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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999.
COMMISSION FILE NUMBER 1-9718.

THE PNC FINANCIAL SERVICES GROUP, INC.
(Exact name of registrant as specified in its charter)

PENNSYLVANIA	25-1435979
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

ONE PNC PLAZA
249 FIFTH AVENUE
PITTSBURGH, PENNSYLVANIA 15222-2707
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES, INCLUDING ZIP CODE)

Registrant's telephone number, including area code - (412) 762-1553

PNC Bank Corp.
(Former Name, or Former Address, if changed since last Report)

Securities registered pursuant to Section 12(b) of the Act:

<TABLE>
<CAPTION>

Title of Each Class	Name of Each Exchange on Which Registered
<S>	<C>
COMMON STOCK, PAR VALUE $5.00	New York Stock Exchange
$1.60 CUMULATIVE CONVERTIBLE PREFERRED STOCK-SERIES C, PAR VALUE $1.00	New York Stock Exchange
$1.80 CUMULATIVE CONVERTIBLE PREFERRED STOCK-SERIES D, PAR VALUE $1.00	New York Stock Exchange

</TABLE>

Securities registered pursuant to Section 12(g) of the Act:
$1.80 CUMULATIVE CONVERTIBLE PREFERRED STOCK - SERIES A, PAR VALUE $1.00
$1.80 CUMULATIVE CONVERTIBLE PREFERRED STOCK - SERIES B, PAR VALUE $1.00
8.25% CONVERTIBLE SUBORDINATED DEBENTURES DUE 2008

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes _X_   No __

Indicate by check mark if the disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. _X_

The aggregate market value of the voting common equity held by non-affiliates of the registrant amounted to approximately $11.3 billion at February 29, 2000. There is no non-voting common equity of the registrant outstanding.

Number of shares of registrant's common stock outstanding at February 29, 2000: 292,548,003

DOCUMENTS INCORPORATED BY REFERENCE

Portions of The PNC Financial Services Group, Inc. 1999 Annual Report ("Annual Report to Shareholders") are incorporated by reference into Parts I and II and portions of the definitive Proxy Statement of The PNC Financial Services Group, Inc. for the annual meeting of shareholders to be held on April 25, 2000 ("Proxy Statement") are incorporated by reference into Part III of this Form 10-K. The incorporation by reference herein of portions of the Proxy Statement shall not be deemed to specifically incorporate by reference the information referred to in Item 402(a) (8) and (9) of Regulation S-K.

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PART I

Forward-Looking Statements: From time to time The PNC Financial Services Group, Inc. ("PNC" or "Corporation") has made and may continue to make forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to financial performance and other financial and business matters. This report also includes forward-looking statements. Forward-looking statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "intend," "estimate," "position" and variations of such words and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may" or similar expressions. The Corporation cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, all of which change over time, and the Corporation assumes no duty to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements.

In addition to factors previously disclosed by the Corporation and those identified elsewhere in this Report, the following factors, among others, could cause actual results to differ materially from forward-looking statements: increased credit risk; the introduction, withdrawal, success and timing of business initiatives and strategies; changes in competitive conditions; the inability to sustain revenue and earnings growth; the inability to realize cost savings or revenues and implement integration plans associated with acquisitions and divestitures; changes in economic conditions, interest rates and financial and capital markets; inflation; changes in investment performance; customer disintermediation; customer borrowing, repayment, investment and deposit practices; customer acceptance of PNC products and services; the inability of the Corporation or others to remediate year 2000 concerns; and the impact, extent and timing of technological changes, capital management activities, actions of the Federal Reserve Board and legislative and regulatory actions and reforms.

ITEM 1 - BUSINESS

BUSINESS OVERVIEW The PNC Financial Services Group, Inc. is a bank holding company registered under the Bank Holding Company Act of 1956, as amended ("BHC Act"), and a financial holding company under the recently enacted Gramm-Leach-Bliley Act. PNC was incorporated under the laws of the Commonwealth of Pennsylvania in 1983 with the consolidation of Pittsburgh National Corporation and Provident National Corporation. Since 1983, PNC has diversified its geographical presence and product capabilities through strategic bank and nonbank acquisitions and the formation of various nonbanking subsidiaries.

The Corporation is one of the largest diversified financial services companies in the United States operating regional banking, wholesale banking and asset management businesses that provide products and services nationally and in PNC's primary geographic markets in Pennsylvania, New Jersey, Delaware, Ohio and Kentucky. At December 31, 1999, the Corporation's consolidated total assets, deposits and shareholders' equity were $75.4 billion, $46.7 billion and $5.9 billion, respectively. For information about principal acquisitions and divestitures and sale of subsidiary stock during 1999, see "Note 2 - Acquisitions and Divestitures" and "Note 3 - Sale of Subsidiary Stock" of the "Notes to Consolidated Financial Statements" included on page 67 of the Annual Report to Shareholders and incorporated herein by reference. Financial and other information by segment is included in "Note 23 - Segment Reporting" of the "Notes to Consolidated Financial Statements" included on pages 79 and 80 of the Annual Report to Shareholders and incorporated herein by reference.

REVIEW OF BUSINESSES The information relating to PNC Bank - Regional Banking, PNC Bank - Corporate Banking, PNC Secured Finance, PNC Mortgage, PNC Advisors, BlackRock and PFPC is set forth under the captions "Overview" and "Review of Businesses" in the "Financial Review" included on pages 36 through 45 of the Annual Report to Shareholders, and is incorporated herein by reference.

SUBSIDIARIES The corporate legal structure currently consists of four subsidiary banks and over 75 active nonbank subsidiaries. PNC Bank, National Association ("PNC Bank, N.A."), headquartered in Pittsburgh, Pennsylvania, is the Corporation's principal bank subsidiary. At December 31, 1999, PNC Bank, N.A. had consolidated total assets of $68.2 billion, representing approximately 90% of the Corporation's consolidated total assets. For additional information on subsidiaries, see Exhibit 21 to this Form 10-K, which is incorporated herein by reference.

STATISTICAL DISCLOSURE BY BANK HOLDING COMPANIES The following statistical information is included on the indicated pages of the Annual Report to Shareholders and is incorporated herein by reference:

	Page of Annual Report to Shareholders
Average Consolidated Balance Sheet and Net Interest Analysis	86-87
Analysis of Year-to-Year Changes in Net Interest Income	85
Book Values of Securities	68
Maturities and Weighted-Average Yield of Securities	69
Loan Types	69
Loan Maturities and Interest Sensitivity	89
Nonaccrual, Past Due and Restructured Loans	64 and 70
Potential Problem Loans	50
Summary of Loan Loss Experience	88
Allocation of Allowance for Credit Losses	88
Average Amount and Average Rate Paid on Deposits	86-87
Time Deposits of $100,000 or More	89
Selected Consolidated Financial Data	35
Short-Term Borrowings	89

RISK MANAGEMENT In the normal course of business, the Corporation assumes various types of risk, the most significant of which are credit, liquidity, interest rate and market risk. To manage these risks, PNC has risk management processes designed to provide for risk identification, measurement, monitoring and control. Information relating to credit, liquidity, interest rate and market risk and the Corporation's risk management processes is set forth under the section "Risk Management" in the "Financial Review" included on pages 50 through 53 of the Annual Report to Shareholders, which is incorporated herein by reference.

EFFECT OF GOVERNMENTAL MONETARY AND OTHER POLICIES The activities and results of operations of bank holding companies and their subsidiaries are affected by monetary, tax and other policies of the United States government and its agencies, including the Board of Governors of the Federal Reserve System ("Federal Reserve Board"). An important function of the Federal Reserve Board is to regulate the national supply of bank credit. The Federal Reserve Board employs open market operations in U.S. Government securities, changes in the discount rate on bank borrowings and changes in reserve requirements on bank deposits to implement its monetary policy objectives. These instruments of monetary policy are used in varying combinations to influence the overall level of bank loans, investments and deposits, the interest rates charged on loans and paid for deposits, the price of the dollar in foreign exchange markets and the level of inflation. It is not possible to predict the nature or timing of future changes in monetary, tax and other policies or the effect that they may have on the Corporation's activities and results of operations.

IMPACT OF INFLATION The assets and liabilities of the Corporation are primarily monetary in nature. Accordingly, future changes in prices do not affect the obligations to pay or receive fixed and determinable amounts of money. During periods of inflation, monetary assets lose value in terms of purchasing power and monetary liabilities have corresponding purchasing power gains. The concept of purchasing power, however, is not an adequate indicator of the effect of inflation on banks because it does not take into account changes in interest rates, which are an important determinant of the Corporation's earnings. A discussion of interest rate risk is set forth under the caption "Interest Rate Risk" in the "Risk Management" section of the "Financial Review" included on page 52 of the Annual Report to Shareholders, and is incorporated herein by reference.

SUPERVISION AND REGULATION The Corporation and its subsidiaries are subject to numerous governmental regulations, some of which are highlighted below and in "Note 17 - Regulatory Matters" of the "Notes to Consolidated Financial Statements" included on pages 73 and 74 of the Annual Report to Shareholders, ("Note 17 - Regulatory Matters"), which is incorporated herein by reference. These regulations cover, among other things, permissible activities and investments and dividend limitations on the Corporation and its subsidiaries, and consumer-related protections for loan, deposit, brokerage, fiduciary, mutual fund and other customers.

As a bank holding company and, as discussed below, a "financial holding company," the Corporation is subject to supervision and regular inspection by the Federal Reserve Board. The Federal Reserve Board's prior approval is required whenever the Corporation proposes to acquire all or substantially all of the assets of any bank, to acquire direct or indirect ownership or control of more than 5% of the voting shares of any bank, or to merge or consolidate with any other bank holding company. When reviewing bank acquisition applications for approval, the Federal Reserve Board considers, among other things, each subsidiary bank's record in meeting the credit needs of the communities it serves in accordance with the Community Reinvestment Act of 1977, as amended ("CRA"). At December 31, 1999, the Corporation's principal bank subsidiary, PNC Bank, N.A., was rated "Outstanding" with respect to CRA; its other bank subsidiaries were rated "Satisfactory."

As a bank holding company, the Corporation may not, with certain exceptions, acquire direct or indirect ownership or control of more than 5% of any class of voting shares of any nonbanking corporation, may not engage in any business other than managing and controlling banks or furnishing certain specified services to subsidiaries, and may not acquire voting control of nonbanking corporations unless the Federal Reserve

Board determines such businesses and services to be closely related to banking.

The Gramm-Leach-Bliley Act ("GLB Act"), which was enacted on November 12, 1999, and portions of which became effective on March 11, 2000, permits a qualifying bank holding company to become a financial holding company and thereby to affiliate with financial companies engaging in a broader range of activities than has previously been permitted for a bank holding company. Permitted affiliates include securities underwriters and dealers, insurance companies, and companies engaged in other activities that are declared by the Federal Reserve Board, in cooperation with the Treasury Department, to be "financial in nature or incidental thereto" or are declared by the Federal Reserve Board unilaterally to be "complementary" to financial activities. A bank holding company may elect to become a financial holding company if each of its subsidiary banks is "well capitalized," is "well managed," and has at least a "Satisfactory" CRA rating. PNC became a financial holding company as of March 13, 2000.

The Federal Reserve Board is the umbrella supervisor of a financial holding company. The GLB Act requires the Federal Reserve Board to defer to the actions and requirements of the "functional" regulators of subsidiary broker-dealers, investment managers, investment companies, insurance underwriters and brokers, banks and other regulated institutions. Thus, the various state and federal regulators of a financial holding company's subsidiaries retain their jurisdiction and authority over such operating entities. As the umbrella supervisor, however, the Federal Reserve Board has the potential to affect the operations and activities of a financial holding company's subsidiaries through its authority over the financial holding company parent. In addition, the Federal Reserve Board retains back-up regulatory authority over functionally regulated subsidiaries, such as broker-dealers and banks, to intervene directly in the affairs of the subsidiaries for specific reasons.

The Corporation's subsidiary banks and their subsidiaries are subject to supervision and examination by applicable federal and state banking agencies, including such federal agencies as the Office of the Comptroller of the Currency ("OCC") with respect to PNC Bank, N.A. and PNC Advisors, N.A., the Federal Deposit Insurance Corporation ("FDIC") with respect to PNC Bank, Delaware, and the Office of Thrift Supervision with respect to PNC Bank, FSB. One aspect of this regulation is that the Corporation's subsidiary banks are subject to various federal and state restrictions on their ability to pay dividends to PNC Bancorp, Inc., the parent of the subsidiary banks, which in turn may affect the ability of PNC Bancorp, Inc. to pay dividends to the Corporation. These dividends constitute the Corporation's principal source of income. Without regulatory approval, the amount available for dividend payments to PNC Bancorp, Inc. by all bank subsidiaries was $489 million at December 31, 1999. The Corporation's subsidiary banks are also subject to federal laws limiting extensions of credit to their parent holding company and nonbank affiliates as discussed in "Note 17 - Regulatory Matters."

Under Federal Reserve Board policy, a bank holding company is expected to act as a source of financial strength to each of its subsidiary banks and to commit resources to support each such bank. Consistent with the "source of strength" policy for subsidiary banks, the Federal Reserve Board has stated that, as a matter of prudent banking, a bank holding company generally should not maintain a rate of cash dividends unless its net income available to common shareholders has been sufficient to fully fund the dividends, and the prospective rate of earnings retention appears to be consistent with the corporation's capital needs, asset quality and overall financial condition.

Subsidiary banks are also limited by law and regulation in the scope of permitted activities and investments. Subsidiary banks and their operating subsidiaries may engage in any activities that are determined by the OCC to be part of or incidental to the business of banking. The GLB Act, however, permits a national bank, such as PNC Bank, N.A., to engage in expanded activities through the formation of a "financial subsidiary." PNC Bank, N.A. has filed a financial subsidiary certification with the OCC and may thus engage in any activity that is financial in nature or incidental to a financial activity, except for insurance underwriting, insurance investments, real estate investment or development, or merchant banking. In order to qualify to establish or acquire a financial subsidiary, PNC Bank, N.A. and each of its depository institution affiliates must be "well capitalized" and "well managed," and may not have a less than "satisfactory" CRA rating. In addition, the total assets of all financial subsidiaries of a national bank may not exceed the lesser of $50 billion or 45% of the parent bank's total assets. A national bank that is one of the largest 50 insured banks in the United States, such as PNC Bank, N.A., must also have issued debt with a certain rating.

A financial holding company or national bank engaging in activities permitted under the GLB Act can be subject to various corrective actions by the FRB or OCC, respectively, if the "well capitalized" or "well managed" requirements noted above are not met. These corrective actions could include requiring divestiture of the activities conducted in reliance on the GLB Act. In addition, if the CRA rating requirements discussed above are not met, the financial holding company or national bank would not be permitted to engage in new activities, or to make new investments, in reliance on the GLB Act.

The federal banking agencies possess broad powers to take corrective action as deemed appropriate for an insured depository institution and its holding company. The extent of these powers depends upon whether the institution in question is considered "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" or "critically undercapitalized." Generally, as an institution is deemed to be less well capitalized, the scope and severity of the agencies' powers increase, ultimately permitting the agency to appoint a receiver for the institution. Business activities may also be influenced by an institution's capital classification. For instance, only a "well capitalized" depository institution may accept brokered deposits without prior regulatory approval and an "adequately capitalized" depository institution may accept brokered deposits only with prior regulatory approval. At December 31, 1999, all of the Corporation's subsidiary banks exceeded the required ratios for classification as "well capitalized." Additional discussion of capital adequacy requirements is set forth under the caption "Capital" in the "Financial Review" on page 49 of the Annual Report to Shareholders, which is incorporated herein by reference.

All of the Corporation's subsidiary banks have deposits insured by the FDIC and are subject to premium assessments. The FDIC assessment is based upon the institution's relative risk as measured by regulatory capital ratios and certain other factors. Under current regulations, the Corporation's subsidiary banks are not assessed a premium on deposits insured by either the Bank Insurance Fund or the Savings Association Insurance Fund. However, insured depository institutions continue to pay premiums based upon deposit levels to service debt issued by a governmental entity.

The Corporation's subsidiary banks are subject to "cross-guarantee" provisions under federal law that provide that if one of these banks fails or requires FDIC assistance, the FDIC may assess a "commonly-controlled" bank for the estimated losses suffered by the FDIC. Such liability could have a material adverse effect on the financial condition of any assessed bank and the Corporation. While the FDIC's claim is junior to the claims of depositors, holders of secured liabilities, general creditors and subordinated creditors, it is superior to the claims of shareholders and affiliates, such as the Corporation.

The Corporation's subsidiaries are subject to regulatory restrictions imposed by the Federal Reserve Board and other federal and state agencies. The Corporation's six registered broker-dealer subsidiaries are regulated by the Securities and Exchange Commission ("SEC") and either by the OCC or the Federal Reserve Board. They are also subject to rules and regulations promulgated by the National Association of Securities Dealers, Inc., among others. Two subsidiaries are registered as commodity pool operators with the Commodity Futures Trading Commission and the National Futures Association, and are subject to regulation by them. Several subsidiaries that are registered investment advisers are subject to regulation by the SEC and other agencies. Several subsidiaries also provide investment advisory and other services to registered investment companies and thus are subject to certain obligations under the Investment Company Act of 1940, as amended.

The rules governing the regulation of financial services institutions and their holding companies are very detailed and technical. Accordingly, the above discussion is general in nature and does not purport to be complete or to describe all of the laws and regulations that apply to the Corporation and its subsidiaries.

COMPETITION The Corporation and its subsidiaries are subject to intense competition from various financial institutions and from "nonbank" entities that engage in similar activities without being subject to bank regulatory supervision and restrictions. This is particularly true as the Corporation expands nationally beyond its primary geographic footprint, where expansion requires significant investments to penetrate new markets and respond to competition, and as the Corporation and other entities expand their activities pursuant to the GLB Act, as discussed above.

In making loans, the subsidiary banks compete with traditional banking institutions as well as consumer finance companies, leasing companies and other nonbank lenders. Loan pricing and credit standards are under competitive pressure as lenders seek to deploy capital and a broad range of borrowers have access to capital markets. Traditional deposit activities are subject to pricing pressures and customer migration as a result of intense competition for consumer investment dollars. The Corporation's subsidiary banks compete for deposits with not only other commercial banks, savings banks, savings and loan associations and credit unions, but also insurance companies and issuers of commercial paper and other securities, including mutual funds. Various nonbank subsidiaries engaged in investment banking and venture capital activities compete with commercial banks, investment banking firms, insurance companies and venture capital firms. In providing asset management services, the Corporation's subsidiaries compete with many large banks and other financial institutions, brokerage firms, mutual fund complexes, investment management firms and insurance companies.

The ability to access and use technology is an increasingly important competitive factor in the financial services industry. Technology is not only important with respect to delivery of financial services, but in processing information. Each of the Corporation's businesses consistently must make technological investments to remain competitive.

EMPLOYEES Average full-time equivalent employees totaled approximately 25,600 in 1999, and were approximately 27,200 in December 1999.

ITEM 2 - PROPERTIES

The executive and administrative offices of the Corporation and PNC Bank, N.A. are located at One PNC Plaza, 249 Fifth Avenue Pittsburgh, Pennsylvania. The thirty-story structure is owned by PNC Bank, N.A. The Corporation and PNC Bank, N.A. occupy all of the building. In addition, PNC Bank, N.A. owns a thirty-four story structure adjacent to One PNC Plaza, known as Two PNC Plaza, 620 Liberty Avenue, Pittsburgh, Pennsylvania, that houses additional office space. PNC Bank, N.A. has operations centers in Pittsburgh and Philadelphia, Pennsylvania. A new facility is presently under construction for the Pittsburgh operations center, with completion expected in 2000. The Philadelphia operations center is located in a leased facility.

The Corporation's subsidiaries own or lease numerous other premises for use in conducting business activities. The facilities owned or occupied under lease by the Corporation's subsidiaries are considered by management to be adequate.

Additional information pertaining to the Corporation's properties is set forth in "Note 10 - Premises, Equipment and Leasehold Improvements" of the "Notes to Consolidated Financial Statements" included on page 71 of the Annual Report to Shareholders, which is incorporated herein by reference.

ITEM 3 - LEGAL PROCEEDINGS

The information set forth in "Note 25 - Litigation" of the "Notes to Consolidated Financial Statements" included on page 81 of the Annual Report to Shareholders is incorporated herein by reference.

ITEM 4 - SUBMISSIONS OF MATTERS TO A VOTE OF SECURITY HOLDERS

None during the fourth quarter of 1999.

EXECUTIVE OFFICERS OF THE REGISTRANT Information concerning each executive officer of the Corporation as of March 15, 2000 is set forth below. Each executive officer held the position indicated or another senior executive position with the same entity or one of its affiliates or a predecessor corporation for the past five years.

<TABLE>
<CAPTION>

Name	Age	Position with Corporation	Year Employed(1)
<S>	<C>	<C>	<C>
Thomas H. O'Brien (2) (3)	63	Chairman, Chief Executive Officer and Director	1962
James E. Rohr (2) (3)	51	President, Chief Operating Officer and Director	1972
Walter E. Gregg, Jr. (2)	58	Vice Chairman and Director	1974
Joseph C. Guyaux	49	Executive Vice President and Chief Executive Officer, PNC Bank - Regional Community Banking	1972
Robert L. Haunschild	50	Senior Vice President and Chief Financial Officer	1990
Ralph S. Michael III	45	Executive Vice President and Chief Executive Officer, PNC Bank - Corporate Banking	1979
Thomas E. Paisley III	52	Senior Vice President and Chairman, Corporate Credit Policy Committee	1972
Samuel R. Patterson	41	Controller	1986
Helen P. Pudlin	50	Senior Vice President and General Counsel	1989
Bruce E. Robbins (4)	55	Executive Vice President and Chief Executive Officer, PNC Secured Finance	1973
Thomas K. Whitford	44	Executive Vice President and Chief Executive Officer, PNC Advisors	1983

</TABLE>

(1) Where applicable, refers to year first employed by predecessor company or acquired company.

(2) Office of the Chairman member.

(3) Mr. O'Brien will retire as Chief Executive Officer effective May 1, 2000, but not as Chairman of the Board. Mr. Rohr will become Chief Executive Officer effective May 1, 2000 and will retain the title of President.

(4) Mr. Robbins will retire effective June 30, 2000.

PART II

ITEM 5 - MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Corporation's common stock is listed on the New York Stock Exchange and is traded under the symbol "PNC." At the close of business on February 29, 2000, there were 60,407 common shareholders of record.

Holders of common stock are entitled to receive dividends when declared by the Board of Directors out of funds legally available therefor. The Board of Directors may not pay or set apart dividends on the common stock until dividends for all past dividend periods on any series of outstanding preferred stock

have been paid or declared and set apart for payment. The Board presently intends to continue the policy of paying quarterly cash dividends. However, the amount of any future dividends will depend on earnings, the financial condition of the Corporation and other factors, including contractual restrictions and applicable government regulations and policies (such as those relating to the ability of bank and nonbank subsidiaries to upstream dividends to the parent company). The Federal Reserve Board has the power to prohibit the Corporation from paying dividends without its approval. Further discussion concerning dividend restrictions and restrictions on loans or advances from bank subsidiaries to the parent company is set forth under the caption "Supervision and Regulation" in Part I, Item 1 of this Form 10-K, under the caption "Liquidity Risk" in the "Risk Management" section of the "Financial Review" on pages 51 and 52 of the Annual Report to Shareholders, and in "Note 17 - Regulatory Matters", which are incorporated herein by reference.

Additional information relating to the common stock is set forth under the caption "Common Stock Prices/Dividends Declared" on the inside back cover of the Annual Report to Shareholders, which is incorporated herein by reference.

ITEM 6 - SELECTED FINANCIAL DATA

The information set forth under the caption "Selected Consolidated Financial Data" in the "Financial Review" on page 35 and the caption "Average Consolidated Balance Sheet and Net Interest Analysis" in the "Statistical Information" on pages 86 and 87 of the Annual Report to Shareholders is incorporated herein by reference. Average common shareholders' equity to average assets for the Corporation was 7.43%, 7.06%, 7.31%, 8.11% and 7.64% for 1999, 1998, 1997, 1996 and 1995, respectively.

ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The discussion of the Corporation's financial condition and results of operations set forth under the section "Financial Review" on pages 35 through 57 of the Annual Report to Shareholders is incorporated herein by reference.

ITEM 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information set forth under the captions "Interest Rate Risk," "Market Risk" and "Financial Derivatives" in the "Financial Review" on pages 52 through 55 of the Annual Report to Shareholders is incorporated herein by reference.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The "Report of Ernst & Young LLP, Independent Auditors," "Consolidated Financial Statements," "Notes to Consolidated Financial Statements" and "Selected Quarterly Financial Data" on pages 59, 60 through 63, 64 through 83, and 84, respectively, of the Annual Report to Shareholders are incorporated herein by reference.

ITEM 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were no reportable events.

PART III

ITEM 10 - DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information regarding directors and nominees required by this item is set forth under the caption "Election of Directors - Information Concerning Nominees" in the Proxy Statement and is incorporated herein by reference.

Information regarding compliance with Section 16(a) of the Securities Exchange Act of 1934 set forth under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement is incorporated herein by reference.

Information regarding executive officers of the Corporation is included in Part I of this Form 10-K under the caption "Executive Officers of the Registrant."

ITEM 11 - EXECUTIVE COMPENSATION

The information required by this item is set forth under the captions "Election of Directors - Compensation of Directors" and "Compensation of Executive Officers," excluding the "Personnel and Compensation Committee Report on Executive Compensation," in the Proxy Statement and is incorporated herein by reference.

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this item is set forth under the caption "Security Ownership of Directors, Nominees and Executive Officers" in the Proxy Statement and is incorporated herein by reference.

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this item is set forth under the caption "Transactions Involving Directors, Nominees and Executive Officers" in the Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 14 - EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

FINANCIAL STATEMENTS The following report of independent auditors and consolidated financial information of the Corporation included in the Annual Report to Shareholders are incorporated herein by reference.

Financial Statements	Page of Annual Report to Shareholders
Report of Ernst & Young LLP, Independent Auditors	59
Consolidated Statement of Income for the three years ended December 31, 1999	60
Consolidated Balance Sheet as of December 31, 1999 and 1998	61
Consolidated Statement of Shareholders' Equity for the three years ended December 31, 1999	62
Consolidated Statement of Cash Flows for the three years ended December 31, 1999	63
Notes to Consolidated Financial Statements	64-83
Selected Quarterly Financial Data	84

No financial statement schedules are being filed.

REPORTS ON FORM 8-K The following reports on Form 8-K were filed during the quarter ended December 31, 1999.

Form 8-K dated October 20, 1999, filing an earnings release reporting the Corporation's consolidated financial results for the three and nine months ended September 30, 1999, and information on the Corporation's businesses for the nine months ended September 30, 1999 and 1998.

Form 8-K dated October 26, 1999, reporting on entering into an underwriting agreement with respect to the public offering of $400,000,000 of 7.50% subordinated notes due 2009 and on the form of the notes and related guarantee.

EXHIBITS The exhibits listed on the Exhibit Index on pages E-1 and E-2 of this Form 10-K are filed herewith or are incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant, The PNC Financial Services Group, Inc., has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE PNC FINANCIAL SERVICES GROUP, INC.
(Registrant)

By: /s/ Robert L. Haunschild

Robert L. Haunschild, Senior Vice President

and Chief Financial Officer
March 27, 2000

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of The PNC Financial Services Group, Inc. and in the capacities indicated on March 27, 2000.

Signature	Capacities
/s/ Thomas H. O'Brien Thomas H. O'Brien	Chairman, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Robert L. Haunschild Robert L. Haunschild	Senior Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ Samuel R. Patterson Samuel R. Patterson	Controller (Principal Accounting Officer)
* Paul W. Chellgren; Robert N. Clay; George A. Davidson, Jr.; David F. Girard-diCarlo; Walter E. Gregg, Jr.; William R. Johnson; Bruce C. Lindsay; W. Craig McClelland; Jane G. Pepper; Jackson H. Randolph; James E. Rohr; Roderic H. Ross; Richard P. Simmons; Thomas J. Usher; Milton A. Washington; and Helge H. Wehmeier	Directors
*By: /s/ Thomas R. Moore Thomas R. Moore, Attorney-in-Fact, pursuant to Powers of Attorney filed herewith	

EXHIBIT INDEX

Exhibit No.	Description	Method of Filing +
3.1	Articles of Incorporation of the Corporation, as amended and restated as of March 14, 2000.	Filed herewith.
3.2	By-Laws of the Corporation, as amended.	Incorporated herein by reference to Exhibit 99.2 of the Corporation's Current Report on Form 8-K dated January 15, 1998.
4.1	There are no instruments with respect to long-term debt of the Corporation and its subsidiaries that involve securities authorized under the instrument in an amount exceeding 10 percent of the total assets of the Corporation and its subsidiaries on a consolidated basis. The Corporation agrees to provide the SEC with a copy of instruments defining the rights of holders of long-term debt of the Corporation and its subsidiaries upon request.	
4.2	Terms of $1.80 Cumulative Convertible Preferred Stock, Series A.	Included as part of Exhibit 3.1.

