June 6, 2011

Ms. Susan M. Cosper, Technical Director
Financial Accounting Standards Board
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116


Dear Ms. Cosper:

The PNC Financial Services Group, Inc. (“PNC”) appreciates the opportunity to comment on the Exposure Draft, Intangibles – Goodwill and Other (Topic 350) (the “ED”), which solicits feedback on proposed changes to annual goodwill impairment testing. PNC supports the efforts of the Financial Accounting Standards Board (the “Board”) to simplify how an entity is required to test goodwill for impairment. Our general comments and our answers to the Board’s applicable specific questions are presented below.

General Comments

PNC agrees with the Board’s proposed changes to Intangibles - Goodwill and Other (Topic 350). We believe those companies who elect a qualitative approach, as defined in the ED, may be able to realize a cost benefit, as well as certain operational efficiencies, by not having to undertake a quantitative approach for Step 1 goodwill impairment testing.

PNC is one of the nation’s largest diversified financial services organizations. We are a public company with over 50,000 employees and total assets of $259 billion at March 31, 2011 and having revenue of $15 billion for the fiscal year ended December 31, 2010. We had approximately $8 billion of goodwill at March 31, 2011, which was assigned to multiple reporting units.

We do not believe PNC would currently elect performing a qualitative assessment due to the significant amount of economic and regulatory uncertainty surrounding our industry, which makes it difficult to qualitatively assess that it is more likely than not that the fair values of our reporting units exceed their carrying values. Our reporting units, and business overall, operate in a heavily regulated industry that is impacted to a great extent by current economic conditions. We are also exposed to a significant amount of regulatory uncertainty as Dodd-Frank rules continue to be defined and new legislation is contemplated, which could increase operating costs and impact revenue streams. In the event economic and regulatory conditions stabilize and earnings continue to improve, we will consider implementing a qualitative approach and could benefit from the proposed amendments in the ED.
PNC also believes the selection of events and circumstances and their related weighting based upon a company's unique facts and circumstances and management's judgment, which will ultimately drive a qualitative conclusion, is highly judgmental. Therefore, PNC recommends the Board require additional disclosures within a company's footnotes in order to provide more visibility to financial statement users as to how goodwill was qualitatively evaluated for impairment. Specifically, when a qualitative approach is utilized, these additional disclosures should provide a description of the key qualitative factors to which the most weight was given, and how they were analyzed, which support a company's conclusion that it is more likely than not that the fair value of its reporting units are greater than their carrying amounts, including goodwill.

Our responses to the Board's specific questions are below.

**Question 1:** Please describe the entity or individual responding to this request. For example:

a. Please indicate whether you primarily are a preparer, user, or auditor of financial statements or, if other, please specify.

b. If you are a preparer of financial statements, please indicate whether your entity is public or nonpublic and describe your primary business and its size (in terms of annual revenue, the number of employees, or other relevant metric).

c. If you are an auditor, please describe the size of your firm (in terms of number of partners or other relevant metric) and indicate whether your practice focuses primarily on public entities, nonpublic entities, or both.

d. If you are a user of financial statements, please indicate in what capacity (for example, investor, analyst, or rating agency) and where in the capital structure you are most focused (for example, debt or equity).

**Response:** PNC is primarily a preparer of financial statements. As noted in the General Comments section, PNC is a public company with total assets of $259 billion, including approximately $8 billion of goodwill at March 31, 2011.

**Question 2:** For preparers, do you believe that the proposed amendments will reduce overall costs and complexity compared with existing guidance? If not, please explain why.

**Response:** PNC believes that the proposed amendments could reduce overall costs and complexity for preparers of financial statements who are able to apply the qualitative approach.

**Question 3:** For preparers, do you expect your entity will choose to perform the qualitative assessment proposed in the amendments, or will your entity choose to proceed directly to performing the first step of the two-step impairment test? Please explain.

**Response:** As noted in the General Comments section, currently, PNC does not expect to choose to perform the qualitative assessment proposed in the amendments and will likely proceed directly to performing the first step of the two-step impairment test. In the event economic and regulatory conditions stabilize and earnings continue to improve, we will consider implementing a qualitative approach and could benefit from the proposed amendments in the ED.

**Question 6:** Do you agree that the proposed examples of events and circumstances to be assessed are adequate? If not, what changes do you suggest?

**Response:** PNC agrees that the proposed examples of events and circumstances, reflected in ED paragraph 350-20-35-3C, are adequate representations of the facts and circumstances that impact the goodwill impairment
assessment. We also believe additional disclosures, as discussed in the General Comments section, will provide users of financial statements a better understanding how companies qualitatively evaluate goodwill for impairment.

**Question 7:** Do you agree that the guidance in the proposed amendments about how an entity should assess relevant events or circumstances is clear? If not, how can the guidance be improved?

**Response:** PNC believes that the guidance in the proposed amendments about how an entity should assess relevant events or circumstances is clear. However, as noted in the General Comments section and our response to question #6, additional footnote disclosures would be beneficial for financial statement users to better understand companies' interpretation and application of the guidance.

**Question 8:** Do you agree with the Board's decision to make the proposed amendments applicable to both public entities and nonpublic entities? If not, please explain why.

**Response:** PNC agrees with the Board's decision to make the proposed amendments applicable to both public and nonpublic entities.

**Question 9:** Do you agree with the proposed effective date provisions? If not, please explain why.

**Response:** PNC agrees with the effective date provisions in the ED, which would make the ASU effective for goodwill impairment tests for fiscal years ended after December 15, 2011, with early adoption permitted. We believe this will allow companies sufficient time to analyze events and circumstances that are most impactful to the goodwill of their business on a qualitative basis.

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We appreciate the Board's request for feedback on this matter and appreciate the opportunity to share our views with the Board and staff. We welcome any questions or comments you may have. Please contact me with any questions about PNC's comments at 412-762-7546.

Sincerely,

John (JJ) Matthews
Director of Accounting Policy
The PNC Financial Services Group, Inc.

cc: Mr. Richard Johnson
    Executive Vice President and Chief Financial Officer
    The PNC Financial Services Group, Inc.

    Mr. Gregory Kozich
    Senior Vice President and Controller
    The PNC Financial Services Group, Inc.