loans	\$ 1,980	\$ 1,544	\$ 1,084	\$ 896	\$ 821	\$ 838	\$ 797
Securities available for sale	665	498	355	310	280	271	255
Other	224	150	115	109	116	94	74
<b>Total interest income</b>	<b>2,869</b>	<b>2,192</b>	<b>1,554</b>	<b>1,315</b>	<b>1,217</b>	<b>1,203</b>	<b>1,126</b>
<b>Interest Expense</b>							
Deposits	1,000	706	532	468	450	434	379
Borrowed funds	508	374	284	224	201	202	191
<b>Total interest expense</b>	<b>1,508</b>	<b>1,080</b>	<b>816</b>	<b>692</b>	<b>651</b>	<b>636</b>	<b>570</b>
Net interest income	1,361	1,112	738	623	566	567	556
Provision for credit losses	62	66	54	8	42	16	44
Net interest income less provision for credit losses	1,299	1,046	684	615	524	551	512
<b>Noninterest Income</b>							
Asset management	355	890	190	165	149	381	429
Fund servicing	412	431	209	203	249	213	210
Service charges on deposits	169	153	92	77	79	81	80
Brokerage	138	122	72	66	63	61	63
Consumer services	198	183	107	91	93	89	94
Corporate services	335	292	176	159	177	157	157
Equity management gains	34	61	2	32	25	21	54
Net securities gains (losses)	(2)	(12)	1	(3)		(195)	(8)
Trading	81	112	29	52	33	38	55
Net gains (losses) related to BlackRock	51		(1)	52	(12)	2,078	
Other	195	183	98	97	113	19	96
<b>Total noninterest income</b>	<b>1,966</b>	<b>2,415</b>	<b>975</b>	<b>991</b>	<b>969</b>	<b>2,943</b>	<b>1,230</b>
<b>Noninterest Expense</b>							
Compensation	888	1,113	470	418	442	573	558
Employee benefits	146	163	74	72	55	86	76
Net occupancy	168	162	81	87	69	79	83
Equipment	150	157	79	71	69	77	80
Marketing	50	42	29	21	23	39	22
Other	582	670	307	275	311	313	326
<b>Total noninterest expense</b>	<b>1,984</b>	<b>2,307</b>	<b>1,040</b>	<b>944</b>	<b>969</b>	<b>1,167</b>	<b>1,145</b>
Income before minority interest and income taxes	1,281	1,154	619	662	524	2,327	597
Minority interest in income of BlackRock		41				6	19
Income taxes	399	378	196	203	148	837	197

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Net income	\$ 882	\$ 735	\$ 423	\$ 459	\$ 376	\$ 1,484	\$ 381
<b>Earnings Per Common Share</b>							
Basic	\$ 2.71	\$ 2.51	\$ 1.24	\$ 1.49	\$ 1.29	\$ 5.09	\$ 1.30
Diluted	\$ 2.67	\$ 2.47	\$ 1.22	\$ 1.46	\$ 1.27	\$ 5.01	\$ 1.28
<b>Average Common Shares Outstanding</b>							
Basic	325	292	342	308	291	291	293
Diluted	329	297	346	312	295	296	297
<b>Efficiency</b>	60%	65%	61%	58%	63%	33%	64%
<b>Noninterest income to total revenue</b>	59%	68%	57%	61%	63%	84%	69%
<b>Effective tax rate (a)</b>	31.1%	32.8%	31.7%	30.7%	28.2%	36.0%	33.0%

- (a) The effective tax rates presented are on a GAAP basis. The lower effective tax rate for the first six months of 2007 compared with the first six months of 2006 was primarily due to the deconsolidation of BlackRock effective September 29, 2006. The effective tax rate increased for the second quarter of 2007 primarily as a result of a full-quarter impact of Mercantile. The lower rates for the first quarter of 2007 and the fourth quarter of 2006 reflect the impact of the deconsolidation of BlackRock and certain tax adjustments in both periods. The higher effective rate for the third quarter of 2006 was primarily due to the impact of the gain on the BlackRock/MLIM transaction and a \$57 million cumulative adjustment to deferred taxes made in the same quarter in connection with that transaction.

**THE PNC FINANCIAL SERVICES GROUP, INC.****Adjusted Condensed Consolidated Income Statement (Unaudited) (a)**

<i>For the six months ended - in millions</i>	<b>June 30 2007</b>	<b>June 30 2006</b>
<b>Net Interest Income</b>		
Net interest income	\$ 1,361	\$ 1,105
Provision for credit losses	62	66
Net interest income less provision for credit losses	1,299	1,039
<b>Noninterest Income</b>		
Asset management	358	257
Other	1,560	1,492
Total noninterest income	1,918	1,749
<b>Noninterest Expense</b>		
Compensation and benefits	1,023	907
Other	935	839
Total noninterest expense	1,958	1,746
Income before income taxes	1,259	1,042
Income taxes	391	299
Net income	\$ 868	\$ 743

<i>For the three months ended - in millions</i>	<b>June 30 2007</b>	<b>March 31 2007</b>	<b>December 31 2006</b>	<b>September 30 2006</b>	<b>June 30 2006</b>
<b>Net Interest Income</b>					
Net interest income	\$ 738	\$ 623	\$ 566	\$ 564	\$ 552
Provision for credit losses	54	8	42	16	44
Net interest income less provision for credit losses	684	615	524	548	508
<b>Noninterest Income</b>					
Asset management	191	167	159	122	129
Other	786	774	832	710	789
Total noninterest income	977	941	991	832	918
<b>Noninterest Expense</b>					
Compensation and benefits	535	488	497	461	457
Other	490	445	472	411	424
Total noninterest expense	1,025	933	969	872	881
Income before income taxes	636	623	546	508	545
Income taxes	202	189	155	128	159

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Net income \$ 434 \$ 434 \$ 391 \$ 380 \$ 386

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(a) This schedule is provided for informational purposes only and reflects historical consolidated financial information of PNC (1) with amounts adjusted for the impact of certain specified items and (2) as if we had recorded our investment in BlackRock on the equity method for all periods presented. See Appendix to Financial Supplement for reconciliations of these amounts to the corresponding GAAP amounts for each of the periods presented. 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 these periods, 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. 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.