4.3	Terms of $1.80 Cumulative Convertible Preferred Stock, Series B.	Included as part of Exhibit 3.1.
4.4	Terms of $1.60 Cumulative Convertible Preferred Stock, Series C.	Included as part of Exhibit 3.1.
4.5	Terms of $1.80 Cumulative Convertible Preferred Stock, Series D.	Included as part of Exhibit 3.1.
4.6	Terms of Fixed/Adjustable Rate Noncumulative Preferred Stock, Series F.	Included as part of Exhibit 3.1.
10.1	The Corporation's Supplemental Executive Retirement Plan, as amended as of January 1, 1999.	Filed herewith. *
10.2	The Corporation's ERISA Excess Pension Plan, as amended as of January 1, 1999.	Filed herewith. *
10.3	The Corporation's Key Executive Equity Program, as amended as of January 1, 1999.	Filed herewith. *
10.4	The Corporation's Supplemental Incentive Savings Plan, as amended as of January 1, 1999.	Filed herewith. *
10.5	The Corporation's 1997 Long-Term Incentive Award Plan.	Incorporated herein by reference to Exhibit 4.3 to Post-Effective Amendment No. 1 to the Corporation's Registration Statement No. 33-54960 on Form S-8 filed with the SEC on April 25, 1997.*
10.6	Form of Nonstatutory Stock Option Agreement under 1997 Award Plan.	Incorporated herein by reference to Exhibit 10.6 of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1997 ("1997 Form 10-K").*
10.7	Form of Nonstatutory Stock Option Agreement under 1997 Award Plan for options granted on or after February 17, 1999.	Incorporated herein by reference to Exhibit 10.8 of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1998.*
10.8	Form of Addendum to Nonstatutory Stock Option Agreement relating to Reload Nonstatutory Stock Options.	Incorporated herein by reference to Exhibit 10.8 of the Corporation's 1997 Form 10-K.*
10.9	Form of Reload Nonstatutory Stock Option Agreement.	Incorporated herein by reference to Exhibit 10.9 of the Corporation's 1997 Form 10-K.*

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10.10	The Corporation's 1996 Executive Incentive Award Plan.	Incorporated herein by reference to Exhibit 10.2 of the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996.*
10.11	PNC Bank Corp. and Affiliates Deferred Compensation Plan, as amended as of January 1, 1999.	Filed herewith.*
10.12	Form of Change in Control Severance Agreement.	Incorporated herein by reference to Exhibit 10.17 of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1996 ("1996 Form 10-K").*

10.13	1992 Director Share Incentive Plan.	Filed herewith.*
10.14	The Corporation's Directors Deferred Compensation Plan.	Incorporated by reference to Exhibit 10.1 of the Corporation's Quarterly Report on Form 10-Q for the Quarter ended September 30, 1996.*
10.15	The Corporation's Outside Directors Deferred Stock Unit Plan	Filed herewith.*
10.16	Amended and Restated Trust Agreement between the Corporation, as Settlor, and Hershey Trust Company, as successor Trustee to NationsBank, N.A., Trustee.	Incorporated herein by reference to Exhibit 10.18 of the Corporation's 1996 Form 10-K.*
12.1	Computation of Ratio of Earnings to Fixed Charges.	Filed herewith.
12.2	Computation of Ratio of Earnings to Fixed Charges and Preferred Dividends.	Filed herewith.
13	Excerpts from the Corporation's Annual Report to Shareholders for the year ended December 31, 1999. Such Annual Report, except for the portions thereof that are expressly incorporated by reference herein, is furnished for information of the SEC only and is not deemed to be "filed" as part of this Form 10-K.	Filed herewith.
21	Schedule of Certain Subsidiaries of the Corporation.	Filed herewith.
23	Consent of Ernst & Young LLP, independent auditors for the Corporation.	Filed herewith.
24	Powers of Attorney.	Filed herewith.
27	Financial Data Schedule.	Filed herewith.

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+ Incorporated document references to filings by the Corporation are to SEC File No. 1-9718.

* Denotes management contract or compensatory plan.

Exhibit 3.1

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
THE PNC FINANCIAL SERVICES GROUP, INC.
(AS OF MARCH 14, 2000)

FIRST. The name of the corporation is The PNC Financial Services Group, Inc.

SECOND. The address of the corporation's registered office in the Commonwealth of Pennsylvania is One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2707.

THIRD. The corporation is incorporated under the provisions of the Business Corporation Law, the Act approved May 5, 1933, P.L. 364, as amended. The purpose of the corporation is, and it shall have unlimited power to engage in and to do any lawful act concerning any or all lawful business for which corporations may be incorporated under such Act.

FOURTH. The term of the corporation's existence is perpetual.

FIFTH. The authority to make, amend and repeal the by-laws of the corporation is hereby vested in the Board of Directors, subject always to the power of the shareholders to change any such action.

SIXTH. The aggregate number of shares of capital stock which the corporation shall have authority to issue is 470,000,000 shares divided into two classes consisting of 20,000,000 shares of preferred stock of the par value of $1.00 each ("Preferred Stock") and 450,000,000 shares of common stock of the par value of $5.00 each ("Common Stock").

SEVENTH. The following is a statement of certain of the designations, preferences, qualifications, privileges, limitations, restrictions, and special or relative rights in respect of the Preferred Stock and the Common Stock and a statement of the authority vested in the Board of Directors to fix by resolution any designations, preferences, privileges, qualifications, limitations, restrictions and special or relative rights of any series of Preferred Stock which are not fixed hereby:

PREFERRED STOCK

1. Issuance in series. The shares of Preferred Stock may be issued from time to time in series. Each series shall be so designated as to distinguish the shares thereof from the shares of all other series. All shares of any particular series shall be identical except, if entitled to cumulative dividends, as to the date or dates from which dividends thereon shall be cumulative. The shares of any one series need not be identical or rank equally with the shares of any other series except as required by law or as provided hereby. The Board of Directors is expressly vested with authority to establish and designate any one or more series of Preferred Stock and to

fix and determine by resolution any designations, preferences, qualifications, privileges, limitations, restrictions or special or relative rights of additional series which are not fixed hereby, including the following:

(a) The number of shares to constitute the series and the distinctive designation thereof.

(b) The dividend rate, the dates for payment of dividends, whether dividends shall be cumulative, and, if so, the date or dates from which and the extent to which dividends shall be cumulative.

(c) The amount or amounts payable upon voluntary or involuntary liquidation of the Corporation.

(d) The voting rights, if any, of the holders of shares of the series.

(e) The redemption price or prices, if any, and the terms and conditions on which shares may be redeemed.

(f) Whether the shares of the series shall be convertible into or exchangeable for shares of capital stock of the Corporation or other securities, and, if so, the conversion price or prices or the rate or rates of conversion or exchange, any adjustments thereof, and any other terms and conditions of conversion or exchange.

(g) Whether the shares of the series shall be entitled to the benefit of any retirement or sinking fund to be applied to the purchase or redemption of such shares, and, if so, the amount thereof and the terms and conditions relative to the operation thereof.

(h) The rank of the shares of the series, as in dividends and assets, in relation to the shares of any other class or series of capital stock of the Corporation.

(i) Such other preferences, qualifications, privileges, limitations, restrictions or special or relative rights of any series as are not fixed hereby and as the Board of Directors may deem advisable and state in such resolutions.

2. Dividends. The holders of shares of each series of Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors, dividends at the rate which shall have been fixed hereby or by the Board of Directors as authorized hereby with respect to such series, and no more except as shall have been determined by the Board of Directors as authorized hereby. If dividends on a particular series shall have been determined hereby or by the Board of Directors as authorized hereby to be cumulative, no dividends shall be paid or set apart for payment or declared on the Common Stock or on any class or series of stock of the Corporation ranking as to dividends subordinate to such series (other than dividends payable in Common Stock or in any class or series of stock of the Corporation ranking as to dividends and assets subordinate to such series) and no payment shall be made or set apart for the purchase, redemption or other acquisition for value of any shares of Common Stock or of any class or series of stock of the Corporation ranking as to dividends or assets subordinate to such series, until dividends (to the extent cumulative) for all past dividend periods on all outstanding shares of such series have been paid, or declared and set apart for payment, in full. In case dividends for any dividend period are not paid in full on all shares of Preferred Stock ranking equally as to dividends, all such shares shall participate ratably in the payment of dividends for such period in proportion to the full amounts of dividends to which they are respectively entitled.

3. Liquidation of the Corporation. In the event of voluntary or involuntary liquidation of the Corporation the holders of shares of each series of Preferred Stock shall be entitled to receive from the assets of the Corporation (whether capital or surplus), prior to any payment to the holders of Common Stock or of any class or series of stock of the Corporation ranking as to assets subordinate to such series, the amount fixed hereby or by the Board of Directors as authorized hereby for such series, plus, in case dividends on such series shall have been determined hereby or by the Board of Directors as authorized hereby to be cumulative, an amount equal to the accrued and unpaid dividends thereon (to the extent cumulative) computed to the date on which payment thereof is made available, whether or not earned or declared. After such payment to the holders of shares of such series, any remaining balance shall be paid to the holders of Common Stock or of any class or series of stock of the Corporation ranking as to assets subordinate to such series, as they may be entitled. If, upon liquidation of the Corporation, its assets are not sufficient to pay in full the amounts so payable to the holders of shares of all series of Preferred Stock ranking equally as to assets, all such shares shall participate ratably in the distribution of assets in proportion to the full amounts to which they are respectively entitled. Neither a merger nor a consolidation of the Corporation into or with any other corporation nor a sale, transfer or lease of all or part of the assets of the Corporation shall be deemed a liquidation of the Corporation within the meaning of this paragraph.

4. Voting rights. (a) Except as otherwise required by law, holders of shares of Preferred Stock shall have only such voting rights, if any, as shall have been fixed and determined hereby or by the Board of Directors as authorized hereby. Except as otherwise required by law or as otherwise provided hereby or by the Board of Directors as authorized hereby, holders of Preferred Stock having voting rights and holders of Common Stock shall vote together as one class.

(b) If the Corporation shall have failed to pay, or declare and set apart for payment, dividends on all outstanding shares of Preferred Stock in an amount equal to six quarterly dividends at the rates payable upon such shares (whether or not such dividends are cumulative), the number of directors of the Corporation shall be increased by two at the first annual meeting of the shareholders of the Corporation held thereafter, and at such meeting and at each subsequent annual meeting until cumulative dividends payable for all past dividend periods and continuous noncumulative dividends for at least one year on all outstanding shares of Preferred Stock entitled thereto shall have been paid, or declared and set apart for payment, in full, the holders of shares of Preferred Stock of all series shall have the right, voting as a class, to elect such two additional members of the Board of Directors to hold office for a term of one year. Upon such payment, or such declaration and setting apart for payment, in full, the terms of the two additional directors so elected shall forthwith terminate, and the number of directors of the Corporation shall be reduced by two, and such voting right of the holders of shares of Preferred

Stock shall cease, subject to increase in the number of directors as aforesaid and to revesting of such voting right in the event of each and every additional failure in the payment of dividends in an amount equal to six quarterly dividends as aforesaid.

5. Action by Corporation requiring approval of Preferred Stock. The Corporation shall not, without the affirmative vote at a meeting, or the written consent with or without a meeting,

of the holders of at least two-thirds of the then outstanding shares of Preferred Stock of all series (a) create or increase the authorized number of shares of any class of stock ranking as to dividends or assets prior to the Preferred Stock; or (b) change the preferences, qualifications, privileges, limitations, restrictions or special or relative rights granted to or imposed upon the shares of Preferred Stock in any material respect adverse to the holders thereof, provided that if any such change will affect any particular series materially and adversely as contrasted with the effect thereof upon any other series, no such change may be made without, in addition, such vote or consent of the holders of at least two-thirds of the then outstanding shares of the particular series which would be so affected.

6. Redemption and acquisition. (a) Except as otherwise provided by the Board of Directors as authorized hereby, the Corporation, at its option to be exercised by its Board of Directors, may redeem the whole or any part of the Preferred Stock or of any series thereof at such times and at the applicable amount for each share which shall have been fixed and determined hereby or by the Board of Directors as authorized hereby with respect thereto, plus, in case dividends shall have been determined hereby or by the Board of Directors as authorized hereby to be cumulative, an amount equal to the accrued and unpaid dividends thereon (to the extent cumulative) computed to the date fixed for redemption, whether or not earned or declared (hereinafter collectively called the "redemption price"). If at any time less than all of the Preferred Stock then outstanding is to be called for redemption, the Board may select one or more series to be redeemed, and if less than all the outstanding Preferred Stock of any series is to be called for redemption, the shares to be redeemed may be selected by lot or by such other equitable method as the Board in its discretion may determine. Notice of every redemption, stating the redemption date, the redemption price, and the place of payment thereof, and, if less than all of the Preferred Stock then outstanding is called for redemption, identifying the shares to be redeemed, shall be published at least once in a newspaper printed in the English language and of general circulation in the City of Philadelphia, Pennsylvania, or in the Borough of Manhattan, the City of New York, New York, the first publication to be not less than 30 nor more than 60 days prior to the date fixed for redemption. Copies of such notice shall be mailed at least 30 days and not more than 60 days prior to the date fixed for redemption to the holders of record of the shares to be redeemed at their addresses as the same shall appear on the books of the Corporation, but failure to give such additional notice by mail or any defect therein or failure of any addressee to receive it shall not affect the validity of the proceedings for redemption. The Corporation, upon publication of the first notice of redemption as aforesaid or upon irrevocably authorizing the bank or trust company hereinafter mentioned to publish such notice as aforesaid, may deposit or cause to be deposited in trust with a bank or trust company in the City of Philadelphia, Pennsylvania, or in the Borough of Manhattan, the City of New York, New York, an amount equal to the redemption price of the shares to be redeemed, which amount shall be payable to the holders thereof upon surrender of certificates therefor on or after the date fixed for redemption or prior thereto if so directed by the Board of Directors. Upon such deposit, or if no such deposit is made then from and after the date fixed for redemption unless the Corporation shall default in making payment of the redemption price upon surrender of certificates as aforesaid, the shares called for redemption shall cease to be outstanding and the holders thereof shall cease to be shareholders with respect to such shares and shall have no interest in or claim against the Corporation with respect to such shares other than the right to receive the redemption

price from such bank or trust company or from the Corporation, as the case may be, without interest thereon, upon surrender of certificates as aforesaid; provided that conversion rights of shares called for redemption shall terminate at the close of business on the date fixed for redemption or at such earlier time as shall have been fixed by the Board of Directors as authorized hereby. Any funds so deposited which shall not be required for such redemption because of the exercise of conversion rights subsequent to the date of such deposit shall be returned to the Corporation. In case any holder of shares called for redemption shall not, within six years after the date of such deposit, have claimed the amount deposited with respect to the redemption thereof, such bank or trust company, upon demand, shall pay over to the Corporation such unclaimed amount and shall thereupon be relieved of all responsibility in respect thereof to such holder, and thereafter such holder shall look only to the Corporation for payment thereof. Any interest which may accrue on funds so deposited shall be paid to the Corporation from time to time.

(b) Except as otherwise provide by the Board of Directors as authorized hereby, the Corporation shall have the right to acquire Preferred Stock from time to time at such price or prices as the Corporation may determine, provided that unless dividends (to the extent cumulative) payable for all past quarterly dividend periods on all outstanding shares of Preferred Stock entitled to cumulative dividends have been paid, or declared and set apart for payment, in full, the Corporation shall not acquire for value any shares of Preferred Stock except in accordance with an offer (which may vary as to terms offered with respect to shares of different series but not with respect to shares of the same series) made in writing or by publication (as determined by the Board of Directors) to all holders of record of shares of Preferred Stock.

(c) Except as otherwise provided by the Board of Directors as authorized hereby, Preferred Stock redeemed or acquired by the Corporation otherwise than by conversion shall not be cancelled or retired except by action of the Board and shall have the status of authorized and unissued Preferred Stock which may be reissued by the Board as shares of the same or any other series until cancelled and retired by action of the Board, but, at the option of the Board, Preferred Stock acquired otherwise than by redemption or conversion may be held as treasury shares which may be reissued by the Board until cancelled and retired by action of the Board.

$1.80 CUMULATIVE CONVERTIBLE PREFERRED STOCK, SERIES A

7. Designation. A series of Preferred Stock designated $1.80 Cumulative Convertible Preferred Stock, Series A (Redeemable) (herein called "Series A Preferred Stock") is hereby established, consisting of 98,583 shares subject to increase or decrease in the number of shares in accordance with law.

8. Dividends. The dividend rate of shares of this series shall be $1.80 per share per year, payable quarterly on the tenth day of each March, June, September and December. Dividends shall be cumulative from the March 10, June 10, September 10 or December 10 next preceding the date of issue of each share, unless the date of issue is a quarterly dividend payment date or a date between the record date for the determination of holders of $1.80 Cumulative Convertible Preferred Stock of Provident National Corporation, a predecessor of the Corporation

(such stock having been converted into the Series A Preferred Stock), entitled to receive a quarterly dividend and the date of payment of such quarterly dividend, in either of which events such dividends shall be cumulative from such quarterly dividend payment date.

9. Liquidation. The amount payable upon shares of Series A Preferred Stock in the event of voluntary or involuntary liquidation of the Corporation, prior to any payment to the holders of Common Stock or of any class or series of stock of the Corporation ranking as to assets subordinate to the Series A Preferred Stock, shall be $40.00 per share plus an amount equal to accrued and unpaid dividends thereon computed to the date on which payment thereof is made available, whether or not earned or declared.

10. Redemption. Shares of Series A Preferred Stock shall be redeemable at any time at $40.00 per share plus an amount equal to accrued and unpaid dividends thereon computed to the date fixed for redemption, whether or not earned or declared.

11. Voting Rights. Each holder of record of Series A Preferred Stock shall have the right to a number of votes equal to the number of full shares of Common Stock into which the share or shares of Series A Preferred Stock standing in his name on the books of the Corporation are at the time convertible.

12. Conversion provisions. (a) Shares of Series A Preferred Stock may, at the option of the holder, be converted into Common Stock of the Corporation (as such stock may be constituted on the conversion date) at the rate of two shares of Common Stock for each share of Series A Preferred Stock, subject to adjustment as provided herein; provided that, as to any shares of Series A Preferred Stock which shall have been called for redemption, the conversion right shall terminate at the close of business on the date fixed for redemption.

(b) The holder of a share or shares of Series A Preferred Stock may exercise the conversion right as to any thereof by delivering to the Corporation, during regular business hours, at its principal office or at the office of any of its transfer agents for the Series A Preferred Stock or at such other place as may be designated by the Corporation, the certificate or certificates for the shares to be converted, duly endorsed or assigned in blank or to the Corporation (if required by it), accompanied by written notice stating that the holder elects to convert such shares and stating the name or names (with address) in which the certificate or certificates for Common Stock are to be issued. Conversion shall be deemed to have been effected on the date when such delivery is made, and such date is referred to herein as the "conversion date." As promptly as practicable thereafter the Corporation shall issue and deliver to or upon the written order of such holder, at such office or other place designated by the Corporation, a certificate or certificates for the number of full shares of Common Stock to which he is entitled and a check, cash, scrip certificate or other adjustment in respect of any fraction of a share as provided in Section 12(d) below. The person in whose name the certificate or certificates for Common Stock are to be issued shall be deemed to have become a holder of such Common Stock of record on the conversion date unless the transfer books of the Corporation are closed on that date, in which event he shall be deemed to have become a holder of such Common

Stock of record on the next succeeding date on which the transfer books are open, but the conversion rate shall be that in effect on the conversion date.

(c) No payment or adjustment shall be made for dividends accrued on any shares of Series A Preferred Stock converted or for dividends on any shares of Common Stock issuable on conversion.

(d) The Corporation shall not be required to issue any fraction of a share upon conversion of any share or shares of Series A Preferred Stock. If more than one share of Series A Preferred Stock shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the total number of shares of Series A Preferred Stock so surrendered. If any fractional interest in a share of Common Stock would be deliverable upon conversion, the Corporation shall make an adjustment therefor in cash unless its Board of Directors shall have determined to adjust fractional interests by issuance of scrip certificates or in some other manner. Adjustment in cash shall be made on the basis of the current market value of one share of Common Stock, which shall be taken to be the last reported sale price of the Corporation's Common Stock on the principal stock exchange on which the Common Stock is then listed on the last business day before the conversion date or, if there was no reported sale on that date, the average of the closing bid and asked quotations on that exchange on that day or, if the Common Stock is not then listed on any stock exchange, the average of the lowest bid and the highest asked quotations in the over-the-counter market on that day.

(e) The issuance of Common Stock on conversion of Series A Preferred Stock shall be without charge to the converting holder of Series A Preferred Stock for any tax in respect of the issuance thereof, but the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares in any name other than that of the holder of record on the books of the Corporation of the shares of Series A Preferred Stock converted, and the Corporation shall not be required to issue or deliver any certificate for shares of Common Stock unless and until the person requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(f) The conversion rate provided in Section 12(a) shall be subject to the following adjustments, which shall be made to the nearest one-hundredth of a share of Common Stock or, if none, to the next lower one-hundredth:

(1) If the Corporation shall pay to the holders of its Common Stock a dividend in shares of Common Stock, the conversion rate in effect immediately prior to the record date fixed for the determination of the holders of Common Stock entitled to such dividend shall be proportionately increased, effective at the opening of business on the next following full business day.

(2) If the Corporation shall split the outstanding shares of its Common Stock into a greater number of shares or combine the outstanding shares into a smaller

number, the conversion rate in effect immediately prior to such action shall be proportionately increased in the case of a split or decreased in the case of a combination, effective at the opening of business on the full business day next following the day such action becomes effective.

(3) If the Corporation shall issue to the holders of its Common Stock rights or warrants to subscribe for or purchase shares of its Common Stock at a price less than 90% of the Current Market Price (as defined below in this paragraph) of the Corporation's Common Stock at the record date fixed for the determination of the holders of Common Stock entitled to such rights or warrants, the conversion rate in effect immediately prior to said record date shall be increased, effective at the opening of business on the next following full business day, to an amount determined by multiplying such conversion rate by a fraction the numerator of which is the number of shares of Common Stock of the Corporation outstanding immediately prior to said record date plus the number of additional shares of its Common Stock offered for subscription or purchase and the denominator of which is said number of shares outstanding immediately prior to said record date plus the number of shares of Common Stock of the Corporation which the aggregate subscription or purchase price of the total number of shares so offered would purchase at the Current Market Price of the Corporation's Common Stock at said record date. The term "Current Market Price" at said record date shall mean the average of the daily last reported sale prices per share of the Corporation's Common Stock on the principal stock exchange on which the Common Stock is then listed during the 20 consecutive full business days commencing with the 30th full business day before said record date, provided that if there was no reported sale on any such day or days there shall be substituted the average of the closing bid and asked quotations on that exchange on that day, and provided further that if the Common Stock was not listed on any stock exchange on any such day or days there shall be substituted the average of the lowest bid and the highest asked quotations in the over-the-counter market on that day.

(g) No adjustment of the conversion rate provided in Section 12(a) shall be made by reason of the issuance of Common Stock for cash except as provided in Section 12(f)(3), or by reason of the issuance of Common Stock for property or services. Whenever the conversion rate is adjusted pursuant to Section 12(f), the Corporation shall (1) promptly place on file at its principal office and at the office of each of its transfer agents for the Series A Preferred Stock a statement signed by the Chairman of the Board, the President or a Vice President of the Corporation and by its Treasurer or an Assistant Treasurer showing in detail the facts requiring such adjustment and the conversion rate after such adjustment, and shall make such statement available for inspection by shareholders of the Corporation, and (2) cause a notice to be published at least once in a newspaper printed in the English language and of general circulation in the City of Philadelphia, Pennsylvania, or in the Borough of Manhattan, the City of New York, New York, stating that such adjustment has been made and the adjusted conversion rate.

(h) If the Corporation shall issue to the holders of its Common Stock rights or warrants to subscribe for or purchase shares of its Common Stock or any other security, or if the Corporation shall distribute to the holders of its Common Stock any evidences of indebtedness or any other assets (excluding dividends and distributions in cash), the Corporation shall mail to each holder of record of a share or shares of Series A Preferred Stock, at his address as it shall appear on the books of the Corporation, a notice stating the record date fixed or to be fixed for the determination of the holders of Common Stock of record entitled to such issuance or distribution. Such notice shall be mailed at least 10 days before such record date. Failure to mail such notice or any defect therein or failure of any addressee to receive it shall not affect the validity of such issuance or distribution or any vote thereon.

(i) In case of any reclassification or change in the outstanding shares of Common Stock of the Corporation (except a split or combination of shares) or in case of any consolidation or merger to which the Corporation is a party (except a merger in which the Corporation is the surviving corporation and which does not result in any reclassification of or change in the outstanding Common Stock of the Corporation except a split or combination of shares) or in case of any sale or conveyance to another corporation of all or substantially all of the property of the Corporation, effective provision shall be made by the Corporation or by the successor or purchasing corporation (1) that the holder of each share of Series A Preferred Stock then outstanding shall thereafter have the right to convert such share into the kind and amount of stock and other securities and property receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock of the Corporation into which such share of Series A Preferred Stock might have been converted immediately prior thereto, and (2) that there shall be subsequent adjustments of the conversion rate which shall be equivalent, as nearly as practicable, to the adjustments provided for in Section 12(f). The provisions of this Section 12(i) shall similarly apply to successive reclassifications, changes, consolidations, mergers, sales or conveyances.

(j) Shares of Common Stock issued on conversion of shares of Series A Preferred Stock shall be issued as fully paid shares and shall be nonassessable by the Corporation. The Corporation shall at all times reserve and keep available for the purpose of effecting the conversion of Series A Preferred Stock, such number of its duly authorized shares of Common Stock as shall be sufficient to effect the conversion of all outstanding shares of Series A Preferred Stock.

(k) Shares of Series A Preferred Stock converted as provided herein shall not be reissued.

$1.80 CUMULATIVE CONVERTIBLE PREFERRED STOCK, SERIES B

13. Designation. A series of Preferred Stock designated $1.80 Cumulative Convertible Preferred Stock, Series B (Nonredeemable) (herein called "Series B Preferred Stock") is hereby established consisting of 38,542 shares subject to increase or decrease in the number of shares in accordance with law.

14. Dividends. The dividend rate of shares of Series B Preferred Stock shall be $1.80 per share per year, payable quarterly on the tenth day of each March, June, September and December. Dividends shall be cumulative from the March 10, June 10, September 10 or December 10 next preceding the date of issue of each share, unless the date of issue is a quarterly dividend payment date or a date between the record date for the determination of holders of $1.80 Cumulative Convertible Preferred Stock, 1971 Series, of Provident National Corporation, a predecessor of the Corporation (such stock having been converted into the Series B Preferred Stock), entitled to receive a quarterly dividend and the date of payment of such quarterly dividend, in either of which events such dividends shall be cumulative from such quarterly dividend payment date.

15. Liquidation. The amount payable upon shares of Series B Preferred Stock in the event of voluntary or involuntary liquidation of the Corporation, prior to any payment to the holders of Common Stock or of any class or series of stock of the Corporation ranking as to assets subordinate to the Series B Preferred Stock, shall be $40.00 per share plus an amount equal to accrued and unpaid dividends thereon computed to the date on which payment thereof is made available, whether or not earned or declared.

16. Rank. The Series B Preferred Stock shall rank, as to dividends and assets, equally with the series of Preferred Stock of the Corporation designated $1.80 Cumulative Convertible Preferred Stock, Series A (Redeemable).

17. Redemption. Shares of Series B Preferred Stock shall not be redeemable.

18. Voting rights. Each holder of record of Series B Preferred Stock shall have the right to a number of votes equal to the number of full shares of Common Stock into which the share or shares of Series B Preferred Stock standing in his name on the books of the Corporation are at the time convertible.

19. Conversion provisions. (a) Shares of Series B Preferred Stock may, at the option of the holder, be converted into Common Stock of the Corporation (as such stock may be constituted on the conversion date) at the rate of two shares of Common Stock for each share of Series B Preferred Stock, subject to adjustment as provided herein.

(b) The holder of a share or shares of Series B Preferred Stock may exercise the conversion right as to any thereof by delivering to the Corporation during regular business hours, at its principal office or at the office of any of its transfer agents for the Series B Preferred Stock or at such other place as may be designated by the Corporation, the certificate or certificates for the shares to be converted, duly endorsed or assigned in blank or to the Corporation (if required by it), accompanied by written notice stating that the holder elects to convert such shares and stating the name or names (with address) in which the certificate or certificates for Common Stock are to be issued. Conversion shall be deemed to have been effected on the date when such delivery is made, and such date is referred to herein as the "conversion date." As promptly as practicable thereafter, the Corporation shall issue and deliver to or upon the written order of such holder, at such office or other place designated by the Corporation, a certificate or certificates for the number of full shares of Common Stock to which he is entitled and a check, cash, scrip certificate or other adjustment in respect of any fraction of a share as provided in Section 19(d) below. The person in whose name the certificate or certificates for Common Stock are to be issued shall be deemed to have become a holder of such Common Stock of record on the conversion date unless the transfer books of the Corporation are closed on that date, in which event he shall be deemed to have become a holder of such Common Stock of record on the next succeeding date on which the transfer books are open, but the conversion rate shall be that in effect on the conversion date.

(c) No payment or adjustment shall be made for dividends accrued on any shares of Series B Preferred Stock converted or for dividends on any shares of Common Stock issuable on conversion.

(d) The Corporation shall not be required to issue any fraction of a share upon conversion of any share or shares of Series B Preferred Stock. If more than one share of Series B Preferred Stock shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the total number of shares of Series B Preferred Stock so surrendered. If any fractional interest in a share of Common Stock would be deliverable upon conversion, the Corporation shall make an adjustment therefor in cash unless its Board of Directors shall have determined to adjust fractional interests by issuance of scrip certificates or in some other manner. Adjustment in cash shall be made on the basis of the current market value of one share of Common Stock, which shall be taken to be the last reported sale price of the Corporation's Common Stock on the principal stock exchange on which the Common Stock is then listed on the last business day before the conversion date or, if there was no reported sale on that date, the average of the closing bid and asked quotations on that exchange on that day or, if the Common Stock is not then listed on any stock exchange, the average of the lowest bid and the highest asked quotations in the over-the-counter market on that day.

(e) The issuance of Common Stock on conversion of Series B Preferred Stock shall be without charge to the converting holder of Series B Preferred Stock for any tax in respect of the issuance thereof, but the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares in any name other than that of the holder of record on the books of the Corporation of the shares of Series B Preferred Stock converted, and the Corporation shall not be required to issue or deliver any certificate for shares of Common Stock unless and until the person requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(f) The conversion rate provided in Section 19(a) above shall be subject to the following adjustments, which shall be made to the nearest one-hundredth of a share of Common Stock or, if none, to the next lower one-hundredth:

(1) If the Corporation shall pay to the holders of its Common Stock a dividend in shares of Common Stock, the conversion rate in effect immediately prior to the

record date fixed for the determination of the holders of Common Stock entitled to such dividend shall be proportionately increased, effective at the opening of business on the next following full business day.

(2) If the Corporation shall split the outstanding shares of its Common Stock into a greater number of shares or combine the outstanding shares into a smaller number, the conversion rate in effect immediately prior to such action shall be proportionately increased in the case of a split or decreased in the case of a combination, effective at the opening of business on the full business day next following the day such action becomes effective.

(3) If the Corporation shall issue to the holders of its Common Stock rights or warrants to subscribe for or purchase shares of its Common Stock at a price less than 90% of the Current Market Price (as defined below in this paragraph) of the Corporation's Common Stock at the record date fixed for the determination of the holders of Common Stock entitled to such rights or warrants, the conversion rate in effect immediately prior to said record date shall be increased, effective at the opening of business on the next

following full business day, to an amount determined by multiplying such conversion rate by a fraction the numerator of which is the number of shares of Common Stock of the Corporation outstanding immediately prior to said record date plus the number of additional shares of its Common Stock offered for subscription or purchase and the denominator of which is said number of shares outstanding immediately prior to said record date plus the number of shares of Common Stock of the Corporation which the aggregate subscription or purchase price of the total number of shares so offered would purchase at the Current Market Price of the Corporation's Common Stock at said record date. The term "Current Market Price" at said record date shall mean the average of the daily last reported sale prices per share of the Corporation's Common Stock on the principal stock exchange on which the Common Stock is then listed during the 20 consecutive full business days commencing with the 30th full business day before said record date, provided that if there was no reported sale on any such day or days there shall be substituted the average of the closing bid and asked quotations on that exchange on that day, and provided further that if the Common Stock was not listed on any stock exchange on any such day or days there shall be substituted the average of the lowest bid and the highest asked quotations in the over-the-counter market on that day.

(g) No adjustment of the conversion rate provided in Section 19(a) above shall be made by reason of the issuance of Common Stock for cash except as provided in Section 19(f)(3) above, or by reason of the issuance of Common Stock for property or services. Whenever the conversion rate is adjusted pursuant to Section 19(f) above the Corporation shall (1) promptly place on file at its principal office and at the office of each of its transfer agents for the Series B Preferred Stock a statement signed by the Chairman of the Board, the President or a Vice President of the Corporation and by its Treasurer or an Assistant Treasurer showing in detail the facts requiring such adjustment and the conversion rate after such adjustment, and shall make

such statement available for inspection by shareholders of the Corporation, and (2) cause a notice to be published at least once in a newspaper printed in the English language and of general circulation in the City of Philadelphia, Pennsylvania, or in the Borough of Manhattan, the City of New York, New York, stating that such adjustment has been made and the adjusted conversion rate.

(h) If the Corporation shall issue to the holders of its Common Stock rights or warrants to subscribe for or purchase shares of its Common Stock or any other security, or if the Corporation shall distribute to the holders of its Common Stock any evidences of indebtedness or any other assets (excluding dividends and distributions in cash), the Corporation shall mail to each holder of record of a share or shares of Series B Preferred Stock, at his address as it shall appear on the books of the Corporation, a notice stating the record date fixed or to be fixed for the determination of the holders of Common Stock of record entitled to such issuance or distribution. Such notice shall be mailed at least 10 days before such record date. Failure to mail such notice or any defect therein or failure of any addressee to receive it shall not affect the validity of such issuance or distribution or any vote thereon.

(i) In case of any reclassification or change of the outstanding shares of Common Stock of the Corporation (except a split or combination of shares) or in case of any consolidation or merger to which the Corporation is a party (except a merger in which the Corporation is the surviving corporation and which does not result in any reclassification of or change in the outstanding Common Stock of the Corporation except a split or combination of shares) or in case of any sale or conveyance to another corporation of all or substantially all of the property of the Corporation, effective provision shall be made by the Corporation or by the successor or purchasing corporation (1) that the holder of each share of Series B Preferred Stock then outstanding shall thereafter have the right to convert such share into the kind and amount of stock and other securities and property receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock of the Corporation into which such share of Series B Preferred Stock might have been converted immediately prior thereto, and (2) that there shall be subsequent adjustments of the conversion rate which shall be equivalent, as nearly as practicable, to the adjustments provided for in Section 19(f) above. The provisions of this Section 19(i) shall similarly apply to successive reclassifications, changes, consolidations, mergers, sales or conveyances.

(j) Shares of Common Stock issued on conversion of shares of

Series B Preferred Stock shall be issued as fully paid shares and shall be nonassessable by the Corporation. The Corporation shall at all times reserve and keep available for the purpose of effecting the conversion of Series B Preferred Stock, such number of its duly authorized shares of Common Stock as shall be sufficient to effect the conversion of all outstanding shares of Series B Preferred Stock.

(k) Shares of Series B Preferred Stock converted as provided herein shall not be reissued.

20. Retirement or sinking fund. The shares of Series B Preferred Stock shall not be entitled to the benefit of any retirement or sinking fund to be applied to the purchase or redemption of such shares.

$1.60 CUMULATIVE CONVERTIBLE PREFERRED STOCK, SERIES C

21. Designation. A series of Preferred Stock designated "$1.60 Cumulative Convertible Preferred Stock, Series C" (herein called "Series C Preferred Stock") is hereby established, consisting of 1,433,935 shares subject to increase or decrease in the number of shares in accordance with law.

22. Rank. Series C Preferred Stock shall rank, as to dividends and assets, equally with the Series A Preferred Stock and the Series B Preferred Stock and every other share of capital stock from time to time outstanding which is not Common Stock of the Corporation and which is not specifically made senior or subordinate to the Series C Preferred Stock as to dividends or assets.

23. Dividends. The dividend rate of shares of this series shall be $1.60 per share per year, payable in equal quarterly installments on the first day of each January, April, July and October. Dividends shall be cumulative from the January 1, April 1, July 1 and October 1 next preceding the date of issue of each share, unless the date of issue is a quarterly dividend payment date or a date between the record date for the determination of holders of record of Series C Preferred Stock entitled to receive a quarterly dividend and the date of payment of such quarterly dividend, in either of which events such dividends shall be cumulative from such dividend payment date.

24. Liquidation. The amount payable upon shares of Series C Preferred Stock in the event of voluntary or involuntary liquidation of the Corporation, prior to any payment to the holders of Common Stock or of any class or series of stock of the Corporation ranking as to assets subordinate to the Series C Preferred Stock, shall be $20.00 per share plus an amount equal to accrued and unpaid dividends thereon computed to the date on which payment thereof is made available, whether or not earned or declared.

25. Redemption. Shares of Series C Preferred Stock shall be redeemable at any time after February 1, 1989 at $20.00 per share plus an amount equal to accrued and unpaid dividends thereon computed to the date fixed for redemption, whether or not earned or declared.

26. Voting rights. Each holder of record of Series C Preferred Stock shall have the right to a number of votes equal to the number of full shares of Common Stock into which the share or shares of Series C Preferred Stock standing in his name on the books of the Corporation are at the time convertible.

27. Conversion provisions. (a) Shares of Series C Preferred Stock may, at the option of the holder, be converted into Common Stock of the Corporation (as such stock may be constituted on the conversion date) at the conversion price, determined as hereinafter provided,

in effect at the time of conversion, subject to adjustment as provided herein; provided that, as to any shares of Series C Preferred Stock which shall have been called for redemption, the conversion right shall terminate at the close of business on the date fixed for redemption. The value of each share of Series C Preferred Stock for the purpose of such conversion shall be $20.00. The price at which shares of Common Stock of the Corporation shall be delivered upon conversion (herein called the "conversion price") shall initially be $48.00 per share of Common Stock of the Corporation.

(b) The holder of a share or shares of Series C Preferred Stock may exercise the conversion right as to any thereof by delivering to the Corporation, during regular business hours, at its principal office or at the office of any of its transfer agents for the Series C Preferred Stock or at such other place as may be designated by the Corporation, the certificate or certificates for the shares to be converted, duly endorsed or assigned in blank or to the Corporation (if required by it), accompanied by written notice stating that the holder elects to convert such shares and stating the name or names (with address) in which the certificate or certificates for Common Stock are to be issued. Conversion shall be deemed to have been effected on the date when such delivery is made, and such date is referred to herein as the "conversion date." As promptly as practicable thereafter the Corporation shall issue and deliver to or upon the written order of such holder, at such office or other place designated by the Corporation, a certificate or certificates for the number of full shares of Common Stock to which he is entitled and cash, scrip certificate or other adjustment in respect of any fraction of a share as provided in Section 27(d) below. The person in whose name the certificate or certificates for Common Stock are to be issued shall be deemed to have become a holder of such Common Stock of record on the conversion date unless the transfer books of the Corporation are closed on that date, in which event he shall be deemed to have become a holder of such Common Stock of record on the next succeeding date on which the transfer books are open, but the conversion price shall be that in effect on the conversion date.

(c) No payment or adjustment shall be made for dividends accrued on any shares of Series C Preferred Stock converted or for dividends on any shares of Common Stock issuable on conversion.

(d) The Corporation shall not be required to issue any fraction of a share upon conversion of any share or shares of Series C Preferred Stock. If more than one share of Series C Preferred Stock shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the total number of shares of Series C Preferred Stock so surrendered. If any fractional interest in a share of Common Stock would be deliverable upon conversion, the Corporation shall make an adjustment therefor in cash unless its Board of Directors shall have determined to adjust fractional interests by issuance of scrip certificates or in some other manner. Adjustment in cash shall be made on the basis of the current market value of one share of Common Stock, which shall be taken to be the last reported sale price of the Corporation's Common Stock on the principal stock exchange on which the Common Stock is then listed (or if not so listed, on the over-the-counter market) for the last business day before the conversion date or, if there was no

reported sale on that day, the last reported sales price on the first preceding day for which such price is available.

(e) The issuance of Common Stock on conversion of Series C Preferred Stock shall be without charge to the converting holder of Series C Preferred Stock for any tax in respect of the issuance thereof, but the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares in any name other than that of the holder of record on the books of the Corporation of the shares of Series C Preferred Stock converted, and the Corporation shall not be required to issue or deliver any certificate for shares of Common Stock unless and until the person requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(f) The conversion rate provided in Section 27(a) shall be subject to the following adjustments, which shall be made to the nearest cent:

(1) If the Corporation shall pay to the holders of its Common Stock a dividend in shares of Common Stock, the conversion price in effect immediately prior to the record date fixed for the determination of the holders of Common Stock entitled to such dividend shall be proportionately decreased, effective at the opening of business on the next following full business day.

(2) If the Corporation shall split the outstanding shares of its Common Stock into a greater number of shares or combine the outstanding shares into a smaller number, the conversion price in effect immediately prior to such action shall be proportionately decreased in the case of a split or increased in the case of a combination, effective at the opening of business on the full business day next following the day such action becomes effective.

(3) If the Corporation shall issue to the holders of its Common Stock rights or warrants to subscribe for or purchase shares of its Common Stock at a price less than 90% of the Current Market Price (as defined below in this paragraph) of the Corporation's Common Stock at the record date fixed for the determination of the holders of Common Stock entitled to such rights or warrants, the conversion price in effect immediately prior to said record date shall be adjusted, effective at the opening of business on the next

following full business day, to an amount determined by multiplying such conversion price by a fraction the numerator of which is the number of shares of Common Stock of the Corporation outstanding immediately prior to said record date plus the number of shares of Common Stock of the Corporation which the aggregate subscription or purchase price of the total number of shares so offered would purchase at the Current Market Price of the Corporation's Common Stock at said record date and the denominator of which is said number of shares outstanding immediately prior to said record date plus the number of additional shares of its Common Stock offered for subscription or purchase. The term "Current Market Price" at said record date shall mean the

average of the daily last reported sale prices per share of the Corporation's Common Stock on the principal stock exchange on which the Common Stock is then listed (or if not so listed, then on the over-the-counter market) during the 20 consecutive full business days commencing with the 30th full business day before said record date, provided that if there was no reported sale on any such day or days there shall be substituted the average of the closing bid and asked quotations on that day obtained from the market specialist assigned to the Corporation (or a market maker in the case of the over-the-counter market).

(4) The Corporation may make such reductions in the conversion price, in addition to those required by the foregoing provisions, as it considers to be advisable in order that any event treated for federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the recipients.

(g) No adjustment of the conversion price provided in Section 27(a) shall be made by reason of the issuance of Common Stock for cash except as provided in Section 27(f)(3), or by reason of the issuance of Common Stock for property or services. Whenever the conversion price is adjusted pursuant to Section 27(f), the Corporation shall (1) promptly place on file at its principal office and at the office of each of its transfer agents for the Series C Preferred Stock a statement signed by the Chairman of the Board, the President or a Vice President of the Corporation and by its Treasurer or an Assistant Treasurer showing in detail the facts requiring such adjustment and the conversion price after such adjustment, and shall make such statement available for inspection by shareholders of the Corporation, and (2) cause a notice to be published at least once in a newspaper printed in the English language and of general circulation in the City of Erie, Pennsylvania, or in the Borough of Manhattan, the City of New York, New York, stating that such adjustment has been made and the adjusted conversion price.

(h) If the Corporation shall issue to the holders of its Common Stock rights or warrants to subscribe for or purchase shares of its Common Stock or any other security, or if the Corporation shall distribute to the holders of its Common Stock any evidences of indebtedness or any other assets (excluding dividends and distributions in cash), the Corporation shall mail to each holder of record of a share or shares of Series C Preferred Stock, at his address as it shall appear on the books of the Corporation, a notice stating the record date fixed or to be fixed for the determination of the holders of Common Stock of record entitled to such issuance or distribution. Such notice shall be mailed at least 10 days before such record date. Failure to mail such notice or any defect therein or failure of any addressee to receive it shall not affect the validity of such issuance or distribution or any vote thereon.

(i) In case of any reclassification or change in the outstanding shares of Common Stock of the Corporation (except a split or combination of shares) or in case of any consolidation or merger to which the Corporation is a party (except a merger in which the Corporation is the surviving corporation and which does not result in any reclassification of or change in the outstanding Common Stock of the Corporation except an increase in the number of outstanding shares or a split or combination of shares) or in case of any sale or conveyance to another corporation of all or substantially all of the property of the Corporation, effective provision shall

be made by the Corporation or by the successor or purchasing corporation (1) that the holder of each share of Series C Preferred Stock then outstanding shall thereafter have the right to convert such share into the kind and amount of stock and other securities and property receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock of the Corporation into which such share of Series C

Preferred Stock might have been converted immediately prior thereto, and (2) that there shall be subsequent adjustments of the conversion price which shall be equivalent, as nearly as practicable, to the adjustments provided for in Section 27(f). The provisions of this Section 27(i) shall similarly apply to successive reclassifications, changes, consolidations, mergers, sales or conveyances.

(j) Shares of Common Stock issued on conversion of shares of Series C Preferred Stock shall be issued as fully paid shares and shall be non-assessable by the Corporation. The Corporation shall at all times reserve and keep available for the purpose of effecting the conversion of Series C Preferred Stock, such number of its duly authorized shares of Common Stock as shall be sufficient to effect the conversion of all outstanding shares of Series C Preferred Stock.

(k) Shares of Series C Preferred Stock converted as provided herein shall not be reissued.

$1.80 CUMULATIVE CONVERTIBLE PREFERRED STOCK, SERIES D

28. Designation. A series of Preferred Stock designated "$1.80 Cumulative Convertible Preferred Stock, Series D" (herein called "Series D Preferred Stock") is hereby established, consisting of 1,766,140 shares subject to increase or decrease in the number of shares in accordance with law.

29. Rank. Series D Preferred Stock shall rank, as to dividends and assets, equally with the Series A Preferred Stock, the Series B Preferred Stock and the Series C Preferred Stock and every other share of capital stock from time to time outstanding which is not Common Stock of the Corporation and which is not specifically made senior or subordinate to the Series D Preferred Stock as to dividends or assets.

30. Dividends. The dividend rate of shares of this series shall be $1.80 per share per year, payable in equal quarterly installments on the first day of each January, April, July and October. Dividends shall be cumulative from the January 1, April 1, July 1 and October 1 next preceding the date of issue of each share, unless the date of issue is a quarterly dividend payment date or a date between the record date for the determination of holders of record of Series D Preferred Stock entitled to receive a quarterly dividend and the date of payment of such quarterly dividend, in either of which events such dividends shall be cumulative from such dividend payment date.

31. Liquidation. The amount payable upon shares of Series D Preferred Stock in the event of voluntary or involuntary liquidation of the Corporation, prior to any payment to the

holders of Common Stock or of any class or series of stock of the Corporation ranking as to assets subordinate to the Series D Preferred Stock, shall be $20.00 per share plus an amount equal to accrued and unpaid dividends thereon computed to the date on which payment thereof is made available, whether or not earned or declared.

32. Redemption. Shares of Series D Preferred Stock shall be redeemable at any time after February 1, 1990 at $20.00 per share plus an amount equal to accrued and unpaid dividends thereon computed to the date fixed for redemption, whether or not earned or declared.

33. Voting rights. Each holder of record of Series D Preferred Stock shall have the right to a number of votes equal to the number of full shares of Common Stock into which the share or shares of Series D Preferred Stock standing in his name on the books of the Corporation are at the time convertible.

34. Conversion provisions. (a) Shares of Series D Preferred Stock may, at the option of the holder, be converted into Common Stock of the Corporation (as such stock may be constituted on the conversion date) at the conversion price, determined as hereinafter provided, in effect at the time of conversion, subject to adjustment as provided herein; provided that, as to any shares of Series D Preferred Stock which shall have been called for redemption, the conversion right shall terminate at the close of business on the date fixed for redemption. The value of each share of Series D Preferred Stock for the purpose of such conversion shall be $20.00. The price at which shares of Common Stock of the Corporation shall be delivered upon conversion (herein called the "conversion price") shall initially be $48.00 per share of Common Stock of the Corporation.

(b) The holder of a share or shares of Series D Preferred Stock may exercise the conversion right as to any thereof by delivering to the Corporation, during regular business hours, at its principal office or at the office of any of its transfer agents for the Series D Preferred Stock or at such other place as may be designated by the Corporation, the certificate or certificates for the shares to be converted, duly endorsed or assigned in blank or to the Corporation (if required by it), accompanied by written notice stating that the holder elects to convert such shares and stating the name or names (with address) in which the certificate or certificates for Common Stock are to be issued. Conversion shall be deemed to have been effected on the date when such delivery is made, and such date is referred to herein as the "conversion date". As promptly as practicable thereafter the Corporation shall issue and deliver to or upon the written order of such holder, at such office or other place designated by the Corporation, a certificate or certificates for the number of full shares of Common Stock to which he is entitled and cash, scrip certificate or other adjustment in respect of any fraction of a share as provided in Section 34(d) below. The person in whose name the certificate or certificates for Common Stock are to be issued shall be deemed to have become a holder of such Common Stock of record on the conversion date unless the transfer books of the Corporation are closed on that date, in which event he shall be deemed to have become a holder of such Common Stock of record on the next succeeding date on which the transfer books are open, but the conversion price shall be that in effect on the conversion date.

(c) No payment or adjustment shall be made for dividends accrued on any shares of Series D Preferred Stock converted or for dividends on any shares of Common Stock issuable on conversion.

(d) The Corporation shall not be required to issue any fraction of a share upon conversion of any share or shares of Series D Preferred Stock. If more than one share of Series D Preferred Stock shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the total number of shares of Series D Preferred Stock so surrendered. If any fractional interest in a share of Common Stock would be deliverable upon conversion, the Corporation shall make an adjustment therefor in cash unless its Board of Directors shall have determined to adjust fractional interests by issuance of scrip certificates or in some other manner. Adjustment in cash shall be made on the basis of the current market value of one share of Common Stock, which shall be taken to be the last reported sale price of the Corporation's Common Stock on the principal stock exchange on which the Common Stock is then listed (or if not so listed, on the over-the-counter market) for the last business day before the conversion date or, if there was no reported sale on that day, the last reported sales price on the first preceding day for which such price is available.

(e) The issuance of Common Stock on conversion of Series D Preferred Stock shall be without charge to the converting holder of Series D Preferred Stock for any tax in respect of the issuance thereof, but the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares in any name other than that of the holder of record on the books of the Corporation of the shares of Series D Preferred Stock converted, and the Corporation shall not be required to issue or deliver any certificate for shares of Common Stock unless and until the person requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(f) The conversion price provided in Section 34(a) shall be subject to the following adjustments, which shall be made to the nearest cent:

(1) If the Corporation shall pay to the holders of its Common Stock a dividend in shares of Common Stock, the conversion price in effect immediately prior to the record date fixed for the determination of the holders of Common Stock entitled to such dividend shall be proportionately decreased, effective at the opening of business on the next following full business day.

(2) If the Corporation shall split the outstanding shares of its Common Stock into a greater number of shares or combine the outstanding shares into a smaller number, the conversion price in effect immediately prior to such action shall be proportionately decreased in the case of a split or increased in the case of a combination, effective at the opening of business on the full business day next following the day such action becomes effective.

(3) If the Corporation shall issue to the holders of its Common Stock rights or warrants to subscribe for or purchase shares of its Common Stock at a price less than 90%

of the Current Market Price (as defined below in this paragraph) of the Corporation's Common Stock at the record date fixed for the determination of the holders of Common Stock entitled to such rights or warrants, the conversion price in effect immediately prior to said record date shall be adjusted, effective at the opening of business on the next following full business day, to an amount determined by multiplying such conversion price by a fraction the numerator of which is the number of shares of Common Stock of the Corporation outstanding immediately prior to said record date plus the number of shares of Common Stock of the Corporation which the aggregate subscription or purchase price of the total number of shares so offered would purchase at the Current Market Price of the Corporation's Common Stock at said record date and the denominator of which is said number of shares outstanding immediately prior to said record date plus the number of additional shares of its Common Stock offered for subscription or purchase. The term "Current Market Price" at said record date shall mean the average of the daily last reported sale prices per share of the Corporation's Common Stock on the principal stock exchange on which the Common Stock is then listed (or if not so listed, then on the over-the-counter market) during the 20 consecutive full business days commencing with the 30th full business day before said record date, provided that if there was no reported sale on any such day or days there shall be substituted the average of the closing bid and asked quotations on that day obtained from the market specialist assigned to the Corporation (or a market maker in the case of the over-the-counter market).

(4) The Corporation may make such reductions in the conversion price, in addition to those required by the foregoing provisions, as it considers to be advisable in order that any event treated for federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the recipients.

(g) No adjustment of the conversion price provided in Section 34(a) shall be made by reason of the issuance of Common Stock for cash except as provided in Section 34(f)(3), or by reason of the issuance of Common Stock for property or services. Whenever the conversion price is adjusted pursuant to Section 34(f) the Corporation shall (1) promptly place on file at its principal office and at the office of each of its transfer agents for the Series D Preferred Stock a statement signed by the Chairman of the Board, the President or a Vice President of the Corporation and by its Treasurer or an Assistant Treasurer showing in detail the facts requiring such adjustment and the conversion price after such adjustment, and shall make such statement available for inspection by shareholders of the Corporation, and (2) cause a notice to be published at least once in a newspaper printed in the English language and of general circulation in the City of Scranton, Pennsylvania, or in the Borough of Manhattan, the City of New York, New York, stating that such adjustment has been made and the adjusted conversion price.

(h) If the Corporation shall issue to the holders of its Common Stock rights or warrants to subscribe for or purchase shares of its Common Stock or any other security, or if the

Corporation shall distribute to the holders of its Common Stock any evidences of indebtedness or any other assets (excluding dividends and distributions in cash), the Corporation shall mail to each holder of record of a share or shares of Series D Preferred Stock, at his address as it shall appear on the books of the Corporation, a notice stating the record date fixed or to be fixed for the determination of the holders of Common Stock of record entitled to such issuance or distribution. Such notice shall be mailed at least 10 days before such record date. Failure to mail such notice or any defect therein or failure of any addressee to receive it shall not affect the validity of such issuance or distribution or any vote thereon.

(i) In case of any reclassification or change in the outstanding shares of Common Stock of the Corporation (except a split or combination of shares) or in case of any consolidation or merger to which the Corporation is a party (except a merger in which the Corporation is the surviving corporation and which does not result in any reclassification of or change in the outstanding Common Stock of the Corporation except an increase in the number of outstanding shares or a split or combination of shares) or in case of any sale or conveyance to another corporation of all or substantially all of the property of the Corporation, effective provision shall be made by the Corporation or by the successor or purchasing corporation (1) that the holder of each share of Series D Preferred Stock then outstanding shall thereafter have the right to convert such share into the kind and amount of stock and other securities and property receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock of the Corporation into which such share of Series D Preferred Stock might have been converted immediately prior thereto, and (2) that there shall be subsequent adjustments of the conversion price which shall be equivalent, as nearly as practicable, to the adjustments provided for in Section 34(f). The provisions of this Section 34(i) shall similarly apply to successive reclassifications, changes, consolidations, mergers, sales or conveyances.

(j) Shares of Common Stock issued on conversion of shares of Series D Preferred Stock shall be issued as fully paid shares and shall be non-assessable by the Corporation. The Corporation shall at all times reserve and keep available for the purpose of effecting the conversion of Series D Preferred Stock, such number of its duly authorized shares of Common Stock as shall be sufficient to effect the conversion of all outstanding shares of Series D Preferred Stock.

(k) Shares of Series D Preferred Stock converted as provided herein shall not be reissued.

$2.60 CUMULATIVE NONVOTING PREFERRED STOCK, SERIES E

35. Designation. A series of Preferred Stock designated "$2.60 Cumulative Nonvoting Preferred Stock, Series E" (herein called "Series E Preferred Stock") is hereby established, consisting of 338,100 shares subject to increase or decrease in the number of shares in accordance with law.