**THE PNC FINANCIAL SERVICES GROUP, INC.****Consolidated Balance Sheet (Unaudited)**

<i>In millions, except par value</i>	June 30 2007	March 31 2007	December 31 2006	September 30 2006	June 30 2006
<b>Assets</b>					
Cash and due from banks	\$ 3,177	\$ 3,234	\$ 3,523	\$ 3,018	\$ 3,438
Federal funds sold and resale agreements	1,824	1,604	1,763	2,818	675
Other short-term investments, including trading securities	3,667	3,041	3,130	2,718	2,005
Loans held for sale	2,562	2,382	2,366	4,317	2,165
Securities available for sale	25,903	26,475	23,191	19,512	21,724
Loans, net of unearned income of \$1,004, \$1,005, \$795, \$815, and \$828	64,714	62,925	50,105	48,900	50,548
Allowance for loan and lease losses	(703)	(690)	(560)	(566)	(611)
Net loans	64,011	62,235	49,545	48,334	49,937
Goodwill	7,745	7,739	3,402	3,418	3,636
Other intangible assets	913	929	641	590	862
Equity investments	5,584	5,408	5,330	5,130	1,461
Other	10,265	9,516	8,929	8,581	9,011
Total assets	\$ 125,651	\$ 122,563	\$ 101,820	\$ 98,436	\$ 94,914
<b>Liabilities</b>					
Deposits					
Noninterest-bearing	\$ 18,302	\$ 18,191	\$ 16,070	\$ 14,840	\$ 14,434
Interest-bearing	58,919	59,176	50,231	49,732	49,059
Total deposits	77,221	77,367	66,301	64,572	63,493
Borrowed funds					
Federal funds purchased	7,212	5,638	2,711	3,475	3,320
Repurchase agreements	2,805	2,586	2,051	2,275	2,136
Bank notes and senior debt	7,537	4,551	3,633	2,177	3,503
Subordinated debt	4,226	4,628	3,962	4,436	4,329
Other	2,736	3,053	2,671	2,332	2,363
Total borrowed funds	24,516	20,456	15,028	14,695	15,651
Allowance for unfunded loan commitments and letters of credit	125	121	120	117	103
Accrued expenses	3,663	3,864	3,970	3,855	2,635
Other	4,252	4,649	4,728	4,031	3,573
Total liabilities	109,777	106,457	90,147	87,270	85,455
Minority and noncontrolling interests in consolidated entities	1,370	1,367	885	408	632
<b>Shareholders Equity</b>					
Preferred stock (a)					
Common stock \$5 par value					
Authorized 800 shares, issued 353 shares					
	1,764	1,764	1,764	1,764	1,764
Capital surplus	2,606	2,520	1,651	1,628	1,325



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Retained earnings	11,339	11,134	10,985	10,771	9,449
Accumulated other comprehensive loss	(439)	(162)	(235)	(109)	(510)
Common stock held in treasury at cost: 11, 7, 60, 59, and 58 shares	(766)	(517)	(3,377)	(3,296)	(3,201)
Total shareholders equity	14,504	14,739	10,788	10,758	8,827
Total liabilities, minority and noncontrolling interests, and shareholders equity	\$ 125,651	\$ 122,563	\$ 101,820	\$ 98,436	\$ 94,914

**Capital Ratios**

Tier 1 risk-based (b)	8.1%	8.6%	10.4%	10.4%	8.8%
Total risk-based (b)	Its: General Partner				

Name: /s/ Richard T. Joseph  
Richard T. Joseph  
Title: Authorized Signatory

**101 Huntington Holdings, L.L.C.**

By: /s/ Richard T. Joseph  
Name: Richard T. Joseph  
Title: Authorized Signatory

**Marc B. Wolpov**

/s/ Marc B. Wolpov

**Geoffrey S. Rehnert**

/s/ Geoffrey S. Rehnert

**Audax Management Company, LLC**

By: Audax Group, L.P.  
Its: Managing Member

By: 101 Huntington Holdings, L.L.C.  
Its: General Partner

Name: /s/ Richard T. Joseph  
Richard T. Joseph  
Title: Authorized Signatory

**Oaktree Capital Management, LLC**

By: /s/ Michael P. Harmon  
Name: Michael P. Harmon  
Title: Managing Director

By: /s/ Richard Ting  
Name: Richard Ting  
Title: Vice President, Legal

**OCM Principal Opportunities Fund II, L.P.**

By: Oaktree Capital Management, LLC  
Its: General Partner

By: /s/ Michael P. Harmon  
Name: Michael P. Harmon  
Title: Managing Director

By: /s/ Richard Ting  
Name: Richard Ting  
Title: Vice President, Legal