36. Rank. Series E Preferred Stock shall rank, as to dividends and assets, equally with the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock and the Series D Preferred Stock and every other share of capital stock from time to time outstanding which is not Common Stock of the Corporation and which is not specifically made senior or subordinate to the Series E Preferred Stock as to dividends or assets.

37. Dividends. The dividend rate of shares of this series shall be $2.60 per share per year, payable in equal quarterly installments on the first day of each January, April, July and October. Dividends shall be cumulative from the January 1, April 1, July 1 and October 1 next preceding the date of issue of each share, unless the date of issue is a quarterly dividend payment date or a date between the record date for the determination of holders of record of Series E Preferred Stock entitled to receive a quarterly dividend and the date of payment of such quarterly dividend, in either of which events such dividends shall be cumulative from such dividend payment date.

38. Liquidation. The amount payable upon shares of Series E Preferred Stock in the event of voluntary or involuntary liquidation of the Corporation, prior to any payment to the holders of Common Stock or of any class or series of stock of the Corporation ranking as to assets subordinate to the Series E Preferred Stock, shall be $27.75 per share plus an amount equal to accrued and unpaid dividends thereon computed to the date on which payment thereof is made available, whether or not earned or declared.

39. Redemption. Shares of Series E Preferred Stock shall be redeemable at any time after February 1, 1990 at $27.75 per share plus an amount equal to accrued and unpaid dividends thereon computed to the date fixed for redemption, whether or not earned or declared.

40. Voting rights. The holder of Series E Preferred Stock shall not be entitled to vote on any matter, except as otherwise required by law.

41. Conversion rights. The holders of Series E Preferred Stock shall have no right to convert shares of Series E Preferred Stock into any other security of the Corporation.

FIXED/ADJUSTABLE RATE NONCUMULATIVE PREFERRED STOCK, SERIES F

42. Designation. A series of Preferred Stock designated "Fixed/Adjustable Rate Noncumulative Preferred Stock, Series F" (herein called "Series F Preferred Stock") is hereby established, consisting of 6,000,000 shares subject to increase or decrease in the number of shares in accordance with law.

43. Rank. Series F Preferred Stock shall rank, as to dividends and assets, equally with the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock and every other share of capital stock from time to time outstanding which is not Common Stock of the Corporation and which is not specifically made senior to or subordinate to the Series F Preferred Stock as to dividends or assets.

44. Dividends. (a) Through September 29, 2001, the dividend rate per share of Series F Preferred Stock shall be 6.05% or $3.025 per annum, payable quarterly on March 31, June 30, September 30 and December 31 of each year (each a "Dividend Payment Date"), commencing December 31, 1996. The initial dividend for the dividend period commencing on October 9. 1996 to (but not including) December 31, 1996, shall be $.6806 per share and shall be payable on December 31, 1996. On and after September 30, 2001, dividends on the Series F Preferred Stock shall be payable quarterly on each Dividend Payment Date at the Applicable Rate (as defined in subsection (c) of this Section 44) per share from time to time in effect. If a Dividend Payment Date is not a business day, dividends (if declared) on the Series F Preferred Stock shall be paid on the immediately preceding business day. A dividend period with respect to a Dividend Payment Date is the period commencing on the immediately preceding Dividend Payment Date and ending on the day immediately prior to the next succeeding Dividend Payment Date. Each such dividend shall be payable to holders of record as they appear on the stock books of the Corporation on such record dates, not more than 30 nor less than 15 days preceding the payment dates thereof, as will be fixed by the Corporation's Board of Directors or a duly authorized committee thereof.

(b) Dividends on the Series F Preferred Stock shall not be cumulative and no rights shall accrue to the holders of the Series F Preferred Stock by reason of the fact that the Corporation may fail to declare or pay dividends on the Series F Preferred Stock in any amount in any year, whether or not the earnings of the Corporation in any year were sufficient to pay such dividends in whole or in part.

(c) Except as provided below in this subsection c of this Section 44, the "Applicable Rate" per annum for any dividend period beginning on or after September 30, 2001 shall be equal to .35% plus the Effective Rate (as hereinafter defined), but not less than 6.55% nor greater than 12.55% (without taking into account any adjustments as described in subsection (d) of this Section 44). The "Effective Rate" for any dividend period beginning on or after September 30, 2001 shall be equal to the highest of the Treasury Bill Rate, the Ten Year Constant Maturity Rate and the Thirty Year Constant Maturity Rate (each as hereinafter defined) for such dividend period. In the event that the Corporation determines in good faith that for any reason: (i) any one of the Treasury Bill Rate, the Ten Year Constant Maturity Rate or the Thirty Year Constant Maturity Rate cannot be determined for any dividend period, then the Effective Rate for such dividend period shall be equal to the higher of whichever two of such rates can be so determined; (ii) only one of the Treasury Bill Rate, the Ten Year Constant Maturity Rate or the Thirty Year Constant Maturity Rate can be determined for any dividend period, then the Effective Rate for such dividend period shall be equal to whichever such rate can be so determined; or (iii) none of the Treasury Bill Rate, the Ten Year Constant Maturity Rate or the Thirty Year Constant Maturity Rate can be determined for any dividend period, then the Effective Rate for the preceding dividend period shall be continued for such dividend period.

Except as described in this subsection (c) of this Section 44, the "Treasury Bill Rate" for each dividend period shall be the arithmetic average of the two most recent weekly per annum market discount rates (or the one weekly per annum market discount rate, if only one such rate is published during the relevant Calendar Period (as hereinafter defined)) for three-month U.S. Treasury bills, as published weekly by the Federal Reserve Board (as hereinafter defined) during the Calendar Period immediately preceding the last 10 calendar days preceding the dividend period for which the dividend rate on the Series F Preferred Stock is being determined. In the event that the Federal Reserve Board does not publish such a weekly per annum market discount rate during any such Calendar Period, then the Treasury Bill Rate for such dividend period shall be the arithmetic average of the two most recent weekly per annum market discount rates (or the one weekly per annum market discount rate, if only one such rate is published during the relevant Calendar Period) for three-month U.S. Treasury bills, as published weekly during such Calendar Period by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that a per annum market discount rate for three-month U.S. Treasury bills is not published by the Federal Reserve Board or by any Federal Reserve Bank or by any U.S. Government department or agency during such Calendar Period, then the Treasury Bill Rate for such dividend period shall be the arithmetic average of the two most recent weekly per annum market discount rates (or the one weekly per annum market discount rate, if only one such rate is published during the relevant Calendar Period) for all of the U.S. Treasury bills then having remaining maturities of not less than 80 nor more than 100 days, as published during such Calendar Period by the Federal Reserve Board or, if the Federal Reserve Board does not publish such rates, by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that the Corporation determines in good faith that for any reason no such U.S. Treasury bill rates are published as provided above during such Calendar Period, then the Treasury Bill Rate for such dividend period shall be the arithmetic average of the per annum market discount rates based upon the closing bids during such Calendar Period for each of the issues of marketable non-interest-bearing U.S. Treasury securities with a remaining maturity of not less than 80 nor more than 100 days from the date of each such quotation, as chosen and quoted daily for each business day in New York City (or less frequently if daily quotations are not generally available) to the Corporation by at least three recognized dealers in U.S. Government securities selected by the Corporation. In the event that the Corporation determines in good faith that for any reason the Corporation cannot determine the Treasury Bill Rate for any dividend period as provided in this paragraph, the Treasury Bill Rate for such dividend period shall be the arithmetic average of the per annum market discount rates based upon the closing bids during such Calendar Period for each of the issues of marketable interest-bearing U.S. Treasury securities with a remaining maturity of not less than 80 or more than 100 days, as chosen and quoted daily for each business day in New York City (or less frequently if daily quotations are not generally available) to the Corporation by at least three recognized dealers in U.S. Government securities selected by the Corporation.

Except as described in this subsection (c) of this Section 44, the "Ten Year Constant Maturity Rate" for each dividend period shall be the arithmetic average of the two most recent weekly per annum Ten Year Average Yields (as hereinafter defined) (or the one weekly per annum Ten Year Average Yield, if only one such yield is published during the relevant Calendar Period), as published weekly by the Federal Reserve Board during the Calendar Period immediately preceding the last 10 calendar days preceding the dividend period for which the dividend rate on the Series F Preferred Stock is being determined. In the event that the Federal Reserve Board does not publish such a weekly per annum Ten Year Average Yield during such Calendar Period, then the Ten Year Constant Maturity Rate for such dividend period shall be the arithmetic average of the two most recent weekly per annum Ten Year Average Yields (or the one weekly per annum Ten Year Average Yield, if only one such yield is published during the relevant Calendar Period), as published weekly during such Calendar Period by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that a per annum Ten Year Average Yield is not published by the Federal Reserve Board or by any Federal Reserve Bank or by any U.S. Government department or agency during such Calendar Period, then the Ten Year Constant Maturity Rate for such dividend period shall be the arithmetic average of the two most recent weekly per annum average yields to maturity (or the one weekly per annum average yield to maturity, if only one such yield is published during the relevant Calendar Period) for all of the actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities (as hereinafter defined)) then having remaining maturities of not less than eight nor more than 12 years, as published during such Calendar Period by the Federal Reserve Board or, if the Federal Reserve Board does not publish such yields, by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that the Corporation determines in good faith that for any reason the Corporation cannot determine the Ten Year Constant Maturity Rate for any dividend period as provided above in this paragraph, then the Ten Year Constant Maturity Rate for such dividend period shall be the arithmetic average of the per annum average yields to maturity based upon the closing bids during such Calendar Period for each of the issues of actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities) with a final maturity date not less than eight nor more than 12 years from the date of each such quotation, as chosen and quoted daily for each business day in New York City (or less frequently if daily quotations are not generally available) to the Corporation by at least three recognized dealers in U.S. Government securities selected by the Corporation.

Except as described in this subsection (c) of this Section 44, the "Thirty Year Constant Maturity Rate" for each dividend period shall be the arithmetic average of the two most recent weekly per annum Thirty Year Average Yields (as hereinafter defined) (or the one weekly per annum Thirty Year Average Yield, if only one such yield is published during the relevant Calendar Period), as published weekly by the Federal Reserve Board during the Calendar Period immediately preceding the last 10 calendar days preceding the dividend period for which the dividend rate on the Series F Preferred Stock is being determined. In the event that the Federal Reserve Board

does not publish such a weekly per annum Thirty Year Average Yield during such Calendar Period, then the Thirty Year Constant Maturity Rate for such dividend period shall be the arithmetic average of the two most recent weekly per annum Thirty Year Average Yields (or the one weekly per annum Thirty Year Average Yield, if only one such yield is published during the relevant Calendar Period), as published weekly during such Calendar Period by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that a per annum Thirty Year Average Yield is not published by the Federal

Reserve Board or by any Federal Reserve Bank or by any U.S. Government department or agency during such Calendar Period, then the Thirty Year Constant Maturity Rate for such dividend period shall be the arithmetic average of the two most recent weekly per annum average yields to maturity (or the one weekly per annum average yield to maturity, if only one such yield is published during the relevant Calendar Period) for all of the actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities) then having remaining maturities of not less than 28 nor more than 30 years, as published during such Calendar Period by the Federal Reserve Board or, if the Federal Reserve Board does not publish such yields, by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that the Corporation determines in good faith that for any reason the Corporation cannot determine the Thirty Year Constant Maturity Rate for any dividend period as provided above in this paragraph, then the Thirty Year Constant Maturity Rate for such dividend period shall be the arithmetic average of the per annum average yields to maturity based upon the closing bids during such Calendar Period for each of the issues of actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities) with a final maturity date not less than 28 nor more than 30 years from the date of each such quotation, as chosen and quoted daily for each business day in New York City (or less frequently if daily quotations are not generally available) to the Corporation by at least three recognized dealers in U.S. Government securities selected by the Corporation.

The Treasury Bill Rate, the Ten Year Constant Maturity Rate and the Thirty Year Constant Maturity Rate shall each be rounded to the nearest five hundredths of a percent, with .025% being rounded upward.

The Applicable Rate with respect to each dividend period beginning on or after September 30, 2001 shall be calculated as promptly as practicable by the Corporation according to the appropriate method described in this subsection (c) of this Section 44. The Corporation shall cause notice of each Applicable Rate to be enclosed with the dividend payment checks next mailed to the holders of Series F Preferred Stock.

For the purposes of this subsection (c) of this Section 44, the following terms shall have the following meanings: (i) "Calendar Period" means a period of 14 calendar days; (ii) "Federal Reserve Board" means the Board of Governors of the Federal Reserve System or any successor agency; (iii) "Special Securities" means securities which can, at the option of the holder, be

surrendered at face value in payment of any Federal estate tax or which provide tax benefits to the holder and are priced to reflect such tax benefits or which were originally issued at a deep or substantial discount; (iv) the term "Ten Year Average Yield" means the average yield to maturity for actively traded marketable U.S. Treasury fixed interest rate securities (adjusted to constant maturities of 10 years); and (v) "Thirty Year Average Yield" means the average yield to maturity for actively traded Treasury fixed interest rate securities (adjusted to constant maturities of 30 years).

(d) If one or more amendments to the Internal Revenue Code of 1986, as amended (the "Code"), are enacted that change the percentage of the dividends received deduction (70% as of October 4, 1996) as specified in Section 243(a)(l) of the Code or any successor provision (the "Dividends Received Percentage"), as applicable to the Series F Preferred Stock, the amount of each dividend payable per share of the Series F Preferred Stock for dividend payments made on or after the later of the date of enactment or the effective date of such change shall be adjusted by multiplying the amount of the dividend payable determined as described under subsection (a) of this Section 44 (before adjustment) by a factor, which shall be the number determined in accordance with the following formula (the "DRD Formula"), and rounding the result to the nearest cent:

$$\frac{1 - [.35 (1 - .70)]}{1 - [.35 (1 - DRP)]}$$

For purposes of the DRD Formula, "DRP" means the Dividends Received Percentage applicable to the dividend in question. No amendment to the Code, other than a change in the dividends received deduction set forth in Section 243(a)(l) of the Code or any successor provision, as applicable to the Series F Preferred Stock, shall give rise to an adjustment. Notwithstanding the foregoing provisions of this subsection (d) of this Section 44, in the event that, with respect to any such amendment, the Corporation shall receive an unqualified opinion of nationally recognized independent tax counsel selected by the Corporation and approved by Cravath, Swaine & Moore (which approval shall not be unreasonably withheld) or a private letter ruling or similar form of authorization from the Internal Revenue Service to the effect that such an amendment would not apply to dividends payable on the Series F Preferred Stock, then any such amendment shall not result in the adjustment provided for pursuant to the DRD Formula. The opinion referenced in the previous sentence shall be based upon a specific provision in the legislation or upon a published pronouncement of the Internal

Revenue Service addressing such legislation. The Corporation's calculation of the dividends payable as so adjusted and as certified accurate as to calculation and reasonable as to method by the independent certified public accountants then regularly engaged by the Corporation, shall be final and not subject to review.

If any amendment to the Code which reduces the Dividends Received Percentage, as applicable to the Series F Preferred Stock, is enacted and becomes effective after a dividend payable on a Dividend Payment Date has been declared, the amount of dividend payable on such Dividend

Payment Date shall not be increased; but instead, an amount, equal to the excess of (x) the product of the dividends paid by the Corporation on such Dividend Payment Date and the DRD Formula (where the DRP used in the DRD Formula would be equal to the reduced Dividends Received Percentage) and (y) the dividends paid by the Corporation on such Dividend Payment Date, shall be payable to holders of record on the next succeeding Dividend Payment Date in addition to any other amounts payable on such date.

If prior to April 1, 1997, an amendment to the Code is enacted that reduces the Dividends Received Percentage, as applicable to the Series F Preferred Stock, and such reduction retroactively applies to a Dividend Payment Date as to which the Corporation previously paid dividends on the Series F Preferred Stock (each an "Affected Dividend Payment Date"), the Corporation shall pay (if declared) additional dividends (the "Additional Dividends") on the next succeeding Dividend Payment Date (or if such amendment is enacted after the dividend payable on such Dividend Payment Date has been declared, on the second succeeding Dividend Payment Date following the date of enactment) to holders of record on such succeeding Dividend Payment Date in an amount equal to the excess of (x) the product of the dividends paid by the Corporation on each Affected Dividend Payment Date and the DRD Formula (where the DRP used in the DRD Formula would be equal to the Dividends Received Percentage applicable to each Affected Dividend Payment Date) over (y) the dividends paid by the Corporation on each Affected Dividend Payment Date.

Additional Dividends shall not be paid in respect of the enactment of any amendment to the Code on or after April 1, 1997 which retroactively reduces the Dividends Received Percentage, or if prior to April l, 1997, such amendment would not result in an adjustment due to the Corporation having received either an opinion of counsel or tax ruling referred to in the third preceding paragraph. The Corporation shall only make one payment of Additional Dividends.

In the event that the amount of dividend payable per share of the Series F Preferred Stock shall be adjusted pursuant to the DRD Formula and/or Additional Dividends are to be paid, the Corporation will cause notice of each such adjustment and, if applicable, any Additional Dividends, to be sent to the holders of the Series F Preferred Stock.

In the event that the Dividends Received Percentage, applicable to the Series F Preferred Stock, is reduced to 40% or less, the Corporation may at its option, redeem the Series F Preferred Stock as a whole, but not in part, as described in Section 46 below.

45. Liquidation. The amount payable upon shares of Series F Preferred Stock in the event of voluntary or involuntary liquidation of the Corporation, prior to any payment to the holders of Common Stock or of any class or series of stock of the Corporation ranking as to assets subordinated to the Series F Preferred Stock, shall be $50.00 per share plus an amount equal to accrued and unpaid dividends, whether or not earned or declared, computed thereon from the immediately preceding Dividend Payment Date (but without cumulation for unpaid

dividends for prior dividend periods on the Series F Preferred Stock) to the date on which payment thereof is made available.

46. Redemption. (a) Prior to September 30, 2001, shares of Series F Preferred Stock shall not be redeemable, except under the circumstances described in subsection (b) of this Section 46. Shares of Series F Preferred Stock shall be redeemable by the Corporation, in whole or in part, at any time and from time to time on and after September 30, 2001 at $50.00 per share plus an amount equal to accrued and unpaid dividends, whether or not earned or declared, computed thereon from the immediately preceding Dividend Payment Date (but without cumulation for unpaid dividends for prior dividend periods on the Series F Preferred Stock) to the date fixed for redemption, including any changes in dividends payable due to changes in the Dividends Received Percentage and Additional Dividends, if any (each as defined in subsection (d) of Section 44).

(b) Notwithstanding anything to the contrary in subsection (a) of this Section 46, if the Dividends Received Percentage is equal to or less than 40% and, as a result, the amount of dividends on the Series F Preferred

Stock on any Dividend Payment Date will be or is adjusted upwards as described in subsection (d) of Section 44 above, the Corporation, at its option, may redeem all, but not less than all, of the outstanding shares of Series F Preferred Stock; provided, however, that within 60 days of the date on which an amendment to the Code is enacted which reduces the Dividends Received Percentage to 40 percent or less, the Corporation sends notice to the holders of the Series F Preferred Stock of such redemption. Any redemption of Series F Preferred Stock in accordance with this Section 46(b) shall take place on the date specified in the notice, which shall not be less than 30 days nor more than 60 days from the date such notice is sent to holders of Series F Preferred Stock. Any redemption of Series F Preferred Stock in accordance with this Section 46(b) shall be on notice as aforesaid at the applicable redemption price set forth in the following table, in each case plus accrued and unpaid dividends computed thereon from the immediately preceding Dividend Payment Date (but without any cumulation for unpaid dividends for prior dividend periods on Series F Preferred Stock) to the date fixed for redemption, including any changes in dividends payable due to changes in the Dividends Received Percentage and Additional Dividends, if any, whether or not earned or declared.

Redemption Period	Redemption Price Per Share
October 9, 1996 through September 29, 1997	$52.50
September 30, 1997 through September 29, 1998	52.00
September 30, 1998 through September 29, 1999	51.50
September 30, 1999 through September 29, 2000	51.00

September 30, 2000 through September 29, 2001	50.50
On or after September 30, 2001	50.00

(c) Holders of Series F Preferred Stock shall have no right to require the redemption of shares of Series F Preferred Stock.

47. Voting Rights. Holders of Series F Preferred Stock shall have no voting rights except as set forth in Section 4 and Section 5 of ARTICLE SEVENTH of the Corporation's Articles of Incorporation or as otherwise required from time to time by law.

48. Conversion Rights. Shares of Series F Preferred Stock shall not be convertible into shares of Common Stock or any other security of the Corporation.

COMMON STOCK

49. Each holder of record of Common Stock shall have the right to one vote for each share of Common Stock standing in his name on the books of the Corporation.

PROVISIONS APPLICABLE TO ALL CLASSES OF CAPITAL STOCK

50. No holder of any class of capital stock of the Corporation shall be entitled to cumulate his votes for the election of directors.

51. No holder of any class of capital stock of the Corporation shall have preemptive rights, and the Corporation shall have the right to issue and to sell to any person or persons any shares of its capital stock or any option rights or any securities having conversion or option rights, without first offering such shares, rights or securities to any holders of any class of capital stock of the Corporation.

Exhibit 10.1

PNC BANK CORP.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

AMENDED AND RESTATED
(EFFECTIVE AS OF JANUARY 1, 1999)

WHEREAS, PNC Bank Corp. (the "Corporation") previously adopted and presently maintains the PNC Bank Corp. Supplemental Executive Retirement Income and Disability Plan (the "Plan") originally effective as of September 1, 1985;

WHEREAS, the Corporation desires to amend and restate the Plan in its entirety, effective January 1, 1999, in order to reflect the conversion of the plan for certain participants to a cash balance design with transition benefits, incorporate all prior amendments into the Plan document and make such other changes as deemed necessary or appropriate; and

WHEREAS, section 7 of the Plan authorizes the Corporation to amend the Plan at any time.

NOW, THEREFORE, in consideration of the foregoing, the Plan is hereby amended and restated in its entirety to read as follows:

SECTION 1

DEFINITIONS

1.1 "Account" means the bookkeeping record described in section 4 used solely to communicate a Participant's Accrued Benefit expressed as a single dollar amount.

1.2 "Accrued Benefit" means the Participant's Account balance converted to a single-life annuity in the same manner as under the Pension Plan.

1.3 "Annual Base Salary" means the annual pay rate as of the last payday in each January preceding the Participant's Vested Termination of Employment.

Notwithstanding the foregoing, after a Change in Control, in no event shall a Participant's Annual Base Salary be less than his annual pay rate as of the last payday of the January preceding the date of the Change in Control.

1.4 "Applicable Interest Rate" has the meaning assigned such term in the Pension Plan.

1.5 "Average Bonus" means the average of the five highest bonuses whether or not deferred of the ten final consecutive years of a Participant's employment awarded to a Participant under the Executive Bonus Plan for services performed by the Participant during the prior year.

1.6 "Average Final Compensation" means the Participant's average Compensation (defined in section 1.14(a) of the Plan) for the five highest of the ten final consecutive years of a Participant's employment, including the year of the Participant's death or Vested Termination of Employment.

1.7 "Beneficiary" or "Beneficiaries" means the individual or individuals designated by the Participant to receive the balance of the Participant's account upon the Participant's death, in accordance with section 7 of the Plan.

1.8 "Board" means the Board of Directors of the Corporation.

1.9 "Cause" means:

(a) the willful and continued failure of a Participant to substantially perform the Participant's duties with the Employer (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Participant by the Board or the Board of Directors of the Employer, the Chief Executive Officer of the Corporation or the Employer, or the Participant's superior, which specifically identifies the manner in which the Board or the Board of Directors of the Employer, Chief Executive Officer of the Corporation or the Employer, or superior believes that the Participant has not substantially performed the Participant's duties; or

(b) the willful engaging by the Participant in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Employer.

For purposes of the preceding clauses (a) and (b), no act or failure to act, on the part of a Participant, shall be considered "willful" unless it is done, or omitted to be done, by the Participant in bad faith and without reasonable belief that the Participant's action or omission was in the best interests of the Employer. Any act, or failure to act, based upon the instructions or prior approval of the Board or the Board of Directors of the Employer, Chief Executive Officer of the Corporation or the Employer or the Participant's superior, or based upon the advice of counsel for the Corporation or the Employer, shall be conclusively presumed to be done, or omitted to be done, by the Participant in good faith and in the best interests of the Corporation or the Employer. The cessation of employment of the Participant shall not be deemed to be for Cause unless and until there shall have been delivered to the Participant a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board or the Committee at a Board or Committee meeting called and held for the purpose of considering such termination finding that, in the good faith opinion of the Board or Committee, the Participant is guilty of the conduct described in clause (a) or (b) above,

and specifying the particulars thereof in detail. Such resolution shall be adopted only after reasonable notice of such meeting is provided to the Participant and the Participant is given an opportunity, together with counsel, to be heard before the Board or the Committee.

1.10 "Change in Control" means a change of control of the Corporation of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), whether or not the Corporation is then subject to such reporting requirement; provided, however, that without limitation, a Change in Control shall be deemed to have occurred if:

(a) any person, excluding employee benefit plans of the Corporation, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of securities of the Corporation representing 20% or more of the combined voting power of the Corporation's then outstanding securities, provided, however, that such an acquisition of beneficial ownership representing between 20% and 40%, inclusive, of such voting power shall not be considered a Change in Control if the Board approves such acquisition either prior to or immediately after its occurrence;

(b) the Corporation consummates a merger, consolidation, share exchange, division or other reorganization or transaction of the Corporation (a "Fundamental Transaction") with any other corporation, other than a Fundamental Transaction that results in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 60% of the combined voting power immediately after such Fundamental Transaction of (i) the Corporation's outstanding securities, (ii) the surviving entity's outstanding securities or (iii) in the case of a division, the outstanding securities of each entity resulting from the division;

(c) the shareholders of the Corporation approve a plan of complete liquidation or winding-up of the Corporation or an agreement for the sale or disposition (in one transaction or a series of transactions) of all or substantially all of the Corporation's assets;

(d) as a result of a proxy contest, individuals who prior to the conclusion thereof constituted the Board (including for this purpose any new director whose election or nomination for election by the Corporation's shareholders in connection with such proxy contest was approved by a vote of at least two-thirds of the directors then still in office who were directors prior to such proxy contest) cease to constitute at least a majority of the Board (excluding any Board seat that is vacant or otherwise unoccupied);

(e) during any period of 24 consecutive months, individuals who at the beginning of such period constituted the Board (including for this purpose any new director whose election or nomination for election by the Corporation's shareholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board (excluding any Board seat that is vacant or otherwise unoccupied); or

(f) the Board determines that a Change in Control has occurred.

"Person" has the meaning given in section 3(a)(9) of the Exchange Act and also includes any syndicate or group deemed to be a "person" under section 13(d)(3) of the Exchange Act.

Notwithstanding anything to the contrary herein, a divestiture or spin-off of a Subsidiary or division of the Corporation shall not by itself constitute a "Change in Control."

1.11 "Code" means the Internal Revenue Code of 1986, as amended.

1.12 "Committee" means the Personnel and Compensation Committee of the Board.

1.13 "Compensation" means:

(a) For purposes of section 3 of the Plan, the Annual Base Salary established by the Employer for services rendered by a Participant for a particular year, plus the amount of cash, if any, whether deferred or not, awarded to a Participant under any Executive Bonus Plan paid during that same year; provided, however, that, subject to exceptions approved by the Committee, the amount of cash awarded to a Participant under any Executive Bonus Plan shall be the lower of the amount awarded under such Executive Bonus Plan or the amount that such Participant would have been awarded under such Executive Bonus Plan had the Participant's annual bonus been awarded pursuant to the same grade or level that is used in calculating the Participant's recommended stock option grant under the PNC Bank Corp. 1992 Long-Term Incentive Award Plan.

(b) For purposes of section 4 of the Plan, the amount of cash, whether deferred or not, awarded to a Participant under any Executive Bonus Plan paid during a particular year; provided, however, that for a Participant who is not a member of the Corporate Executive Group, Compensation under the Plan may not exceed $250,000 per year.

(c) Participants who have incurred a Total Disability shall be treated as though they have continued in employment throughout the continuance of such Total Disability with Compensation equal to (i) for purposes of section 3 of the Plan, the annual pay rate in effect at the onset of such Total Disability plus the bonus award described in section 1.13(a) that was earned in the year prior to the Total

Disability, or (ii) for purposes of section 4 of the Plan, Compensation as defined in section 1.13(b) for the last full calendar year of Compensation, Compensation used for all of the Participant's previous Earnings Credits annualized to be reflective of one full year.

1.14 "Corporate Executive Group" means the group designated as such by the Corporation.

1.15 "Corporation" means PNC Bank Corp. and any successors thereto.

1.16 "Credited Service" has the meaning assigned such term in the Pension Plan from time to time that results in the largest period of credited service for the applicable participant.

1.17 "Deferral Election" means a Participant's irrevocable election to defer the commencement of the payments of his or her benefits under the Plan by timely delivery to the Plan Manager of a Deferral Election Form.

1.18 "Deferral Election Form" means the document, in a form approved by the Plan Manager, whereby the Participant elects to defer the commencement of the payment of his or her benefits under the Plan.

1.19 "Deferred Benefits" means the participant's benefits under the Plan the payment of which have been deferred pursuant to a Deferral Election.

1.20 "Earnings Credits" means the credits allocated pursuant to section 4.2 of the Plan to the Account of a Participant who is not a Grandfathered Participant.

1.21 "Employer" means the Corporation and any Subsidiary that has been designated by the Plan Manager as an Employer hereunder and listed in Schedule A hereto.

1.22 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

1.23 "Executive Bonus Plan" means the plans designated by the Committee as participating hereunder and listed in Schedule B hereto.

1.24 "Good Reason" means:

(a) the assignment to a Participant of any duties inconsistent in any respect with the Participant's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities immediately prior to the Change in Control, or any other action by the Employer which results in a diminution in any respect in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith that is remedied by the Employer promptly after receipt of notice thereof given by the Participant;

(b) a reduction by the Employer in the Participant's Annual Base Salary in effect on the day prior to the date of a Change in Control;

(c) the Employer's requiring the Participant to be based at any office or location that is more than 50 miles from the Participant's office or location immediately prior to the Change in Control;

(d) the failure by the Employer (i) to continue in effect any bonus, stock option or other cash or equity-based incentive plan in which the Participant participates immediately prior to the Change in Control that is material to the Participant's total compensation, unless a substantially equivalent arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or (ii) to continue the Participant's participation in such plan (or in such substitute or alternative plan) on a basis at least as favorable, both in terms of the amount of benefits provided and the level of the Participant's participation relative to other participants, as existed immediately prior to the Change in Control; or

(e) the failure by the Employer to continue to provide the Participant with benefits substantially similar to those received by the Participant under any of the Employer's pension (including, but not limited to, tax-qualified plans), life insurance, health, accident, disability or other welfare plans in which the Participant was participating, at costs substantially similar to those paid by the Participant, immediately prior to the Change in Control.

1.25 "Grandfathered Participant" means a Participant who on December 31, 1998 (i) was employed by the Employer, (ii) participated in the Plan and (iii) had completed at least five years of Credited Service and attained age 50.

1.26 "Initial SEG 06 Participant" means a Participant who as of December 31, 1998 was a member of the Senior Executive Group level 06 or higher and is not a member of the group described in section 1.25.

1.27 "Hardship" means severe financial hardship to the Participant resulting from a sudden and unexpected illness of the Participant or one of the Participant's dependents (within the meaning of section 152(a) of the Code), or an accident involving the Participant or a Participant's dependent, loss of a Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The circumstances that will constitute Hardship shall depend upon the facts of each case, but, in any case, Hardship will not exist to the extent that such hardship is or may be relieved;

(a) through reimbursement or compensation by insurance or otherwise;

(b) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or

(c) by cessation of deferrals under this Plan or other plans maintained by the Employer.

The Plan Manager shall have the sole and absolute discretion to determine whether a Hardship exists.

1.28 "Interest Credits" means the credits allocated pursuant to section 4.4 of the Plan to the Account of a Participant who is not a Grandfathered Participant.

1.29 "Minimum Benefit" means the minimum benefit calculated under section 4.7 for a Participant who is not a Grandfathered Participant.

1.30 "Participant" means all persons who participated in the Plan on December 31, 1998 and all other persons who are invited thereafter by the Corporation to participate in the Plan.

1.31 "Pension Plan" means the PNC Bank Corp. Pension Plan as in effect on January 1, 1999 and as amended from time to time thereafter.

1.32 "Plan" means this PNC Bank Corp. Supplemental Executive Retirement Plan as amended from time to time.

1.33 "Plan Manager" means any individual designated by the Committee to manage the operation of the Plan as herein provided or to whom the Committee has duly delegated any of its duties and obligations hereunder.

1.34 "Plan Year" means the calendar year beginning January 1.

1.35 "Prior Excess Plan" means the PNC Bank Corp. ERISA Excess Pension Plan as in effect on December 31, 1998.

1.36 "Prior Pension Plan" means the PNC Bank Corp. Pension Plan as in effect on December 31, 1998.

1.37 "Prior Plan" means the PNC Bank Corp. Supplemental Executive Retirement Plan as in effect on December 31, 1998.

1.38 "Subsidiary" means any business entity the equity of which (directly or indirectly) is owned 50% or more by the Corporation.

1.39 "Total Disability" has the meaning assigned such term in the Pension Plan.

1.40 "Transitional Earnings Credits" means the credits allocated pursuant to section 4.3 of the Plan to the Account of a Participant who is not a Grandfathered Participant.

1.41 "Trust" means the grantor trust established by the Corporation to assist in funding its obligation under the Plan.

1.42 "Vested Termination of Employment" means a Participant's termination of employment with the Employer:

(a) for any reason after completing five years of Vesting Service; or

(b) by the Participant for Good Reason after a Change in Control or by the Employer without Cause after a Change in Control.

1.43 "Vesting Service" has the meaning assigned such term in the Pension Plan.

SECTION 2

APPLICATION OF PLAN

This Plan applies only to Participants who are employed on or after January 1, 1999. A Participant under the Prior Plan who was not employed on or after January 1, 1999 will continue to be covered under the Prior Plan.

SECTION 3

RETIREMENT INCOME SUPPLEMENT FOR GRANDFATHERED PARTICIPANTS

3.1 Grandfathered Participants

Upon Vested Termination of Employment, a Grandfathered Participant shall receive an annual cash payment equal to the greater of:

(a) 10% plus 1% for each year of Credited Service (including fractions thereof) in excess of ten but less than 25 years times the Participant's Annual Base Salary at the time of Vested Termination of Employment; or

(b) the annual amount of retirement benefit the Participant would have received as a single life annuity under the Prior Pension Plan if the Prior Pension Plan had been continued and the definition of "Compensation" and "Average Final Compensation" in the Prior Pension Plan were as recited in 1.13(a) and 1.6 above, respectively (assuming that the Participant elected a single life annuity under the Prior Pension Plan and commenced receiving benefits at age 62).

The amount determined under section 3.1(b) above will be reduced by the annual amount of any benefit the Participant would have been entitled to receive under the Prior Pension Plan and the Prior Excess Plan, assuming the Participant commenced receiving benefit payments in the form of a single life annuity under such plans at age 62.

Unless otherwise elected, the annual amount payable pursuant to section 3.1(a) or 3.1(b) and the preceding sentence shall be paid in monthly installments, commencing on the first day of the month coincident with or next following the Vested Termination of Employment of the Participant and continuing for fifteen years. Any benefit payment made pursuant to section 3.1(a) or 3.1(b) that commences prior to a Participant's attainment of age 62 shall be actuarially reduced in accordance with reduction factors used in the Prior Pension Plan. A Participant may elect, in accordance with appropriate administrative procedures, to receive, in lieu of the monthly retirement benefit to which he is entitled hereunder, a lump-sum cash payment equal to the present value of such monthly benefit, calculated using the interest rate used under the Prior Pension Plan as of the date the payment is to be made.

A Participant also may elect, pursuant to section 9 of the Plan, to defer the commencement of the payment of his or her benefits.

3.2 Death Benefit

Upon the death of a Grandfathered Participant prior to Vested Termination of Employment, his or her Beneficiary shall receive an annual cash payment equal to the greater of:

(a) 10% plus 1% for each year of Credited Service (including fractions thereof) between ten and 25 years times the Participant's Annual Base Salary at the time of death; or

(b) the annual amount of retirement benefit the Participant would have received as a single life annuity under the Prior Pension Plan if the Prior Pension Plan had been continued and if the definition of "Compensation" and "Average Final Compensation" in the Prior Pension Plan were as recited in 1.13(a) and 1.6 above, respectively.

The amount determined under section 3.2(b) above will be reduced by the annual amount of any benefit the Participant would be entitled to receive under the Prior Pension Plan and the Prior Excess Plan.

The benefit shall be distributed to the Participant's Beneficiary or Beneficiaries at the time and pursuant to the method elected by the Participant. Upon application of the Participant's Beneficiary, the Plan Manager may, in his or her sole and absolute discretion, direct that the benefit be paid in a single lump sum.

SECTION 4

RETIREMENT INCOME SUPPLEMENT FOR PARTICIPANTS WHO ARE NOT GRANDFATHERED PARTICIPANTS

4.1 Accounts

An Account shall be established and maintained for each Participant who is not a Grandfathered Participant to which credits shall be allocated pursuant to the provisions of this section 4. A Participant's opening Account balance shall be determined in the same manner as under the Pension Plan based on the Participant's benefit accrued under the Prior Plan as of December 31, 1998.

4.2 Earnings Credits

As of each pay period, there shall be credited to the Account of each such active Participant who is not an Initial SEG 06 Participant and who has earned Compensation during such pay period an amount determined as follows:

Age Plus Years of Credited Service	Percentage of Compensation Credited to Participant's Account
Less than 40	3%
Between 40 and 49	4%
Between 50 and 59	5%
Between 60 and 69	6%
70 or more	8%

As of each pay period, there shall be credited to the Account of each such active Participant who is an Initial SEG 06 Participant and who has earned Compensation during such pay period an amount determined as follows:

Age Plus Years of Credited Service	Percentage of Compensation Credited to Participant's Account
Less than 40	6%
Between 40 and 49	8%
Between 50 and 59	10%
Between 60 and 69	12%
70 or more	16%

For purposes of the above two charts, age and Credited Service are determined as of the last day of the preceding Plan Year. For purposes of determining the percentage of Compensation to be credited to a Participant's Account, only complete years of Credited Service and age shall be used; no partial years of age or Credited Service shall be counted.

4.3 Transitional Earnings Credits

Beginning on January 1, 1999 and ending on December 31, 2008, as of each calendar quarter, there shall be allocated Transitional Earnings Credits to the Account of each active Participant who has earned Compensation during such calendar quarter. These Transitional Earnings Credits shall apply to the following Participants and are determined as follows:

(a) For active Participants who as of January 1, 1999 were age 45 or older and had at least fifteen years of Credited Service, an additional allocation of 4% of Compensation shall be made.

(b) For active Participants not described in (a) above who as of January 1, 1999 were age 40 or older and had at least ten years of Credited Service, an additional allocation of 2% of Compensation shall be made.

Only Participants employed by the Employer on January 1, 1999 are eligible for Transitional Earnings Credits. The rules applicable to Earnings Credits described in section 4.2 also apply to these Transitional Earnings Credits.

4.4 Interest Credits

Each calendar quarter, the determination, calculation and allocation of Interest Credits shall occur in the manner described in subsection (b) below determined in accordance with subsection (a) below:

(a) For each calendar quarter, one-fourth of the Applicable Interest Rate.

(b) During each calendar quarter, each Participant's Account shall be adjusted by an amount equal to the interest rate determined in (a) above multiplied by the Account balance as of the end of the immediately preceding calendar quarter.

(c) A Participant who elects to defer the commencement of the payment of his or her benefits under section 9 of the Plan, shall continue to receive an allocation of Interest Credits on his or her Deferred Benefits in the manner prescribed above until the first day of the month coincident with or preceding the date the Participant receives a final distribution of his or her Account.

4.5 Payment of Benefits

Upon Vested Termination of Employment, a Participant covered under this section 4 may elect, in accordance with appropriate administrative procedures, to receive his or her benefit under this Plan in a form available to the Participant under the Pension Plan. The form of benefit elected under this Plan may be different from the basis upon which a Participant receives his or her benefit under the Pension Plan. A Participant also may elect, pursuant to Section 9 of the Plan, to defer the commencement of the payment of his or her benefits.

The calculation of the amounts of optional forms of benefit shall utilize the same adjustment factors as used in the Pension Plan, and it is intended that these factors will be monitored and amended as necessary to meet the provisions of Treasury Regulation section 3121(v)(2)-1(C)(2)(iii)(B)(3).

4.6 Death Benefit

Upon the death of a Participant prior to Vested Termination of Employment, but after completing five full years of Vesting Service, his or her Beneficiary shall be entitled to a benefit in an amount equal to the Participant's Accrued Benefit determined as of the date of his death.

The benefit shall be distributed to the Participant's Beneficiary or Beneficiaries at the time and pursuant to the method elected by the Participant. Upon application of the Participant's Beneficiary, the Plan Manager may, in his or her sole and absolute discretion, direct that the benefit be paid in a single lump sum.

4.7 Minimum Benefit

Upon Vested Termination of Employment, a Participant who is not a Grandfathered Participant is entitled to a Minimum Benefit under the Plan. The Minimum Benefit is equal to the Participant's benefit under the Prior Plan calculated as of December 31, 1998. If the Minimum Benefit exceeds the Participant's benefit under section 4, the Participant shall receive the Minimum Benefit in lieu of the section 4 benefit.

SECTION 5

FROZEN BENEFIT

Any Participant who is or becomes eligible to participate in the PNC Bank Corp. Retirement Savings Plan or who transfers employment to a Subsidiary that is not an Employer shall have the value of his or her benefit frozen as of the first day of the month following the date he or she is eligible to participate in the PNC Bank Corp. Retirement Savings Plan or transfers employment to a Subsidiary that is not an Employer, except that interest will continue to be credited under section 4.4. Such frozen benefit will be payable at the same time and in the same manner as benefits otherwise payable under the Plan, provided that any future benefit eligibility requirements are met.

SECTION 6

TRANSFER OF EMPLOYMENT TO MINORITY-OWNED ENTITY

If a Participant is transferred from the employment of the Corporation or a Subsidiary to an entity the equity of which (directly or indirectly) is owned 10% or more (but 50% or less) by the Corporation (a "Minority-Owned Entity"), the benefits earned while a Participant will be frozen (except that Interest Credits under section 4.4, if applicable, shall continue) and will be paid in the event that the Participant subsequently becomes disabled while employed by the Minority-Owned Entity or retires from the employment of the Minority-Owned Entity.

SECTION 7

DESIGNATION OF BENEFICIARIES

A Participant shall designate a Beneficiary or Beneficiaries to receive the balance of the Participant's Account upon the Participant's death. Such designation shall be on a form approved by the Plan Manager and shall not be effective until it is received by the Plan Manager. If no valid Beneficiary designation form is on file with the Plan Manager upon the Participant's death, then the balance of the Participant's Account shall be payable to the Beneficiary designated by the Participant under the Employer's group life insurance plan, or, if no such designation exists, to the Participant's estate.

SECTION 8

PAYMENT OF BENEFITS

The benefits payable to a Participant under this Plan shall be made from the general revenues of the entity that employs the Participant on the date of the Participant's Vested Termination of Employment.

SECTION 9

DEFERRAL OF BENEFITS

9.1 Deferral Election

A Participant may elect to defer the commencement of the payment of his or her benefits under this Plan. A Participant's Deferral Election Form must be received by the Plan Manager at least one year prior to the Participant's Vested Termination of Employment. The Deferral Election Form shall specify the year in which payment shall commence and the form of distribution.

9.2 Hardship Distribution

Upon approval by the Plan Manager, in his or her sole and absolute discretion, payment of a Participant's Deferred Benefits under the Plan shall be made in the event of a Participant's Hardship. Payment of any Hardship distribution shall be made in a single lump sum as soon as administratively feasible after approval.

SECTION 10

RIGHTS OF PARTICIPANTS

No Participant shall have any rights to any payment under this Plan until Vested Termination of Employment and in no event shall the interests of Participants under this Plan be in any way subject to their debts or other obligations and may not be voluntarily or involuntarily sold, transferred, or assigned.

SECTION 11

TRUST FUND

No assets of the Corporation or any Employer shall be segregated or earmarked in respect to any benefits, and all such benefits shall constitute unsecured contractual obligations of the Employer. If the Corporation chooses to contribute to the Trust to offset its obligation under this Plan, all assets or property held by the Trust shall at all times remain subject to the claims of the general creditors of the Corporation or any Employer.

SECTION 12

CLAIMS PROCEDURE

12.1 Initial Claim

Claims for benefits under the Plan shall be filed with the Plan Manager. If any Participant or Beneficiary claims to be entitled to a benefit under the Plan and the Plan Manager determines that such claim should be denied in whole or in part, the Plan Manager shall notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain (i) specific reasons for the denial, (ii) specific reference to pertinent Plan provisions, (iii) a description of any additional material or information necessary for such person to perfect such claim and an explanation of why such material or information is necessary and (iv) information as to the steps to be taken if the person wishes to submit a request for review. Such notification will be given within 90 days after the claim is received by the Plan Manager. If such notification is not given within such period, the claim will be considered denied as of the last day of such period and such person may request a review of his or her claim.

12.2 Review Procedure

Within 60 days after the date on which a Participant or Beneficiary receives a written notice of a denied claim (or, if applicable, within 60 days after the date on which such denial is considered to have occurred) such person (or his or her duly authorized representative) may (i) file a written request with the Committee for a review of his or her denied claim and of pertinent documents and (ii) submit written issues and comments to the Committee. The Committee will notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain specific reasons for the decision as well as specific references to pertinent Plan provisions. The decision on review will be made within 60 days after the request for review is received by the Committee. If the decision on review is not made within such period, the claim will be considered denied.

12.3 Claims and Review Procedure Not Mandatory After a Change in Control

After the occurrence of a Change in Control, the claims procedure and review procedure provided for in this section 12 shall be provided for the use and benefit of Participants who may choose to use such procedures, but compliance with the provisions of this section 12 shall not be mandatory for any Participant claiming benefits after a Change in Control. It shall not be necessary for any Participant to exhaust these procedures and remedies after a Change in Control prior to bringing any legal claim or action, or asserting any other demand, for payments or other benefits to which such Employee claims entitlement.

SECTION 13

ADMINISTRATION

This Plan shall be administered by the Committee, and it shall have the sole authority to resolve any questions which arise hereunder.

This Plan is intended to be "a plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of sections 201(2), 301(a)(3) and 401(a)(1) of ERISA and shall be administered in a manner consistent with that intent.

SECTION 14

AMENDMENT AND TERMINATION

The Plan may be amended or terminated by the Board at any time, and any Subsidiary of PNC that has adopted the Plan may withdraw from further participation in the Plan at any time; provided, however, that no such amendment, termination or withdrawal (each, a "Plan Change") shall reduce or in any way adversely affect (i) the retirement or disability benefits payable hereunder with respect to a Participant who is entitled to disability benefits by reason of having become disabled prior to the date of the Plan Change or who has terminated employment with the Employer prior to the date of such Plan Change or (ii) the amount of, or payment of, the Accrued Benefit (as hereinafter defined) of any other Participant as of the date of such Plan Change.

For purposes of this section 14, the term "Accrued Benefit" means, for a Grandfathered Participant, the benefit that would be payable to the Participant hereunder assuming that (i) the Participant terminated employment immediately prior to the Plan Change, and (ii) solely for the purpose of determining the Participant's eligibility for Vested Termination of Employment under this Plan and not for purposes of determining the amount of benefit, that the Participant had completed five years of Vesting Service (to the extent that the Participant had not yet completed such years of Vesting Service immediately prior to the Plan Change). The term "Accrued Benefit" means, for a Participant who is not a Grandfathered Participant, an amount equal to the balance of the Participant's Account immediately prior to the Plan Change.

After a Change in Control, the Plan may not be amended in any manner that adversely affects the administration or payment of a Participant's benefits hereunder (including but not limited to the timing and form or payment of benefits hereunder) without the consent of the Participant nor may the provisions of this section 14, section 15 or, for a Participant who is not a Grandfathered Participant, section 4.4, be amended after a Change in Control with respect to a Participant without the written consent of the Participant; provided, however, that the failure of a Participant to consent to any such amendment shall not impair the ability of the Committee to amend the Plan with respect to any other Participant who has consented to such amendment.

SECTION 15

SUCCESSORS

In addition to any obligations imposed by law upon any successor(s) to the Corporation and the Employers, the Corporation and the Employers shall be obligated to require any successor(s) (whether direct or indirect, by purchase, merger, consolidation, operation of law or otherwise) to all or substantially all of the business and/or assets of the Corporation and the Employers to expressly assume and agree to perform under this Plan in the same manner and to the same extent that the Corporation and the Employers would be required to perform under it if no such succession had taken place; in the event of such a succession, references to "Corporation" and "Employers" herein shall thereafter be deemed to include such successor(s).

SECTION 16

GOVERNING LAW

The Plan shall be governed according to the laws of the Commonwealth of Pennsylvania to the extent not preempted by federal law.

SECTION 17

FUNDING OF BENEFITS

In the sole discretion of the Corporation, the Corporation may establish a grantor trust and make contributions thereto for the purpose of providing a source of funds to pay benefits as they become due and payable hereunder; provided, however, that no such trust shall result in a Participant being required to include in gross income for federal income tax purposes any benefits payable hereunder prior to the date of actual payment. Notwithstanding the establishment of any such trust, a Participant's rights hereunder shall be solely those of a general unsecured creditor of the Corporation and the Employers.

* * * *

Executed and adopted by the Director of Human Resources of PNC Bank Corp. this _____ day of ___________________, 1999.

William E. Rosner
Director of Human Resources

SCHEDULE A

SUBSIDIARIES

PNC Bank, N.A.
PNC Capital Markets, Inc.
PNC Bank Corp.
PNC Bank, FSB
PNC Alliance, Inc.
PNC Equity Management Corp.
PNC Management Services Corp.
PNC Leasing Corp.
PNC Brokerage Corp
PNC Bank, Delaware
Delvest, Inc.
BlackRock Institutional Management Corp.
PFPC, Inc.
PFPC Trust Co.
Midland Loan Services, Inc.
Columbia Housing Partners, L.P.
PNC Affordable Housing Inc.
PNC Bank, New England
PNC Mortgage Corp. of America
PNC Mortgage Securities Corp.
PNC Commercial Corp.
PNC Commercial Management, Inc.
Provident Advisers, Inc.
BlackRock Financial Mgmt (Partners)
BlackRock Financial Management, Inc.
CastleInternational Asset Management, Inc.
Provident Capital Management
Compass Capital Group, Inc.
J.J.B. Hilliard, W.L. Lyons, Inc. and Hilliard Lyons Trust Company
and their affiliates and subsidiaries

SCHEDULE B

EXECUTIVE BONUS PLANS

PLAN CODE	LOB	PLAN NAME
C02	Secured Lending	PNC Business Credit
C04	PNC Advisors	IM & T Institutional Trust Sales Team
C10	Secured Lending	PNC Leasing Corp.
C11	Corporate Bank	Leveraged Finance Incentive
C13	Corporate Bank	Capital Markets (Investment Banking)
C14	Corporate Bank	Client Relationship Team
C16	Corporate Bank	Treasury Management Incentive
E01	Secured Lending	Commercial Finance Incentive
F02	Mutual Fund Servicing	PFPC Accountant Performance Award Program
F06	Mutual Fund Servicing	PFSG Incentive for Key Management Group
G02	Secured Lending	Relationship Manager (R/E)

G04	Secured Lending	CMBS
G08	Secured Lending	Midland Performance Bonus Plan
H01	Credit Policy	CRC PNC Capital Recovery Corp.
K01	Consumer Bank	PNC Insurance Group
M14	Mortgage	PNC Mortgage - Sales VP Incentive
M18	Mortgage	PNC MCA Mortgage Center/Process Managers
M19	Mortgage	PNC MCA Purchase Program Ops. Managers (Lucken)
M23	Mortgage	National Accounts - Executive
M25	Mortgage	Purchase Program National Sales Mgmt. (Bulletin)
M27	Mortgage	Senior VP Regional Manager
M35	Mortgage	Senior VP Production Ops. (Meola)
M36	Mortgage	Executive VP - Strategic Bus. Devel (96)
M38	Mortgage	Structured Finance
M40	Mortgage	SVP - Structured Finance
M41	Mortgage	SVP - Secondary Marketing
M42	Mortgage	SVP - Bonus Plan
Q01	Equity Management	PNC Equity Management Corp. Incentive
R37	Consumer Bank	Consumer Lending
T01	PNC Advisors	Equity Research Team

</TABLE>

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PLAN CODE	LOB	PLAN NAME
<S>	<C>	<C>
T02	BlackRock	Fixed Income Research Team
T05	PNC Advisors	Team Performance - AMG
V01	PNC Advisors	PNC Brokerage Corporate Sales Incentive Plan
V12	PNC Advisors	Executive Sales Management
V14	PNC Advisors	Private Bank Managers Incentive
V15	PNC Advisors	Regional Sales Managers IM & T

</TABLE>

Exhibit 10.2

ERISA EXCESS PENSION PLAN

AMENDED AND RESTATED
(EFFECTIVE AS OF JANUARY 1, 1999)

WHEREAS, PNC Bank Corp. (the "Corporation") previously adopted and presently maintains the PNC Bank Corp. Supplemental Pension Plan (the "Plan") originally effective as of December 1, 1984;

WHEREAS, the Corporation desires to amend and restate the Plan in its entirety, effective January 1, 1999, in order to reflect the conversion of the PNC Bank Corp. Pension Plan to a cash balance design with transition benefits, incorporate all prior amendments into the Plan document and make such other changes as deemed necessary or appropriate; and

WHEREAS, section 5 of the Plan authorizes the Corporation to amend the Plan at any time.

NOW, THEREFORE, in consideration of the foregoing, the Plan is hereby amended and restated in its entirety to read as follows:

SECTION 1

DEFINITIONS

As used in this Plan, initially capitalized terms that are not otherwise defined herein shall have the meaning given to them in the PNC Bank Corp. Pension Plan as amended from time to time. The following words and phrases shall have the meanings assigned to them herein, unless the context otherwise requires.

1.1 "Account" means the bookkeeping record used under this Plan solely to communicate a Participant's or Beneficiary's Accrued Benefit expressed as a single dollar amount.

1.2 "Change in Control" has the meaning assigned to such term in the PNC Bank Corp. Supplemental Executive Retirement Plan as amended from time to time.

1.3 "Committee" means the committee appointed to administer the Pension Plan.

1.4 "Deferred Compensation Plan" means the PNC Bank Corp. and Affiliates Deferred Compensation Plan as amended from time to time.

1.5 "Excess Benefits" means the difference between (A) the amount of an Employee's benefit under the Pension Plan computed without taking into consideration the limitation on benefits contained in section 401(a)(17) and section 415 of the Code and, effective January 1, 1999, computed as if "Compensation" as defined in the Pension Plan included bonus amounts deferred under the Deferred Compensation Plan and (B) the amount of an Employee's benefit actually computed under the Pension Plan.

For a Participant who incurred a Total Disability prior to 1999 and who, for purposes of the PNC Bank Corp. Supplemental Executive Retirement Plan, was a "Participant" (as defined therein) as of December 31, 1998, Excess Benefits also shall include the difference between (C) the aggregate amount of the Participant's benefit under the Pension Plan and this Plan computed using Earnings Credits that reflect Compensation that, for any period, is a pro rata portion of annual Compensation equal to the sum of (i) the rate of base pay in effect at the time of Total Disability and (ii) variable pay (limited as described in the definition of Compensation in the Pension Plan) equal to the annual bonus amount earned for the calendar year prior to such Total Disability and (D) the aggregate amount of the Participant's benefit otherwise computed under the Pension Plan and this Plan.

1.6 "Participant" means any Employee who meets the eligibility criteria set forth in section 2 of the Plan.

1.7 "Pension Plan" means the PNC Bank Corp. Pension Plan as in effect on January 1, 1999 and as amended from time to time thereafter.

1.8 "Plan" means this PNC Bank Corp. ERISA Excess Pension Plan as amended from time to time.

1.9 "Plan Manager" means any individual designated by the Committee to manage the operation of the Plan as herein provided or to whom the Committee has duly delegated any of its duties and obligations hereunder.

1.10 "Trust" means the grantor trust established by the Corporation to assist in funding its obligations under the Plan.

SECTION 2

ELIGIBILITY FOR PARTICIPATION
AND CESSATION OF PARTICIPATION

An Employee who participates in the Pension Plan is eligible to participate in this Plan if the Employee has Excess Benefits. If an Employee ceases to participate in the Pension Plan, the Employee is no longer eligible to participate in this Plan. Such Participant's Account shall be frozen as of the date he or she ceases participation, except that interest will continue to be credited under section 3 of the Plan. Such frozen benefit will be payable at the same time and in the same manner as benefits otherwise payable under the Plan.

SECTION 3

BENEFITS

An Account shall be established and maintained for each Participant to which Excess Benefits shall be allocated. A Participant's Account under this Plan shall be allocated Earnings Credits, Transitional Earnings Credits and Interest Credits in the same manner as under the Pension Plan. In addition, a Participant's opening Account balance shall be determined in the same manner as under the Pension Plan.

SECTION 4

DISTRIBUTION

The benefits under this Plan are payable in accordance with all the terms and conditions applicable to the Participant's benefits under the Pension Plan.

The calculation of the amounts of optional forms of benefit shall utilize the same adjustment factors as used in the Pension Plan, and it is intended that these factors will be monitored and amended as necessary to meet the provisions of Treasury Regulation section 3121(v)(2)-1(C)(2)(iii)(B)(3).

SECTION 5

TRUST FUND

No assets of the Corporation or any Employer shall be segregated or earmarked in respect to any benefits, and all such benefits shall constitute unsecured contractual obligations of the Employer. If the Corporation chooses to contribute to the Trust to offset its obligation under this Plan, all assets or property held by the Trust shall at all times remain subject to the claims of the general creditors of the Corporation or any Employer.

SECTION 6

CLAIMS PROCEDURE

6.1 Initial Claim

Claims for benefits under the Plan shall be filed with the Plan Manager. If any Participant or Beneficiary claims to be entitled to a benefit under the Plan and the Plan Manager determines that such claim should be denied in whole or in part, the Plan Manager shall notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain (i) specific reasons for the denial, (ii) specific reference to pertinent Plan provisions, (iii) a description of any additional material or information necessary for such person to perfect such claim and an explanation of why such material or information is necessary and (iv) information as to the steps to be taken if the person wishes to submit a request for review. Such notification will be given within 90 days after the claim is received by the Plan Manager. If such notification is not given within such period, the claim will be considered denied as of the last day of such period and such person may request a review of his or her claim.

6.2 Review Procedure

Within 60 days after the date on which a Participant or Beneficiary receives a written notice of a denied claim (or, if applicable, within 60 days after the date on which such denial is considered to have occurred) such person (or his or her duly authorized representative) may (i) file a written request with the Committee for a review of his or her denied claim and of pertinent documents and (ii) submit written issues and comments to the Committee. The Committee will notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain specific reasons for the decision as well as specific references to pertinent Plan provisions. The decision on review will be made within 60 days after the request for review is received by the Committee. If the decision on review is not made within such period, the claim will be considered denied.

6.3 Claims and Review Procedure Not Mandatory After a Change in Control

After the occurrence of a Change in Control, the claims procedure and review procedure provided for in this section 6 shall be provided for the use and benefit of Participants who may choose to use such procedures, but compliance with the provisions of this section 6 shall not be mandatory for any Participant claiming benefits after a Change in Control. It shall not be necessary for any Participant to exhaust these procedures and remedies after a Change in Control prior to bringing any legal claim or action, or asserting any other demand, for payments or other benefits to which such Employee claims entitlement.

SECTION 7

ADMINISTRATION

The Committee shall administer the Plan. The Committee shall have the same rights, powers and duties as specified in the Pension Plan.

SECTION 8

AMENDMENT AND TERMINATION

The Plan may be amended or terminated by the Board at any time, and any Employer may withdraw from further participation in the Plan at any time; provided, however, that no such amendment, termination or withdrawal (each, a "Plan Change") shall, without the consent of each affected Participant, reduce or in any way adversely affect (i) the benefits payable hereunder with respect to a Participant who has terminated employment with the Corporation or an Employer (as applicable) prior to the date of such Plan Change or (ii) the amount of, or payment of, the Accrued Benefit (as hereinafter defined) of any other Participant as of the date of such Plan Change.

For purposes of this section 8, the term "Accrued Benefit" means an amount equal to the balance of a Participant's Account immediately prior to the Plan Change.

After a Change in Control, the Plan may not be amended in any manner that adversely affects the administration or payment of a Participant's benefits hereunder (including but not limited to the timing and form or payment of benefits hereunder) without the consent of the Participant nor may the provisions of this section 8, section 9 or, for purposes of this Plan, "Interest Credits" as defined in the Pension Plan immediately prior to the Plan Change, be amended after a Change in Control with respect to a Participant without the written consent of the Participant; provided, however, that the failure of a Participant to consent to any such amendment shall not impair the ability of the Committee to amend the Plan with respect to any other Participant who has consented to such amendment.

SECTION 9

SUCCESSORS

In addition to any obligations imposed by law upon any successor(s) to the Corporation and the Employers, the Corporation and the Employers shall be obligated to require any successor(s) (whether direct or indirect, by purchase, merger, consolidation, operation of law, or otherwise) to all or substantially all of the business and/or assets of the Corporation and the Employers to expressly assume and agree to perform under this Plan in the same manner and to the same extent that the Corporation and the Employers would be required to perform under it if no such succession had taken place; in the event of such a succession, references to "Corporation" and "Employers" herein shall thereafter be deemed to include such successor(s).

SECTION 10

GOVERNING LAW

This Plan shall be governed according to the laws of the Commonwealth of Pennsylvania to the extent not preempted by federal law.

SECTION 11

FUNDING OF BENEFITS

In the sole discretion of the Corporation, the Corporation may establish a grantor trust and make contributions thereto for the purpose of providing a source of funds to pay benefits as they become due and payable hereunder; provided, however, that no such trust shall result in a Participant being required to include in gross income for federal income tax purposes any benefits payable hereunder prior to the date of actual payment. Notwithstanding the establishment of any such trust, a Participant's rights hereunder shall be solely those of a general unsecured creditor.

* * * *

Executed and adopted by the Director of Human Resources of PNC Bank Corp. this _____ day of ___________________, 1999.

William E. Rosner
Director of Human Resources

Exhibit 10.3

PNC BANK CORP.
KEY EXECUTIVE EQUITY PROGRAM

AMENDED AND RESTATED
(EFFECTIVE AS OF JANUARY 1, 1999)

WHEREAS, PNC Bank Corp. (the "Corporation") previously adopted and presently maintains the PNC Bank Corp. Supplemental Executive Life Insurance and Spouse's Benefit Plan (the "Plan") originally effective as of January 1, 1987;

WHEREAS, the Corporation desires to amend and restate the Plan in its entirety, effective January 1, 1999, in order to incorporate all prior amendments into the Plan document and make such other changes as deemed necessary or appropriate; and

WHEREAS, section 7 of the Plan authorizes the Corporation to amend the Plan at any time.

NOW, THEREFORE, in consideration of the foregoing, the Plan is hereby amended and restated in its entirety to read as follows:

SECTION 1

DEFINITIONS

1.1 "Annual Base Salary" means for the purpose of determining life insurance benefits, the biweekly rate of pay that is in effect at the time a Participant retires under the Pension Plan multiplied by 26.

1.2 "Beneficiary" means the person, persons, or entity designated as Beneficiary by the Participant in the records maintained for this Plan of the Prior Plans, or absent such designation, the Beneficiary designated by the Participant under the Employer's group life insurance plan, or, if no such designation exists, to the Participant's estate.

1.3 "Board" means the Board of Directors of the Corporation.

1.4 "Change in Control" has the meaning assigned such term in the PNC Bank Corp. Supplemental Executive Retirement Plan as amended from time to time.

1.5 "Committee" means the Personnel and Compensation Committee of the Board.

1.6 "Corporation" means PNC Bank Corp. and any successors thereto.

1.7 "Disability" means the Participant's eligibility to receive benefits under the Employer's long-term disability plan.

1.8 "Employer" means the Corporation and any Subsidiary that has been designated by the Plan Manager as an Employer hereunder and listed in Schedule A hereto.

1.9 "Executive Bonus Plan" means the plans designated by the Plan Manager as participating hereunder and listed in Schedule B hereto.

1.10 "Participant" means all persons who were Participants in the Prior Plans and, at the discretion of the Board, any other person employed by the Corporation and its Subsidiaries who has been granted a stock option under the Corporation's Executive Bonus Plan.

1.11 "Pension Plan" means the PNC Bank Corp. Pension Plan as amended from time to time.

1.12 "Plan" means this PNC Bank Corp. Key Executive Equity Program.

1.13 "Plan Manager" means any individual designated by the Committee to manage the operation of the Plan as herein provided or to whom the Committee has duly delegated any of its duties and obligations hereunder.

1.14 "Prior Plans" means the Executive Group Life Insurance Plan of Pittsburgh National Bank, the Death Benefit Section of the Supplemental Excess Retirement Plan of Provident National Bank, the Supplemental Insurance Plan of Marine Bank and the Supplemental Insurance Plan of Northeastern Bank.

1.15 "Retirement" means that the Participant has attained age 55 and completed five years of Vesting Service.

1.16 "Subsidiary" means any business entity the equity of which (directly or indirectly) is owned 50% or more by the Corporation.

1.17 "Trust" means the grantor trust established by the Corporation to assist in funding its obligations under the Plan.

1.18 "Vesting Service" has the meaning assigned such term in the Pension Plan.

SECTION 2

BENEFITS

2.1 Pre-Retirement Life Insurance

Except as provided in the following subparagraphs for Participants in Prior Plans, the pre-retirement life insurance benefit shall be equal to the amount of insurance elected by the Participant or assigned by the Employer.

(a) Pittsburgh National Bank

The benefit shall be an amount which is equal to the Annual Base Salary multiple elected by the Participant under the Executive Group Life Insurance Plan of Pittsburgh National Bank.

(b) Provident National Bank

The benefit shall be an amount equal to three times the Participant's Annual Base Salary rate in effect on January 30, 1985.

(c) Marine Bank

The benefit shall be an amount equal to three times the Participant's Annual Base Salary rate in effect on January 30, 1985.

2.2 Post-Retirement Life Insurance Benefit

Except as provided in the following subparagraphs for Participants in the Prior Plans, the post-retirement life insurance benefit shall be equal to an amount which is equal to the Participant's Annual Base Salary rate in effect immediately preceding the Participant's Retirement.

(a) Pittsburgh National Bank

The benefit shall be an amount which is equal to the multiple of the Annual Base Salary elected by the Participant under the Executive Group Life Insurance Plan of Pittsburgh National Bank.

(b) Marine Bank

The benefit shall be equal to three times the Annual Base Salary rate in effect on January 30, 1985.

(c) Northeastern Bank

The benefit shall be equal to the face amount of the individually owned policy less amounts due Northeastern Bank to satisfy the insurance obligation.

SECTION 3

RIGHTS OF PARTICIPANTS

No Beneficiary shall have any rights to any payment under this Plan except at the death of the Participant, and in no event shall the interests of Participants or Beneficiaries under this Plan be in any way subject to their debts or other obligations and may not be voluntarily or involuntarily sold, transferred or assigned without the express written consent of the Corporation.

SECTION 4

TERMINATION OF EMPLOYMENT

If a Participant's employment with the Employer is terminated for any reason other than Retirement, Disability or death, all benefits provided by this Plan shall cease.

SECTION 5

TRUST FUND

No assets of the Corporation or any Employer shall be segregated or earmarked in respect to any benefits, and all such benefits shall constitute unsecured contractual obligations of the Employer. If the Corporation chooses to contribute to the Trust to offset its obligation under this Plan, all assets or property held by the Trust shall at all times remain subject to claims of the general creditors of the Corporation or any Employer.

SECTION 6

CLAIMS PROCEDURE

6.1 Initial Claim

Claims for benefits under the Plan shall be filed with the Plan Manager. If any Participant or Beneficiary claims to be entitled to a benefit under the Plan and the Plan Manager determines that such claim should be denied in whole or in part, the Plan Manager shall notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain (i) specific reasons for the denial, (ii) specific reference to pertinent Plan provisions, (iii) a description of any additional material or information necessary for such person to perfect such claim and an explanation of why such material or information is necessary and (iv) information as to the steps to be taken if the person wishes to submit a request for review. Such notification will be given within 90 days after the claim is received by the Plan Manager. If such notification is not given within such period, the claim will be considered denied as of the last day of such period and such person may request a review of his or her claim.

6.2 Review Procedure

Within 60 days after the date on which a Participant or Beneficiary receives a written notice of a denied claim (or, if applicable, within 60 days after the date on which such denial is considered to have occurred) such person (or his or her duly authorized representative) may (i) file a written request with the Committee for a review of his or her denied claim and of pertinent documents and (ii) submit written issues and comments to the Committee. The Committee will notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain specific reasons for the decision as well as specific references to pertinent Plan provisions. The decision on review will be made within 60 days after the request for review is received by the Committee. If the decision on review is not made within such period, the claim will be considered denied.

6.3 Claims and Review Procedure Not Mandatory After a Change in Control

After the occurrence of a Change in Control, the claims procedure and review procedure provided for in this section 6 shall be provided for the use and benefit of Participants who may choose to use such procedures, but compliance with the provisions of this section 6 shall not be mandatory for any Participant claiming benefits after a Change in Control. It shall not be necessary for any Participant to exhaust these procedures and remedies after a Change in Control prior to bringing any legal claim or action, or asserting any other demand, for payments or other benefits to which such Employee claims entitlement.

SECTION 7

AMENDMENT AND TERMINATION

The Plan may be amended or terminated by the Board at any time, and any Subsidiary that has adopted the Plan may withdraw from further participation in the Plan at any time; provided, however, that no such amendment, termination or withdrawal shall reduce or adversely affect any amounts due hereunder to the Beneficiary of a Participant.

After a Change in Control, the Plan may not be amended in any manner that adversely affects the administration or payment of a Participant's benefits hereunder (including but not limited to the timing and form or payment of benefits hereunder) without the consent of the Participant nor may the provisions of this section 7, section 8 or section 9 be amended after a Change in Control with respect to a Participant without the written consent of the Participant; provided, however, that the failure of a Participant to consent to any such amendment shall not impair the ability of the Committee to amend the Plan with respect to any other Participant who has consented to such amendment.

SECTION 8

CERTAIN REQUIRED POLICY TRANSFERS

If, after a Change in Control, either (i) the Plan is terminated and is not replaced by a plan that provides substantially equivalent benefits to Participants in this Plan or (ii) the Corporation ceases making premium payments on one or more of the split dollar life insurance policies (the "Split Dollar Policies") that cover Participants hereunder, then (x) in the case of a termination described in the precedent clause (i), all of the Split Dollar Policies shall be promptly transferred to the respective Participants on whose lives the policies were issued, and (y) in the case of a cessation of premium payments described in the preceding clause (ii), the Split Dollar Policies on which premiums have ceased shall be promptly transferred to the respective Participants on whose lives the policies were issued. Such transfers shall be made without the payment of any consideration by the affected Participants.

SECTION 9

SUCCESSORS

In addition to any obligations imposed by law upon any successor(s) to the Corporation and the Employers, the Corporation and the Employers shall be obligated to require any successor(s) (whether direct or indirect, by purchase, merger, consolidation, operation of law, or otherwise) to all or substantially all of the business and/or assets of the Corporation and the Employers to expressly assume and agree to perform this Plan in the same manner and to the same extent that the Corporation and the Employers would be required to perform it if no such succession had taken place; in the event of such a succession, references to "Corporation" and "Employers" herein shall thereafter be deemed to include such successor(s).

SECTION 10

ADMINISTRATION

This Plan shall be administered by the Committee, and it shall have the sole authority to resolve any questions which arise hereunder.

SECTION 11

GOVERNING LAW

This Plan shall be governed according to the laws of the Commonwealth of Pennsylvania to the extent not preempted by federal law.

SECTION 12

FUNDING OF BENEFITS

In the sole discretion of the Corporation, the Corporation may establish a grantor trust and make contributions thereto for the purpose of providing a source of funds to pay benefits as they become due and payable hereunder; provided, however, that no such trust shall result in a Participant being required to include in gross income for federal income tax purposes any benefits payable hereunder prior to the date of actual payment. Notwithstanding the establishment of any such trust, a Participant's rights hereunder shall be solely those of a general unsecured creditor.

* * * *

Executed and adopted by the Director of Human Resources of PNC Bank Corp. this
_____ day of ___________________, 1999.

____
William E. Rosner
Director of Human Resources

SCHEDULE A

SUBSIDIARIES

PNC Bank, N.A.
PNC Capital Markets, Inc.
PNC Bank Corp.
PNC Bank, FSB
PNC Alliance, Inc.
PNC Equity Management Corp.
PNC Management Services Corp.
PNC Leasing Corp.
PNC Brokerage Corp
PNC Bank, Delaware
Delvest, Inc.
BlackRock Institutional Management Corp.
PFPC, Inc.
PFPC Trust Co.
Midland Loan Services, Inc.
Columbia Housing Partners, L.P.
PNC Affordable Housing Inc.
PNC Bank, New England
PNC Mortgage Corp. of America
PNC Mortgage Securities Corp.
PNC Commercial Corp.
PNC Commercial Management, Inc.
Provident Advisers, Inc.
BlackRock Financial Mgmt (Partners)
BlackRock Financial Management, Inc.
CastleInternational Asset Management, Inc.
Provident Capital Management
Compass Capital Group, Inc.
J.J.B. Hilliard, W.L. Lyons, Inc. and Hilliard Lyons Trust Company
and their affiliates and subsidiaries

SCHEDULE B

EXECUTIVE BONUS PLANS

<TABLE>
<CAPTION>

PLAN CODE	LOB	PLAN NAME
<S>	<C>	<C>
C02	Secured Lending	PNC Business Credit
C04	PNC Advisors	IM & T Institutional Trust Sales Team
C10	Secured Lending	PNC Leasing Corp.
C11	Corporate Bank	Leveraged Finance Incentive
C13	Corporate Bank	Capital Markets (Investment Banking)
C14	Corporate Bank	Client Relationship Team
C16	Corporate Bank	Treasury Management Incentive
E01	Secured Lending	Commercial Finance Incentive
F02	Mutual Fund Servicing	PFPC Accountant Performance Award Program

F06	Mutual Fund Servicing	PFSG Incentive for Key Management Group
G02	Secured Lending	Relationship Manager (R/E)
G04	Secured Lending	CMBS
G08	Secured Lending	Midland Performance Bonus Plan
H01	Credit Policy	CRC PNC Capital Recovery Corp.
K01	Consumer Bank	PNC Insurance Group
M14	Mortgage	PNC Mortgage - Sales VP Incentive
M18	Mortgage	PNC MCA Mortgage Center/Process Managers
M19	Mortgage	PNC MCA Purchase Program Ops. Managers (Lucken)
M23	Mortgage	National Accounts - Executive
M25	Mortgage	Purchase Program National Sales Mgmt. (Bulletin)
M27	Mortgage	Senior VP Regional Manager
M35	Mortgage	Senior VP Production Ops. (Meola)
M36	Mortgage	Executive VP - Strategic Bus. Devel (96)
M38	Mortgage	Structured Finance
M40	Mortgage	SVP - Structured Finance
M41	Mortgage	SVP - Secondary Marketing
M42	Mortgage	SVP - Bonus Plan
Q01	Equity Management	PNC Equity Management Corp. Incentive

</TABLE>

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<CAPTION>

PLAN CODE	LOB	PLAN NAME
<S>	<C>	<C>
R37	Consumer Bank	Consumer Lending
T01	PNC Advisors	Equity Research Team
T02	BlackRock	Fixed Income Research Team
T05	PNC Advisors	Team Performance - AMG
V01	PNC Advisors	PNC Brokerage Corporate Sales Incentive Plan
V12	PNC Advisors	Executive Sales Management
V14	PNC Advisors	Private Bank Managers Incentive
V15	PNC Advisors	Regional Sales Managers IM & T

</TABLE>

Exhibit 10.4

PNC BANK CORP.
SUPPLEMENTAL INCENTIVE SAVINGS PLAN

AMENDED AND RESTATED
(EFFECTIVE JANUARY 1, 1999)

WHEREAS, PNC Bank Corp. (the "Corporation") and certain of its affiliates previously adopted and presently maintain the PNC Bank Corp. Supplemental Incentive Savings Plan (the "Plan") originally effective as of January 1, 1989;

WHEREAS, the Corporation desires to amend and restate the Plan in its entirety, effective January 1, 1999, in order to incorporate all prior amendments into the Plan document and make such other changes as deemed necessary or appropriate; and

WHEREAS, section 12 of the Plan authorizes the Corporation to amend the Plan at any time.

NOW, THEREFORE, in consideration of the foregoing, the Plan is hereby amended and restated in its entirety to read as follows:

SECTION 1

DEFINITIONS

As used in this Plan, initially capitalized terms that are not otherwise defined herein shall have the meaning given to them in the PNC Bank Corp. Incentive Savings Plan as amended from time to time. The following words and phrases shall have the meanings assigned to them herein, unless the context otherwise requires.

1.1 "Account" means that bookkeeping account established for each Participant who is entitled to a benefit under this Plan. An Account is established only for purposes of determining benefits hereunder and not to segregate assets or to identify assets that may or must be used to satisfy benefits. An Account will be credited with the amounts set forth in section 3 of the Plan and will be credited or debited to reflect deemed investment results under section 5 of the Plan.

1.2 "Affiliate" means any business entity whose relationship with the Corporation is described in subsections (b), (c) or (m) of section 414 of the Code.

1.3 "Annual Cash Incentive Award" has the meaning assigned to such term in the Deferred Compensation Plan.

1.4 "Change in Control" has the meaning assigned to such term in the PNC Bank Corp. Supplemental Executive Retirement Plan as amended from time to time.

1.5 "Committee" means the committee appointed to administer the ISP.

1.6 "Corporate Executive Group" means the group designated as such by the Corporation.

1.7 "Corporation" means PNC Bank Corp. and any successors thereto.

1.8 "Deferred Compensation Plan" means the PNC Bank Corp. and Affiliates Deferred Compensation Plan as amended from time to time.

1.9 "Deferral Election" means a Participant's election under the ISP to defer a percentage of his or her Compensation.

1.10 "Eligible Annual Cash Incentive Award" means the amount of a Participant's Annual Cash Incentive Award, up to the greater of (i) $25,000 or (ii) 50% of the Annual Cash Incentive Award; provided, however, that for a Participant who is not a member of the Corporate Executive Group, the Eligible Annual Cash Incentive Award may not exceed $125,000.

1.11 "Employee" means any person employed by an Employer.

1.12 "Employer" means the Corporation and any Affiliate that has been designated by the Plan Manager as an Employer hereunder and listed in Schedule A hereto.

1.13 "Hardship" has the meaning assigned to such term in the Deferred Compensation Plan.

1.14 "ISP" means the PNC Bank Corp. Incentive Savings Plan as amended from time to time.

1.15 "Matching Contributions" has the meaning assigned such term in the ISP, except that Employers listed in Schedule B hereto do not participate in the Matching Contributions feature of this Plan.

1.16 "Participant" means an Employee who meets the eligibility criteria set forth in section 2 hereof.

1.17 "Plan" means this PNC Bank Corp. Supplemental Incentive Savings Plan.

1.18 "Plan Manager" means any individual designated by the Committee to manage the operation of the Plan as herein provided or to whom the Committee has duly delegated any of its duties and obligations hereunder.

1.19 "Trust" means the grantor trust established by the Corporation to assist in funding its obligations under the Plan.

SECTION 2

ELIGIBILITY FOR PARTICIPATION

An Employee is eligible to participate if: (i) the Employee participated in the Plan on December 31, 1998; (ii) the Employee participates in both the ISP and the Deferred Compensation Plan; (iii) the Employee participates in the ISP, the Employee is eligible to participate in the Deferred Compensation Plan and the Employee's Elective Contributions exceed the limit under Code section 402(g); or (iv) the Employee's Compensation exceeds the maximum amount that may be taken into account under Code section 401(a)(17).

SECTION 3

BENEFITS

3.1 Employer Contributions, Matching Contributions and Elective Contributions

If Employer Contributions, Matching Contributions or Elective Contributions allocated to a Participant's Account under the ISP are reduced for any Plan Year to conform to sections 401(a)(17), 415 or 402(g) of the Code, the Corporation will credit the Participant's Account under this Plan with an amount equal to the difference between (A) the maximum amount of Employer Contributions, Matching Contributions and Elective Contributions to which the Participant would have been entitled pursuant to the Participant's Deferral Election Form under the ISP if sections 401(a)(17), 415 and 402(g) of the Code were not applicable and (B) the amount of Employer Contributions, Matching Contributions and Elective Contributions credited to the Participant under the ISP.

3.2 Deferrals under Deferred Compensation Plan

If a Participant receives an Annual Cash Incentive Award while participating in this Plan and elects to defer payment of the Annual Cash Incentive Award under the Deferred Compensation Plan, a portion of the Eligible Annual Cash Incentive Award will be transferred to this Plan. The portion that will be allocated to this Plan will equal the percentage of Compensation the Participant has elected to defer under the ISP multiplied by an amount equal to the difference between (A) the Participant's "Compensation" under the ISP calculated as if Code section 401(a)(17) were not applicable and the Participant had not made a deferral under the Deferred Compensation Plan and (B) the Participant's Compensation actually calculated under the ISP. The Corporation shall make appropriate Matching Contributions not to exceed 6%.

SECTION 4

DISTRIBUTION; VESTING

4.1 Time and Manner of Distribution

The amount to which the Participant or Beneficiary is entitled under this Plan will be paid at such time and in such manner as benefits are being paid to the Participant or Beneficiary under the ISP; provided, however, that no amount shall be paid hereunder prior to the Participant's retirement, death or other separation from service or, if earlier, the Participant's entitlement to payment of any amount under the ISP by reason of disability.

4.2 Hardship Distribution

At its sole discretion and at the request of a Participant before and after the Participant's cessation of employment with the Employer, or at the request of any of the Participant's Beneficiaries after the Participant's death, the Committee may accelerate and pay all or part of any amount of a Participant's Accounts under this Plan on account of Hardship. The amount of an accelerated distribution will be limited to the amount determined by the Committee to be necessary to satisfy the financial emergency.

4.3 Vesting

Amounts in a Participant's Account shall be fully vested at all times.

SECTION 5

INVESTMENT FUNDS

Amounts credited to a Participant's Account under this Plan shall be deemed to be invested in the same investment fund or funds selected by the Participant under the ISP (as in effect at the time that contribution would have been made on the Participant's behalf under the ISP were it not for the limitations described in section 3 of the Plan). In the event that a Participant elects to change the investment of amounts accumulated under the ISP, such change shall be applicable proportionally to amounts held in the Participant's Account under this Plan. A Participant's Account shall be valued daily.

SECTION 6

CHANGES TO LIMITATIONS OF CONTRIBUTIONS AND BENEFITS

When Code sections are referenced herein, it is intended that these references shall be to such sections as they may be amended from time to time, in order that the determination of benefits payable under the Plan shall taken into account any amendments to limitations of contributions or benefits imposed by section 402 or section 415 of the Code. However, references in the Plan to section 415(c) of the Code shall also reference section 415(d) of the Code with the amounts therein adjusted pursuant to section 415(d) of the Code.

SECTION 7

TRUST FUND

No assets of the Corporation or any Employer shall be segregated or earmarked in respect to any benefits, and all such benefits shall constitute unsecured contractual obligations of the Employer. If the Corporation chooses to contribute to the Trust to offset its obligation under this Plan, all assets or property held by the Trust shall at all times remain subject to the claims of the general creditors of the Corporation or any Employer.

SECTION 8

CLAIMS PROCEDURE

8.1 Initial Claim

Claims for benefits under the Plan shall be filed with the Plan Manager. If any Participant or Beneficiary claims to be entitled to a benefit under the Plan and the Plan Manager determines that such claim should be denied in whole or in part, the Plan Manager shall notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain (i) specific reasons for the denial, (ii) specific reference to pertinent Plan provisions, (iii) a description of any additional material or information necessary for such person to perfect such claim and an explanation of why such material or information is necessary and (iv) information as to the steps to be taken if the person wishes to submit a request for review. Such notification will be given within 90 days after the claim is received by the Plan Manager. If such notification is not given within such period, the claim will be considered denied as of the last day of such period and such person may request a review of his or her claim.

8.2 Review Procedure

Within 60 days after the date on which a Participant or Beneficiary receives a written notice of a denied claim (or, if applicable, within 60 days after the date on which such denial is considered to have occurred) such person (or his or her duly authorized representative) may (i) file a written request with the Committee for a review of his or her denied claim and of pertinent documents and (ii) submit written issues and comments to the Committee. The Committee will notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain specific reasons for the decision as well as specific references to pertinent Plan provisions. The decision on review will be made within 60 days after the request for review is received by the Committee. If the decision on review is not made within such period, the claim will be considered denied.

8.3 Claims and Review Procedure Not Mandatory After a Change in Control

After the occurrence of a Change in Control, the claims procedure and review procedure provided for in this section 8 shall be provided for the use and benefit of Participants who may choose to use such procedures, but compliance with the provisions of this section 8 shall not be mandatory for any Participant claiming benefits after a Change in Control. It shall not be necessary for any Participant to exhaust these procedures and remedies after a Change in Control prior to bringing any legal claim or action, or asserting any other demand, for payments or other benefits to which such Employee claims entitlement.

SECTION 9

ADMINISTRATION

The Committee shall administer the Plan. The Committee shall have the same rights, powers and duties as specified in the ISP.

This Plan is intended to be "a plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of section 201(2), 301(a)(3) and 401(a)(1) of ERISA and shall be administered in a manner consistent with that intent.

SECTION 10

AMENDMENT AND TERMINATION

The Corporation retains the right to modify, amend or terminate the Plan; provided, however, that no modification, amendment or termination shall, without the consent of the Participant, adversely affect the rights of that Participant to the benefits that have accrued under this Plan before such modification, amendment or termination. Notice of every such modification, amendment or termination shall be given in writing to each Participant.

After a Change in Control, the Plan may not be amended in any manner that adversely affects the administration or payment of a Participant's benefits hereunder (including but not limited to the timing and form of payment of benefits hereunder) without the consent of the Participant nor may the provisions of this section 10 or section 11 be amended after a Change in Control with respect to a Participant without the written consent of the Participant; provided, however, that the failure of a Participant to consent to any such amendment shall not impair the ability of the Committee to amend the Plan with respect to any other Participant who has consented to such amendment.

SECTION 11

SUCCESSORS

In addition to any obligations imposed by law upon any successor(s) to the Corporation and the Employers, the Corporation and the Employers shall be obligated to require any successor(s) (whether direct or indirect, by purchase, merger, consolidation, operation of law, or otherwise) to all or substantially all of the business and/or assets of the Corporation and the Employers to expressly assume and agree to perform this Plan in the same manner and to the same extent that the Corporation and the Employers would be required to perform it if no such succession had taken place; in the event of such a succession, references to "Corporation" and "Employers" herein shall thereafter be deemed to include such successor(s).

SECTION 12

GOVERNING LAW

The Plan shall be governed according to the laws of the Commonwealth of Pennsylvania to the extent not preempted by federal law.

SECTION 13

MISCELLANEOUS

13.1 No Contract of Employment

Participation in the Plan does not give any person any right to be retained in the service of the Corporation or any Affiliate. The right and power of the Corporation or any Affiliate to terminate any Employee is expressly reserved.

13.2 Compensation under Other Plans

Any amount deferred and/or payable under this Plan shall not be considered Compensation for the purpose of computing benefits to which such Participant may be entitled under any qualified pension plan (as that term is defined in section 3(3) of ERISA) or other arrangement of the Corporation or an Affiliate for the benefit of Employees, except as specified in such plan or arrangement.

13.3 Withholding

The Corporation or an Affiliate shall have the right to deduct from payment of any amount under the Plan any taxes required by law to be withheld from a Participant or Beneficiary with respect to such payment.

13.4 Spendthrift Clause

The interests of Participant and their Beneficiaries under the Plan are not in any way subject to their debts or other obligations and may not be voluntarily or involuntarily sold, transferred, or assigned, except to the extent otherwise required by law.

13.5 Severability

Whenever possible, each provision of this Plan shall be interpreted in such manner as to be effective and valid under applicable law (including the Code), but if any provision of the Plan shall be held to be prohibited by or invalid under applicable law, then (i) such provision shall be deemed to be amended to, and to have contained from the outset such language as shall be necessary to, accomplish the objectives of the provision as originally written to the fullest extent permitted by law and (ii) any other provisions of this Plan shall remain in full force and effect.

13.6 Construction

No rule of strict construction shall be applied against the Corporation, Affiliate, Committee, Board or any other person regarding the interpretation of any terms of this Plan or any rule or procedure established by the Committee.

Where the context allows, words in the masculine gender shall include the feminine and neuter genders, the plural shall include the singular and the singular shall include the plural.

The captions of sections and paragraphs of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

13.7 Corporation and Affiliate Liability

Whenever, in the Committee's opinion, any person entitled to receive any payment is under a legal disability, a minor, or incapacitated in any way, so as to be unable to manage his or her financial affairs, the Corporation or an Affiliate, at its discretion, may make such payment for the benefit of such person to his or her legal representative, or to a relative or friend of such person for his or her benefit, or it may apply the payment for the benefit of such person in any manner it deems advisable. When the Corporation or an Affiliate makes any payment pursuant to this subsection, it shall be considered as a complete discharge of its liability for the making of such payments under the Plan.

13.8 Notices

All notices to the Corporation hereunder shall be delivered to the attention of the Committee. Any notice or filing required or permitted to be given to the Committee or the Corporation under this Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, to the Committee, at the principal office of the Corporation. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark or the receipt for registration or certification.

* * * *

Executed and adopted by the Director of Human Resources of PNC Bank Corp. this _____ day of ____________________, 1999.

____
William E. Rosner
Director of Human Resources

SCHEDULE A

AFFILIATES

PNC Bank, N.A.
PNC Capital Markets, Inc.
PNC Bank Corp.
PNC Bank, FSB
PNC Alliance, Inc.
PNC Equity Management Corp.
PNC Management Services Corp.
PNC Leasing Corp.
PNC Brokerage Corp
PNC Bank, Delaware
Delvest, Inc.
BlackRock Institutional Management Corp.
PFPC, Inc.
PFPC Trust Co.
Midland Loan Services, Inc.
Columbia Housing Partners, L.P.
PNC Affordable Housing Inc.
PNC Bank, New England
PNC Mortgage Corp. of America
PNC Mortgage Securities Corp.
PNC Commercial Corp.
PNC Commercial Management, Inc.
Provident Advisers, Inc.
BlackRock Financial Mgmt (Partners)

BlackRock Financial Management, Inc.
CastleInternational Asset Management, Inc.
Provident Capital Management
Compass Capital Group, Inc.

SCHEDULE B

EMPLOYERS NOT PARTICIPATING IN
MATCHING CONTRIBUTIONS FEATURE OF PLAN

BlackRock Institutional Management Corp.
BlackRock Financial Mgmt (Partners)
BlackRock Financial Management, Inc.

Exhibit 10.11

PNC BANK CORP. AND AFFILIATES
DEFERRED COMPENSATION PLAN

AMENDED AND RESTATED
(EFFECTIVE AS OF JANUARY 1, 1999)

WHEREAS, PNC Bank Corp. (the "Corporation") and certain of its affiliates previously adopted and presently maintain the PNC Bank Corp. and Affiliates Deferred Compensation Plan (the "Plan") originally effective as of November 21, 1996;

WHEREAS, the Corporation desires to amend and restate the Plan in its entirety, effective January 1, 1999, in order to incorporate all prior amendments into the Plan document and make such other changes as deemed necessary or appropriate; and

WHEREAS, section 9(b) of the Plan authorizes the Corporation to amend the Plan at any time.

NOW, THEREFORE, in consideration of the foregoing, the Plan is hereby amended and restated in its entirety to read as follows:

SECTION 1

DEFINITIONS

1.1 "Account" means the bookkeeping account established for each Participant who is entitled to a benefit under the Plan. An Account is established only for purposes of determining deemed investments hereunder and not to segregate assets that may or must be used to satisfy benefits. An Account will be credited with Deferral Amounts set forth in section 3 of the Plan and will be credited or debited to reflect deemed investment results under section 5 of the Plan. A Participant's "Account" shall also include amounts deferred under deferral elections made before January 1, 1996, which pre-1996 deferrals shall be accounted for separately from Deferral Amounts for and after 1996.

1.2 "Affiliate" means any business entity whose relationship with the Corporation is described in subsections (b), (c) or (m) of section 414 of the Code.

1.3 "Annual Cash Incentive Award" means any annual incentive award granted to a Participant under an incentive plan designated by the Plan Manager as participating hereunder and listed in Schedule B hereto, any other annual cash bonus or incentive compensation payment that may be designated by the Plan Manager as eligible for deferral hereunder and listed in Schedule B hereto and amounts payable under any Severance Agreement

1.4 "Beneficiary" or "Beneficiaries" means the individual or individuals designated by the Participant to receive the balance of the Participant's Account upon the Participant's death, in accordance with section 6 of the Plan.

1.5 "Board" means the Board of Directors of the Corporation.

1.6 "Change in Control" has the meaning assigned to such term in the PNC Bank Corp. Supplemental Executive Retirement Plan as amended from time to time.

1.7 "CIC Trigger Event" has the meaning assigned to such term in the Trust.

1.8 "Code" means the Internal Revenue Code of 1986, as amended.

1.9 "Committee" means the Personnel and Compensation Committee of the Board.

1.10 "Corporate Executive Group" means the group designated as such by the Corporation.

1.11 "Corporation" means PNC Bank Corp. and any successors thereto.

1.12 "Coverage Period" has the meaning assigned to such term in the PNC Bank Corp. Supplemental Executive Retirement Plan as amended from time to time.

1.13 "Deferral Amount" means the amount credited to a Participant's Account in accordance with the Participant's Deferral Election less any amounts transferred to the SISP and employment taxes. The term "Deferral Amount" shall not include any gains or losses credited or debited thereto.

1.14 "Deferral Election" means a Participant's irrevocable election to defer all or a portion of the Participant's Annual Cash Incentive Award by timely delivery to the Plan Manager of a Deferral Election Form.

1.15 "Deferral Election Form" means the document, in a form approved by the Plan Manager, whereby the Participant elects to defer all or a portion of any Annual Cash Incentive Award, which designates when payment of the portion of the Participant's Account attributable to such Deferral Amount, including earnings thereon, will commence, and the form of payment.

1.16 "Disability" means the Participant's eligibility to receive benefits under the Employer's long-term disability plan.

1.17 "Distribution Date" means the annual payment date designated by the Participant on the Participant's Deferral Election Form for all distributions, except for distributions on account of Hardship. A Participant may designate January 15 or July 15 as the applicable annual Distribution Date.

1.18 "Eligible Annual Cash Incentive Award" means the amount of a Participant's Annual Cash Incentive Award up to the greater of (i) $25,000 or (ii) 50% of the Annual Cash Incentive Award; provided, however, that for a Participant who is not a member of the Corporate Executive Group, the Eligible Annual Cash Incentive Award may not exceed $125,000.

1.19 "Employee" means any person employed by an Employer.

1.20 "Employer" means the Corporation and any Affiliate that has been designated by the Plan Manager as an Employer hereunder and listed in Schedule A hereto.

1.21 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

1.22 "Hardship" means severe financial hardship to the Participant resulting from a sudden and unexpected illness of the Participant or one of the Participant's dependents (within the meaning of section 152(a) of the Code), or an accident involving the Participant or a Participant's dependent, loss of a Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The circumstances that will constitute Hardship shall depend upon the facts of each case, but, in any case, Hardship will not exist to the extent that such hardship is or may be relieved:

(a) through reimbursement or compensation by insurance or otherwise;

(b) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or

(c) by cessation of deferrals under this Plan or other plans maintained by the Employer.

The Plan Manager shall have the sole and absolute discretion to determine whether a Hardship exists.

1.23 "ISP" means the PNC Bank Corp. Incentive Savings Plan as amended from time to time.

1.24 "Participant" means any Employee who meets the eligibility criteria set forth in section 2 of the Plan and/or has an Account under the Plan.

1.25 "Pension Plan" means the PNC Bank Corp. Pension Plan as amended from time to time.

1.26 "Plan" means this PNC Bank Corp. and Affiliates Deferred Compensation Plan.

1.27 "Plan Manager" means any individual designated by the Committee to manage the operation of the Plan as herein provided or to whom the Committee has duly delegated any of its duties and obligations hereunder.

1.28 "Retirement" means that the Participant has attained age 55 and completed five years of Vesting Service.

1.29 "Severance Agreement" means any Change in Control Severance Agreement between the Corporation and an executive of the Corporation.

1.30 "Severance From Service" means a Participant's termination of employment with PNC Bank Corp. and all of its Affiliates on account of Retirement, Disability or other termination of employment.

1.31 "SISP" means the PNC Bank Corp. Supplemental Incentive Savings Plan as amended from time to time.

1.32 "Spouse" means the person to whom the Participant is legally married (as determined under the laws of the state in which the Participant is a resident at the time of marriage).

1.33 "Trust" means the grantor trust established by the Corporation to assist in funding its obligations under the Plan.

1.34 "Vesting Service" has the meaning assigned such term in the Pension Plan.

SECTION 2

ELIGIBILITY FOR PARTICIPATION

Any Employee who has historically earned or is anticipated to earn annual total compensation in the year for which a Deferral Election is made of at least $100,000, or such other greater amount as may be designated by the Committee from time to time, may be eligible to participate in the Plan, if so designated by the Plan Manager. The Plan Manager may from time to time expand or limit the group of employees permitted to participate in the Plan. The decision as to whether an Employee is eligible to participate in the Plan is reserved to the Plan Manager in his or her sole discretion.

SECTION 3

DEFERRAL ELECTION

3.1 Deferral Amount

Any Employee who is eligible to participate in the Plan pursuant to the criteria set forth in section 2 may elect to defer payment of all or any part of an Annual Cash Incentive Award; provided, however, that a Participant's gross Deferral Amount may not be less than $5,000 for any year. Effective January 1, 1999, if a Participant also participates in the ISP at the time of an Annual Cash Incentive Award, a portion of the Eligible Annual Cash Incentive Award amount that the Participant elects to defer under this Plan will be transferred to the SISP. The portion that will be allocated to the SISP will equal the percentage of "Compensation" (as defined in the ISP) the Participant has elected to defer under the ISP multiplied by an amount equal to the difference between (A) the Participant's "Compensation" under the ISP calculated as if Code section 401(a)(17) were not applicable and the Participant had not made a deferral under this Plan and (B) the Participant's "Compensation" actually calculated under the ISP. Amounts transferred to the SISP will be subject to the terms and conditions of the SISP.

3.2 Deferral Election Form

Except for Deferral Election Forms for any Annual Cash Incentive Award payable under a Severance Agreement, a Participant's Deferral Election Form must be received by the Plan Manager prior to January 1 of each calendar year. Except for Deferral Election Forms for any Annual Cash Incentive Award payable under a Severance Agreement, any Deferral Election Form shall apply only to an Annual Cash Incentive Award granted to the Participant for the calendar year beginning on such January 1. Notwithstanding the foregoing, in the calendar year in which an Employee first becomes eligible to be a Participant hereunder, the Deferral Election Form must be received by the Plan Manager within 30 days after the Employee first becomes eligible, in order to be effective for any Annual Cash Incentive Award granted for such calendar year. Each Deferral Election Form shall also specify the year in which payment shall commence, the form of distribution and the applicable Distribution Date. A Deferral Election Form for any Annual Cash Incentive Award payable under a Severance Agreement will be valid only if it is received by the Plan Manager either 30 days after the date of the Severance Agreement or at least one year before the Participant's "Date of Termination," as that term is defined in the Severance Agreement.

SECTION 4

DISTRIBUTION OF DEFERRAL AMOUNTS AND PARTICIPANT ACCOUNTS

4.1 Distribution Deferral Elections

Distributions of a Participant's Account attributable to any Deferral Amount shall commence in accordance with the Participant's Deferral Election Form; provided, however, that no Participant may elect to defer the payment of any Deferred Amount for a period of less than one year, and, provided, further, that if the Participant fails to select a time when payment of a Participant's Account attributable to any Deferral Amount will commence, payment will commence as of the first Distribution Date after the Participant's Severance From Service. Notwithstanding the foregoing and except as set forth below under distributions on account of Hardship, any distribution of a Participant's Account attributable to any pre-1996 Deferral Election shall be payable only upon the Participant's Severance From Service.

4.2 Time and Manner of Distribution

All distributions shall be payable in a lump sum or annual installments over a period designated by the Participant not to exceed the lesser of ten years or the joint life expectancy of the Participant and the Participant's Spouse, based upon life expectancy tables approved by the Plan Manager. The form of distribution applicable to any Deferral Amount, and any earnings thereon, shall be elected at the time of the Participant's Deferral Election on each Deferral Election Form; provided, however, that if the Participant fails to select a form for the payment of a Participant's Account attributable to any Deferral Amount, payment will be made in the form of the lump sum. A Participant may not subsequently change the time or form of distribution, except with respect to any Annual Cash Incentive Award payable under a Severance Agreement; provided, however, that such change will be valid only if it is received by the Plan Manager at least one year before the Participant's "Date of Termination," as that term is defined in the Severance Agreement. Distributions shall be made only in cash. The first annual payment will be made as soon as may be practicable after the Distribution Date in the year designated by the Participant with the remaining installments (if any) continuing to be payable as soon as may be practicable after the same Distribution Date each year thereafter.

4.3 Hardship Distribution

Upon approval of the Plan Manager, in his or her sole and absolute discretion, payment of all or any portion of any Participant's Account shall be made in the event of a Participant's Hardship. Payment of any Hardship distribution shall be made only in cash in a single sum as soon as administratively feasible after approval.

4.4 Death Benefit

Except as provided in section 4.5, if a Participant's Severance From Service occurs because of the Participant's death, either before or after payments commence, the balance of the Participant's Account shall be distributed to the Participant's Beneficiary or Beneficiaries at the time and pursuant to the method elected by the Participant. Upon application of the Participant's Beneficiary, the Plan Manager may, in his or her sole and absolute discretion, direct that the balance of any deceased Participant's Account be paid in a single lump sum.

4.5 Accelerated Distribution

Except as may be otherwise provided in any Participant's Severance Agreement or upon a Severance From Service that occurs during a Coverage Period, upon a Participant's Severance From Service for any reason other than death, Disability or Retirement, the Committee shall direct payment of the balance of the Participant's Account to be accelerated and paid in a single sum to the Participant on the first annual Distribution Date coincident with or next following the date of the Participant's Severance From Service.

SECTION 5

INVESTMENT FUNDS

Deferral Amounts credited to a Participant's Account under the Plan shall be deemed to be invested in the investment fund or funds selected by the Participant in accordance with procedures established by the Plan Manager. The Participant may elect to change the investment fund elections in accordance with procedures established by the Plan Manager. The Committee shall, in its sole discretion, determine the various investment funds which will be available for the deemed investment of all Deferral Amounts. If a Participant fails to select an investment fund or funds with respect to any Deferral Amount, such Deferral Amount shall be automatically invested in a short-term investment fund as may be designated from time-to-time by the Committee, until the Participant provides investment directions in accordance with procedures established by the Plan Manager. A Participant's Account shall be valued daily.

The Committee, in its sole and absolute discretion, shall establish procedures for allocating earnings to a Participant's Account.

SECTION 6

DESIGNATION OF BENEFICIARIES

A Participant shall designate a Beneficiary or Beneficiaries to receive the balance of the Participant's Account upon the Participant's death. Such designation shall be on a form approved by the Plan Manager and shall not be effective until it is received by the Plan Manager. If no valid Beneficiary designation form is on file with the Plan Manager upon the Participant's death, then the balance of the Participant's Account shall be payable to the Beneficiary designated by the Participant under the Employer's group life insurance plan, or, if no such designation exists, to the Participant's estate.

SECTION 7

TRUST FUND

No assets of the Corporation or any Employer shall be segregated or earmarked in respect to any Deferral Amounts and all such amounts shall constitute unsecured contractual obligations of the Employer. If the Corporation chooses to contribute to the Trust to offset its obligation under this Plan, all assets or property held by the Trust shall at all times remain subject to the claims of the general creditors of the Corporation or any Employer.

SECTION 8

CLAIMS PROCEDURE

8.1 Initial Claim

Claims for benefits under the Plan shall be filed with the Plan Manager. If any Participant or Beneficiary claims to be entitled to a benefit under the Plan and the Plan Manager determines that such claim should be denied in whole or in part, the Plan Manager shall notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain (i) specific reasons for the denial, (ii) specific reference to pertinent Plan provisions, (iii) a description of any additional material or information necessary for such person to perfect such claim and an explanation of why such material or information is necessary and (iv) information as to the steps to be taken if the person wishes to submit a request for review. Such notification will be given within 90 days after the claim is received by the Plan Manager. If such notification is not given within such period, the claim will be considered denied as of the last day of such period and such person may request a review of his or her claim.

8.2 Review Procedure

Within 60 days after the date on which a Participant or Beneficiary receives a written notice of a denied claim (or, if applicable, within 60 days after the date on which such denial is considered to have occurred) such person (or his or her duly authorized representative) may (i) file a written request with the Committee for a review of his or her denied claim and of pertinent documents and (ii) submit written issues and comments to the Committee. The Committee will notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain specific reasons for the decision as well as specific references to pertinent Plan provisions. The decision on review will be made within 60 days after the request for review is received by the Committee. If the decision on review is not made within such period, the claim will be considered denied.

8.3 Claims and Review Procedure Not Mandatory After a Change in Control

After the occurrence of a Change in Control, the claims procedure and review procedure provided for in this section 8 shall be provided for the use and benefit of Participants who may choose to use such procedures, but compliance with the provisions of this section 8 shall not be mandatory for any Participant claiming benefits after a Change in Control. It shall not be necessary for any Participant to exhaust these procedures and remedies after a Change in Control prior to bringing any legal claim or action, or asserting any other demand, for payments or other benefits to which such Employee claims entitlement.

SECTION 9

ADMINISTRATION

The Committee shall have the sole and absolute authority to determine eligibility for benefits and administer, interpret, construe and vary the terms of the Plan; provided, however, that after a Change in Control the Committee shall be subject to the direction of the trustee of the Trust with respect to the exercise of the authority granted by this section 9 and elsewhere in this Plan.

This Plan is intended to be "a plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of section 201(2), 301(a)(3) and 401(a)(1) of ERISA and shall be administered in a manner consistent with that intent.

SECTION 10

AMENDMENT AND TERMINATION

The Committee shall have the sole and absolute discretion to modify, amend or terminate this Plan at any time; provided, that no modification, amendment or termination shall be made which would have the effect of decreasing the amount payable to any Participant or Beneficiary hereunder without the consent of such Participant or Beneficiary.

After a Change in Control, the Plan may not be amended in any manner that adversely affects the administration or payment of a Participant's benefits hereunder (including but not limited to the timing and form or payment of benefits hereunder) without the consent of the Participant nor may the provisions of this section 10 or section 11 be amended after a Change in Control with respect to a Participant without the written consent of the Participant; provided, however, that the failure of a Participant to consent to any such amendment shall not impair the ability of the Committee to amend the Plan with respect to any other Participant who has consented to such amendment.

SECTION 11

SUCCESSORS

In addition to any obligations imposed by law upon any successor(s) to the Corporation and the Employers, the Corporation and the Employers shall be obligated to require any successor(s) (whether direct or indirect, by purchase, merger, consolidation, operation of law, or otherwise) to all or substantially all of the business and/or assets of the Corporation and the Employers to expressly assume and agree to perform this Plan in the same manner and to the same extent that the Corporation and the Employers would be required to perform it if no such succession had taken place; in the event of such a succession, references to "Corporation" and "Employers" herein shall thereafter be deemed to include such successor(s).

SECTION 12

GOVERNING LAW

The Plan shall be governed according to the laws of the Commonwealth of Pennsylvania to the extent not preempted by federal law.

SECTION 13

MISCELLANEOUS

13.1 Liability of the Board

The Board shall not be liable to any person for any action taken or admitted in connection with the administration, interpretation, construction or variance of the Plan.

13.2 No Contract of Employment

Nothing herein shall be construed as an offer or commitment by the Corporation or any Affiliate to continue any Participant's employment with it for any period of time.

13.3 Withholding

All applicable federal, state, local and social security taxes will be withheld and deducted from amounts distributed hereunder, as appropriate.

13.4 Spendthrift Clause

The right of the Participants to any amounts deferred or invested in this Plan shall not be transferable or assignable and shall not be subject to alienation, encumbrance, garnishment, attachment, execution or levy of any kind, voluntary or involuntary, except when, where and if compelled by applicable law.

13.5 Severability

Whenever possible, each provision of this Plan shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Plan shall be held to be prohibited by or invalid under applicable law, then (i) such provision shall be deemed to be amended to, and to have contained from the outset such language as shall be necessary to, accomplish the objectives of the provision as originally written to the fullest extent permitted by law and (ii) and other provisions of this Plan shall remain in full force and effect.

13.6 Entire Agreement

This writing constitutes the final and complete embodiment of the understandings of the parties hereto and all prior understandings and communications of the parties oral or written concerning this Plan are hereby renounced, revoked and superseded.

* * * *

Executed and adopted by the Director of Human Resources of PNC Bank Corp. this _____ day of ___________________, 1999.

____
William E. Rosner
Director of Human Resources

SCHEDULE A

AFFILIATES

PNC Bank, N.A.
PNC Capital Markets, Inc.
PNC Bank Corp.
PNC Bank, FSB
PNC Alliance, Inc.
PNC Equity Management Corp.
PNC Management Services Corp.
PNC Leasing Corp.
PNC Brokerage Corp
PNC Bank, Delaware
Delvest, Inc.
BlackRock Institutional Management Corp.
PFPC, Inc.
PFPC Trust Co.
Midland Loan Services, Inc.
Columbia Housing Partners, L.P.
PNC Affordable Housing Inc.
PNC Bank, New England
PNC Mortgage Corp. of America
PNC Mortgage Securities Corp.
PNC Commercial Corp.
PNC Commercial Management, Inc.
Provident Advisers, Inc.
BlackRock Financial Mgmt (Partners)
BlackRock Financial Management, Inc.
CastleInternational Asset Management, Inc.
Provident Capital Management
Compass Capital Group, Inc.

SCHEDULE B

INCENTIVE PLANS AND OTHER ANNUAL CASH BONUSES

OR INCENTIVE COMPENSATION PAYMENTS

<TABLE>
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PLAN CODE	LOB	PLAN NAME
<S>	<C>	<C>
A90	All	Regional President
C04	PNC Advisors	IM & T Institutional Trust Sales Team
C10	Secured Lending	PNC Leasing Corp.
C11	Corporate Bank	Leveraged Finance Incentive
C13	Corporate Bank	Capital Markets (Investment Banking)
C14	Corporate Bank	Client Relationship Team
C16	Corporate Bank	Treasury Management Incentive
E01	Secured Lending	Commercial Finance Incentive
E02	Secured Lending	PNC Business Credit
F02	Mutual Fund Servicing	PFPC Accountant Performance Award Program
F06	Mutual Fund Servicing	PFSG Incentive for Key Management Group
G02	Secured Lending	Relationship Manager (R/E)
G04	Secured Lending	CMBS
G08	Secured Lending	Midland Performance Bonus Plan
H01	Credit Policy	CRC PNC Capital Recovery Corp.
K01	Consumer Bank	PNC Insurance Group
M14	Mortgage	PNC Mortgage - Sales VP Incentive
M18	Mortgage	PNC MCA Mortgage Center/Process Managers
M19	Mortgage	PNC MCA Purchase Program Ops. Managers (Lucken)

M23	Mortgage	National Accounts - Executive
M25	Mortgage	Purchase Program National Sales Mgmt. (Bulletin)
M27	Mortgage	Senior VP Regional Manager
M35	Mortgage	Senior VP Production Ops. (Meola)
M36	Mortgage	Executive VP - Strategic Bus. Devel (96)
M38	Mortgage	Structured Finance
M40	Mortgage	SVP - Structured Finance
M41	Mortgage	SVP - Secondary Marketing
M42	Mortgage	SVP - Bonus Plan
M46	Mortgage	Management Incentive Plan

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PLAN CODE	LOB	PLAN NAME
<S>	<C>	<C>
M47	Mortgage	Pres. & COO PNC Mortgage Securities
M48	Mortgage	VP National Programs - Annual
M49	Mortgage	VP National Programs - Quarterly
M50	Mortgage	SVP Correspondent - Annual
M51	Mortgage	SVP Correspondent - Quarterly
Q01	Equity Management	PNC Equity Management Corp. Incentive
R37	Consumer Bank	Consumer Lending
T01	PNC Advisors	Equity Research Team
T02	BlackRock	Fixed Income Research Team
T05	PNC Advisors	Team Performance - AMG
V01	PNC Advisors	PNC Brokerage Corporate Sales Incentive Plan
V12	PNC Advisors	Executive Sales Management
V14	PNC Advisors	Private Bank Managers Incentive
V15	PNC Advisors	Regional Sales Managers IM & T
V17	PNC Advisors	AMG Fixed Income Trade Group
V18	PNC Advisors	PNC Bank, New England
V20	PNC Advisors	Private Bank Corporate Staff
V21	PNC Advisors	Relationship Mgmt/Investment Sales
V22	PNC Advisors	Investment Sales & Institutional Trust
V23	PNC Advisors	Hawthorn Incentive Plan
V24	PNC Advisors	Institutional Invest Group Vested Interest Central Support

</TABLE>

Exhibit 10.13

PNC FINANCIAL CORP
1992 DIRECTOR SHARE INCENTIVE PLAN

1. DEFINITIONS

In this Plan, except where the context otherwise indicates, the following definitions apply:

1.1. "Board" means the Board of Directors of the Corporation.

1.2. "Committee" means the committee appointed by the Board to administer the Plan. Unless otherwise determined by the Board, the Personnel and Compensation Committee of the Board shall be the Committee.

1.3. "Common Stock" means the common stock, par value $5.00 per share, of the Corporation.

1.4. "Corporation" means PNC Financial Corp.

1.5. "Date of Grant" means the date on which Non-Employee Directors are entitled to receive Director Shares pursuant to Article 6.

1.6. "Director Shares" means Shares awarded pursuant to Article 6.

1.7. "Fair Market Value" means the closing price of the Common Stock on the New York Stock Exchange composite transactions tape on the applicable date or the nearest preceding date on which a sale was reported.

1.8. "Grantee" means a Non-Employee Director to whom Director Shares have been awarded pursuant to Article 6.

1.9. "Non-Employee Director" means as of any date a person who on such date is a director of the Corporation and is not an employee of the Corporation or any Subsidiary.

1.10. "Plan" means this PNC Financial Corp 1992 Director Share Incentive Plan.

1.11. "Share" means a share of authorized but unissued Common Stock or a reacquired share of Common Stock.

1.12. "Subsidiary" means a corporation at least 80% of the total combined voting power of all classes of stock of which is owned by the Corporation, either directly or through one or more other Subsidiaries.

2. PURPOSE

The Plan is intended to assist in attracting, retaining and motivating Non-Employee Directors of outstanding ability and to promote identification of their interests with those of the shareholders of the Corporation.

3. ADMINISTRATION

The Plan shall be administered by the Committee. In addition to any other powers granted to the Committee, it shall have the following powers, subject to the express provisions of the Plan:

3.1. to construe and interpret the Plan;

3.2. to make all determinations and take all other actions necessary or advisable for the administration of the Plan, except that the persons entitled to receive awards of Director Shares and the dates and amounts of such awards shall be determined as provided in Article 6, and the Committee shall have no discretion as to such matters; and

3.3. to delegate to officers or managers of the Corporation or any Subsidiary the authority to perform administrative functions under the Plan.

Any determination or actions made or taken by the Committee pursuant to this Article shall be binding and final.

4. ELIGIBILITY

Director Shares shall be awarded only to Non-Employee Directors, including members of the Committee, as provided in Article 6.

5. STOCK SUBJECT TO THE PLAN

The maximum number of shares that may be issued under the Plan is 200,000.

6. DIRECTOR SHARES

On April 28, 1992 and thereafter on the first business day of each calendar year during the term of the Plan, commencing January 4, 1993, each person who is then a Non-Employee Director shall, automatically and without necessity of any action by the Committee, be entitled to receive a number of Shares (rounded to the nearest whole share) having a Fair Market Value on such Date of Grant equal to five thousand dollars ($5,000). Notwithstanding the foregoing, the number of Director Shares to be issued to any Non-Employee Director on any annual Date of Grant shall not exceed one thousand (1,000) Shares. If on any annual Date of Grant the number of Director Shares otherwise issuable to the Non-Employee Directors shall exceed the number of Shares then remaining available under the Plan, each Non-Employee Director shall be entitled to receive a number of Director Shares equal to the number of Shares then remaining available under the Plan, divided by the number of Non-Employee Directors, disregarding any fractions of a Share. Certificates for Director Shares awarded pursuant to this Article 6 shall be issued to Non-Employee Directors as promptly as practicable following the Date of Grant.

7. CAPITAL ADJUSTMENTS

The maximum number of Shares subject to the Plan pursuant to Article 5 and the maximum number of Director Shares which may be issued to any Non-Employee Director on any Date of Grant pursuant to Article 6 shall be proportionately adjusted to reflect any dividend or other distribution on the outstanding Common Stock payable in Shares of Common Stock or any split or consolidation of the outstanding shares of Common Stock. If the outstanding Common Stock shall, in whole or in part, be changed into or exchangeable for a different class or classes of securities of the Corporation or securities of another corporation, whether through recapitalization, merger, consolidation, reorganization or otherwise, then (subject to the powers of the Board to terminate or amend the Plan in whole or in part as provided in Article 8) the $5,000 in Fair Market Value which each Non-Employee Director is entitled to receive on any Date of Grant pursuant to Article 6 shall thereafter be paid in the class, or proportionately in the classes, of securities into which the outstanding shares of Common Stock shall have been converted or for which they are exchangeable, and the maximum amount of securities issuable under the Plan under Article S and the maximum amount of securities which may be issued to any Non-Employee Director on a Date of Grant under Article 6 shall be the amount of securities into or for which the maximum number of Shares of Common Stock otherwise issuable under the Plan or issuable on such Date of Grant to any Non-Employee Director shall be changed or exchangeable. The method for determining the Fair Market Value of any such class or classes of securities on the Date of Grant shall be the method determined by the Committee in good faith to be as similar as reasonably practicable to the method for determining the Fair Market Value of Director Shares hereunder.

8. TERMINATION OR AMENDMENT

The Board shall have the power to terminate the Plan in whole or in part and to amend it in any respect, provided that, the Board may not, without the approval of the shareholders of the Corporation, amend the Plan so as to increase materially the aggregate number of Shares that may be issued under the Plan (except as provided in Article 7), to modify materially the

requirements as to eligibility to receive Director Shares or to increase materially the benefits accruing to participants under the Plan. The provisions of the Plan relating to the determination of the persons entitled to receive awards of Director Shares pursuant to Article 6 and the dates and amounts of such awards shall not be amended (except as provided in Article 7) more than once every six months, other than to comport with changes in the Internal Revenue Code and the regulations thereunder.

9. EFFECTIVENESS OF THE PLAN AND AMENDMENTS

The Plan and any amendments requiring shareholder approval pursuant to Article 8 are subject to approval by vote of the shareholders of the Corporation within 12 months after their adoption by the Board. Director Shares may be awarded prior to shareholder approval of amendments, but any Director Share award requiring such amendments shall be subject to the approval of the amendments by the shareholders. The date on which any Director Shares awarded prior to shareholder approval of the amendment are awarded shall be the Date of Grant for all purposes of the Plan as if the Director Shares had not been subject to such approval. Any Director Shares awarded subject to shareholder approval of an amendment and any dividends payable thereon are subject to forfeiture if such shareholder approval is not obtained.

10. INDEMNIFICATION OF COMMITTEE

In addition to such other rights of indemnification as they may have as directors or as members of the Committee, the members of the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorneys' fees, actually and reasonably incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or any Director Shares awarded hereunder, and against all amounts reasonably paid by them in settlement thereof or paid by them in satisfaction of a judgment in any such action, suit or proceeding, if such members acted in good faith and in a manner which they believed to be in, and not opposed to, the best interests of the Corporation.

11. GENERAL PROVISIONS

11.1. The establishment of the Plan shall not confer upon any Non-Employee Director any legal or equitable right against the Corporation or the Committee, except as expressly provided in the Plan.

11.2. The Plan does not constitute inducement for the service of any Non-Employee Director, nor is it a contract between the Corporation and any Non-Employee Director. Participation in the Plan shall not give any Non-Employee Director any right to be retained in the service of the Corporation.

11.3. The Corporation and its Subsidiaries may assume options, warrants or rights to purchase or receive stock issued, granted or awarded by other corporations whose stock or assets shall be acquired by the Corporation or its Subsidiaries, or which shall be merged into or consolidated with the Corporation or its Subsidiaries. Neither the adoption of this Plan, nor its submission to the shareholders, shall be taken to impose any limitations on the powers of the Corporation or its affiliates to issue, grant, award or assume stock or options, warrants or rights to purchase or receive stock, otherwise than under this Plan, or to adopt other stock plans or to impose any requirement of shareholder approval upon the same.

11.4. The interests of any Non-Employee Director under the Plan are not subject to the claims of creditors and may not, in any way, be assigned, alienated or encumbered.

11.5. The Plan shall be governed, construed and administered in accordance with the laws of the Commonwealth of Pennsylvania.

Exhibit 10.15

PNC BANK CORP.
OUTSIDE DIRECTORS DEFERRED STOCK UNIT PLAN

1. DEFINITIONS

In this Plan, except where the context otherwise indicates, the following definitions apply:

1.1. "ACCOUNT" means an unfunded deferred compensation bookkeeping account established in the name of an Outside Director pursuant to the Plan.

1.2. "BOARD" means the Board of Directors of the Corporation.

1.3. "COMMITTEE" means the committee appointed by the Board to administer the Plan, all of the members of which shall be "non-employee directors" as defined in Rule 16b-3(b)(3)(i) under the Exchange Act or any similar successor rule. Unless otherwise determined by the Board, the Committee on Corporate Governance of the Board shall be the Committee.

1.4. "COMMON STOCK" means the common stock, par value $5.00 per share, of the Corporation.

1.5. "CORPORATION" means PNC Bank Corp. or any successor thereto.

1.6. "DATE OF GRANT" means the date on which a Deferred Stock Unit is granted by the Committee or such later date as may be specified by the Committee in authorizing the grant.

1.7. "DEFERRED STOCK UNIT" means a phantom share of the Corporation's Common Stock, which may be redeemed and paid only in cash pursuant to the terms of the Plan.

1.8. "EFFECTIVE DATE" means November 18, 1999 or such later date as may be specified in the Board resolution adopting the Plan.

1.9. "EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.10. "FAIR MARKET VALUE" of a Share means an amount equal to the fair market value of a Share as determined pursuant to a reasonable method adopted by the Committee in good faith for such purpose. In the absence of a method of valuation specifically adopted by the Committee, Fair Market Value shall mean the closing price of a share of Common Stock on the New York Stock Exchange composite transactions tape on the valuation date, except as otherwise provided in Article 9, Section 9.2, determined as of such time on the valuation date as the Corporation's officers may select for this purpose.

1.11. "GRANTEE" means an Outside Director to whom Deferred Stock Units have been granted pursuant to Article 6 and credited to the Grantee's Account.

1.12. "OUTSIDE DIRECTOR" means a member of the Corporation's Board of Directors who is not on the Date of Grant an officer, as defined in Rule 16a-1(f) under the Exchange Act or any similar successor rule, or employee of the Corporation or a Subsidiary.

1.13. "PLAN" means the PNC Bank Corp. Outside Directors Deferred Stock Unit Plan, as amended from time to time.

1.14. "SHARE" means a share of authorized but unissued Common Stock or a reacquired share of Common Stock.

1.15. "SUBSIDIARY" means a corporation at least 80% of the total combined voting power of all classes of stock of which is owned by the Corporation, either directly or through one or more other Subsidiaries.

1.16. "VALUATION DATE" means March 31, June 30, September 30, and December 31 of each year, except as otherwise provided in Section 10.1. If any of the preceding dates is not a date on which the New York Stock Exchange is open for business, then the next preceding date on which the Exchange is open for business shall serve as the Valuation Date.

2. PURPOSE

The Plan is intended to provide a tax-deferred method of compensation to assist in attracting, retaining, and motivating Outside Directors of outstanding ability and to promote the identification of their interests with those of the shareholders of the Corporation.

3. ADMINISTRATION

The Plan shall be administered by the Committee or by the Chairman of the Committee in the exercise of such authority as the Committee may delegate to him or her from time to time. In addition to any other powers granted to the Committee, it shall have the following powers, subject to the express provisions of the Plan:

3.1. to determine in its discretion the Date of Grant and number or dollar value of Deferred Stock Units to be granted to each Outside Director and the terms upon which Deferred Stock Units may be acquired or forfeited and the terms and conditions of each grant of Deferred Stock Units, which terms and conditions need not be identical for each Outside Director;

3.2. to construe and interpret the Plan;

3.3. to make all other determinations and take all other actions necessary or advisable for the administration of the Plan; and

3.4. to delegate to officers or managers of the Corporation or any Subsidiary the authority to perform administrative functions under the Plan.

Any determinations or actions made or taken by the Committee pursuant to this Article shall be binding and final.

4. ELIGIBILITY

Deferred Stock Units may be granted to each Outside Director (including Committee members) serving on the Effective Date of the Plan, or elected or appointed and duly qualified thereafter.

5. ESTABLISHMENT AND TERMINATION OF ACCOUNTS

5.1. As of the Effective Date of the Plan, the Corporation shall establish an Account in the name of each Outside Director serving on the Effective Date.

5.2. With respect to Outside Directors elected or appointed and duly qualified after the Effective Date of the Plan, the Corporation shall establish an Account in the name of each such Outside Director as of the date on which he or she is duly qualified to serve on the Board.

5.3. The Corporation shall terminate an Account promptly upon the redemption of all Deferred Stock Units credited to the Account and the distribution of all cash resulting therefrom, following the death or retirement of the Outside Director.

6. GRANT OF DEFERRED STOCK UNITS

6.1. Effective as of each Date of Grant specified by the Committee, the Corporation shall credit each Grantee's Account with the number of Deferred Stock Units granted by the Committee to that Grantee.

6.2. The Committee may elect to authorize an annual grant of Deferred Stock Units to each Grantee, as of a Date of Grant specified by the Committee. In such case, the number of Deferred Stock Units (including fractional Deferred Stock Units) to be credited to a Grantee's Account shall be calculated by dividing a dollar amount specified by the Committee by the Fair Market Value of a Share as of the Date of Grant. Grants authorized by the Committee pursuant to this Section shall be credited by the Corporation to each Grantee's Account as of each annual Date of Grant until the Committee acts to supersede its standing grant authorization.

6.3. In addition to the annual grants of Deferred Stock Units authorized by Section 6.2, the Committee may authorize grants on a special or one-time basis to Outside Directors, as of such Date of Grant and for such purposes as the Committee may deem necessary or appropriate. The number of Deferred Stock Units credited to a Grantee's Account pursuant to such grants shall be calculated in the same manner as specified in Section 6.2 for annual grants.

6.4. All Deferred Stock Units granted pursuant to the Plan shall be credited directly to the Grantee's Account, subject to the terms and conditions of the Plan and such elections and designations as the Grantee may make pursuant to Article 8.

7. ADJUSTMENTS TO DEFERRED STOCK UNITS FOR DIVIDENDS ON COMMON STOCK

7.1. Except as otherwise provided in Section 7.3, in the event of the declaration of a dividend on Common Stock that is payable in cash or property other than Common Stock, the Corporation shall, on or as promptly as shall be practicable after the date fixed for payment of such dividend, credit to each Account a number of Deferred Stock Units (including fractional Deferred Stock Units) equal in value to the number of Shares of Common Stock which would have been otherwise purchased using the methodology in effect pursuant to the Corporation's Dividend Reinvestment and stock Purchase Plan from time to time in effect ("DRP"). Under the DRP as currently in effect, the purchase price per Share is 100% of the average of the per Share closing prices of the Common Stock on the New York Stock Exchange for the last two trading days prior to the date that the dividend is payable.

7.2. Except as otherwise provided in Section 7.3, in the event of the declaration of a dividend on Common Stock that is payable in the form of Common Stock, or if the Common Stock shall be changed into a different number of shares of stock of the Corporation through a merger, consolidation, reorganization, stock split or similar transaction, the Corporation shall, on the date fixed for determining the stockholders of the Corporation entitled to receive such stock dividend or to participate in such merger, consolidation, reorganization, stock split or similar transaction, credit each Account with a number of Deferred Stock Units (including fractional Deferred Stock Units) equal to the number of Shares (including fractions thereof, even if fractional shares would not have been issuable) that the Outside Director would have received as a result of such stock dividend, merger, consolidation, reorganization, stock split or similar transaction, if the Outside Director were a stockholder of record on such record date with respect to a number of Shares equal to the number of Deferred Stock Units credited to the Account on the payable date.

7.3 In the case of an Outside Director who elects to receive payment of Deferred Stock Units either (a) as of the date after the later of the Outside Director's retirement from the Board or attainment of age 70, or (b) in installments that commence or continue on or after the later of such retirement or attainment of age 70, in lieu of the credits and adjustments to the Outside Director's Account otherwise provided for by Sections 7.1 and 7.2, the Outside Director's Account shall, with respect to Deferred Stock Units covered by an election described in the preceding clauses (a) or (b), be credited on or as promptly as shall be practicable after the date fixed for the payment of the Common Stock dividend, with a number of Deferred Stock Units (including fractional Deferred Stock Units) equal in value (determined as hereinafter provided) to the product of (a) the value (determined as herein provided) of the Deferred Stock Units credited to the Outside Director's Account and covered by such election and (b) a fair market interest rate approved by the Committee; provided, that for purposes of this Section, the value of the Deferred Stock Units credited to the Outside Director's Account and the number of additional Deferred Stock Units to be credited shall be determined using the Fair Market Value of a Share as of the later of the Outside Director's date of retirement from the Board or attainment of age 70. Notwithstanding the foregoing provisions, the Corporation's officers may instead elect to assign a notional equivalent cash value to the Deferred Stock Units which would otherwise be credited to the Outside Director's Account and to account for the value of the Account, including interest credited thereto, on that basis.

8. PAYMENT ELECTIONS AND BENEFICIARY DESIGNATIONS BY AN OUTSIDE DIRECTOR

8.1. With respect to each grant of Deferred Stock Units, each Outside Director shall have the right to elect: (a) the event or date (which event or date shall not precede the earlier of the date of the Outside Director's retirement from the Board or the date on which the Outside Director attains age 70) when the Deferred Stock Units credited to his or her Account shall be redeemed and paid out in cash; and (b) whether the payment shall be in a lump sum or in a designated number of annual installments, not to exceed ten annual installments.

8.2. Each Outside Director shall also have the right to designate one or more beneficiaries to receive unpaid amounts in his or her Account in the event of the Outside Director's death, in accordance with the administrative procedures and applicable elections and beneficiary payment options then in effect for the Plan. Unless otherwise specified by the Outside Director, in the event that a designated beneficiary dies after beginning to receive payments from the Account but before the payment of all amounts in the Account due to that beneficiary, the beneficiary's estate shall be entitled to receive such unpaid amounts in a lump sum. The estate of a beneficiary who has predeceased the Outside Director shall have no claim to payments under the Plan.

8.3. In the event that an Outside Director fails to make a payment election or beneficiary designation, or all designated beneficiaries have predeceased the Outside Director, the following default elections or designations shall be deemed to have been made by the Outside Director: (a) the default payment election shall be a lump-sum payment upon retirement from the Board; and (b) the default beneficiary designation shall be the Outside Director's surviving spouse, or if none, the Outside Director's estate.

8.4. An Outside Director shall have the right to amend or terminate his or her elections or designations at any time upon completing, signing, dating, and submitting to the Corporation's Corporate Secretary Department the form of agreement provided by the Corporation. Amendments or terminations shall be effective as follows: With respect to payment elections, amendments shall be effective on the next subsequent Date of Grant. Except as otherwise provided in Article 10, such amendment shall only apply to Deferred Stock Units or notional cash value credited (plus adjustments made for dividends or interest pursuant to Article 7) to the Account after the effective date of the amendment. The Deferred Stock Units or notional cash value in the Account immediately prior to the effective date of the amended payment election shall be paid in accordance with the prior payment election or elections. With respect to beneficiary designations, amendments or terminations shall be effective immediately upon the Corporation's Corporate Secretary Department's receipt of a properly completed, executed, and dated form of agreement.

9. REDEMPTION OF DEFERRED STOCK UNITS

9.1. The Corporation shall redeem Deferred Stock Units credited to an Account at such times and in such amounts as may be necessary to distribute cash in accordance with the elections and designations made by an Outside Director pursuant to Article 8 and the provisions of Article 10.

9.2. In the case of an Outside Director who elects to defer the receipt of Deferred Stock Units until retirement from the Board or attainment of age 70, or in the event an Outside Director elects to receive payment in the manner described in Section 9.3 or pursuant to Section 10.3, Deferred Stock Units covered by such an election shall be valued as of the applicable Valuation Date at the higher of the following: (a) the Fair Market Value of a Share on the Valuation Date; or (b) the average Fair Market Value of a Share for all trading days during the twelve-month period immediately preceding the Valuation Date. Notwithstanding the foregoing provisions, the twelve-month period immediately preceding the Valuation Date shall not extend earlier than January 3, 2000.

9.3 In the case of an Outside Director who elects to receive payment of Deferred Stock Units either (a) as of a date after the later of the Outside Director's retirement from the Board or attainment of age 70, or (b) in installments that commence or continue on or after the later of such retirement or attainment of age 70, Deferred Stock Units covered by such an election shall be valued for purposes of redemption using the Fair Market Value of a Share on the later of the date of the Outside Director's retirement from the Board or attainment of age 70, except as otherwise provided in Section 9.2. It is the express purpose of this Section to fix the value of a Deferred Stock Unit as of the later of the date of an Outside Director's retirement from the Board or attainment of age 70 in all cases where the redemption is for a payment other than one paid upon retirement from the Board or attainment of age 70 or an early withdrawal made pursuant to Section 10.3.

9.4. Deferred Stock Units shall be redeemed only for cash.

10. PAYMENT FOLLOWING THE REDEMPTION OF DEFERRED STOCK UNITS

10.1. All payments from an Account shall be made solely in cash. Payment shall commence on or before thirty days after the Valuation Date immediately following the designated date or the date that the designated event occurs and the amount to be paid shall be based on the Account balance on such Valuation Date. Notwithstanding the preceding sentence, the Corporation's officers may elect to accelerate payment by deeming the designated date or the date that the designated event occurs to be a Valuation Date and to make payment within thirty days thereafter. If an Outside Director elects the equal annual installment payment option, the amount of each installment to be paid shall be determined by dividing the balance in the Account to be paid in the form of installments by the number of installments remaining to be paid. The Deferred Stock Units or notional cash value remaining in an Account subject to installment payouts shall continue to be adjusted for dividends or interest in accordance with Article 7. In the event of the death or disability of an Outside Director, the Committee may accelerate the

payment of any installment or lump-sum payment because of hardship or other circumstances deemed in the sole discretion of the Committee to warrant such acceleration.

10.2. Notwithstanding Section 10.1: (a) at any time earlier than twelve months prior to the date on which a payment of all or a portion of an Account would be payable, an Outside Director may elect to extend the deferral of all of his or her Account, or of such portion of his or her Account as would otherwise be paid; and (b) at any time earlier than twelve months prior to the date on which a payment of all or a portion of an Account would be payable, an Outside Director may modify his or her prior payment date election for the Account; provided, that such modified payment date is on or after the earlier of the date that he or she expects to retire from the Board or reaches the age of 70.

10.3. An Outside Director may at any time elect the payment, as soon as administratively practicable, of all of the balance of his or her Account; provided, that in each such instance, a 10 percent early withdrawal penalty shall apply to the amount of the requested early withdrawal. An Outside Director who makes such an election shall not be eligible to have Deferred Stock Units credited to his or her Account for two years after the date of the payment election.

11. ACCOUNT STATEMENTS

11.1. A regular quarterly statement of account shall be sent to each current or former Outside Director with a balance in his or her Account listing the aggregate number of Deferred Stock Units in the Account, including adjustments for dividends or interest made pursuant to Article 7, and showing the aggregate Fair Market Value of such Deferred Stock Units as of each Valuation Date, respectively. The Corporation's officers may also provide such additional statements of account as they may deem appropriate from time to time.

11.2. In the case of an Outside Director who elects to receive payment of Deferred Stock Units either (a) as of a date after the later of the Outside Director's retirement from the Board or attainment of age 70, or (b) in installments that commence or continue on or after the later of such retirement or attainment of age 70, Account statements after the later of retirement or attainment of age 70 shall reflect the aggregate Fair Market Value of such Deferred Stock Units using the Fair Market Value of a Share as of the later of the date of the Outside Director's retirement from the Board or attainment of age 70. Notwithstanding the foregoing provisions, the Corporation's officers may instead elect to assign a notional equivalent cash value to the Deferred Stock Units which would otherwise be credited to the Outside Director's Account and to account for the value of the Account, including interest credited thereto, on that basis.

12. EFFECTIVENESS OF THE PLAN

The Plan shall become effective as of November 18, 1999, or such later date as may be specified in the Board resolution adopting the Plan.

13. TERM OF THE PLAN

The Plan shall continue in effect until terminated by the Board upon the Committee's recommendation pursuant to Section 15.8. No Deferred Stock Units may be granted under Article 6 hereof after termination. The termination of the Plan shall not affect the validity of any Deferred Stock Unit credited to an Account on the date of termination.

14. INDEMNIFICATION OF COMMITTEE

In addition to such other rights of indemnification as they may have as directors or as members of the Committee, the members of the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorney's fees, actually and reasonably incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or any Deferred Stock Unit granted hereunder, and against all amounts reasonably paid by them in settlement thereof or paid by them in satisfaction of a judgment in any such action, suit or proceeding, if such members acted in good faith and in a manner which they believed to be in, and not opposed to, the best interests of the Corporation.

15. MISCELLANEOUS PROVISIONS

15.1. NO RIGHT OR OBLIGATION OF CONTINUED SERVICE. Nothing contained herein shall entitle an Outside Director to continue to serve as a member of the Board or require an Outside Director to continue to provide services as a member of the Board. The termination of an Outside Director's service as a member of the Board shall have no effect on his or her rights hereunder, except as otherwise provided herein.

15.2. NO STOCKHOLDER RIGHTS. The sole interest of an Outside Director hereunder shall be the right to receive the payments provided for herein as and when the same shall become due and payable, and an Outside Director shall have no rights as a stockholder of the Corporation with respect to Deferred Stock Units credited to his or her Account.

15.3. NONALIENABILITY. Except for the withholding of any tax under applicable law, no Deferred Stock Units credited to an Account or any amount payable at any time hereunder shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment or other legal process, or encumbrance of any kind. Any attempt to alienate, sell, transfer, assign, pledge or otherwise encumber any such Deferred Stock Units or amount, whether currently or hereafter payable, shall be void. Except as otherwise specifically provided by law, no Deferred Stock Units or amount payable hereunder shall, in any manner, be liable for or subject to the debts or liabilities of an Outside Director or beneficiary.

15.4. WITHHOLDING. Payments made by the Corporation hereunder shall be subject to any applicable tax withholding requirements and to such other deductions as shall at the time of such payment be required under any income tax or other law, whether of the United States or any other jurisdiction.

15.5. HEADINGS. The headings of Articles and Sections herein are included solely for convenience of reference and shall not alter the meaning or interpretation of any of the provisions of the Plan.

15.6. SUCCESSORS. The Corporation shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Corporation to expressly assume the Corporation's obligations hereunder in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place. This Plan shall inure to the benefit of and be enforceable by each Outside Director and each Outside Director's personal or legal representatives, beneficiaries, executors, administrators, successors, heirs, distributees, devisees and legatees.

15.7. STATUS AS UNSECURED CREDITOR; FUNDING OF PAYMENTS. All Account balances shall constitute unsecured contractual obligations of the Corporation. In the sole discretion of the Corporation, the Corporation or any of its affiliates may establish or maintain a nonqualified grantor trust and make contributions thereto for the purpose of providing a source of funds to make payments hereunder as they become due and payable; provided, that no such trust shall result in an Outside Director or any designated beneficiary being required to include in gross income for federal income tax purposes any amounts payable hereunder prior to the date of actual payment. Notwithstanding the establishment or maintenance of any such trust, Outside Directors' and their designated beneficiaries' rights hereunder shall be solely those of a general unsecured creditor of the Corporation.

15.8. TERMINATION AND AMENDMENT OF PLAN. The Plan may be terminated or amended at any time by vote of the Board without the consent of any current or former Outside Director for whom an Account has been established, upon the Committee's recommendation; provided, that any termination or amendment shall be of general application to all Outside Directors participating in the Plan (and their beneficiaries) and shall not, without the specific written consent of any such Outside Director (or beneficiary) adversely affect: (a) any Deferred Stock Units or amounts theretofore credited to an Account; or (b) the right of an Outside Director (or beneficiary) to receive all amounts due and payable with respect to an Account.

15.9. GOVERNING LAW. The Plan shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania, without reference to its conflicts of laws provisions.

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THE PNC FINANCIAL SERVICES GROUP, INC. AND SUBSIDIARIES
EXHIBIT 12.1
COMPUTATION OF RATIO OF EARNINGS
TO FIXED CHARGES

Year ended December 31 Dollars in millions	1999	1998	1997	1996	1995
<S>	<C>	<C>	<C>	<C>	<C>
EARNINGS					
Income before taxes	$1,891	$1,710	$1,618	$1,527	$ 627
Fixed charges excluding interest on deposits	1,235	1,366	1,171	1,098	1,487
Subtotal	3,126	3,076	2,789	2,625	2,114
Interest on deposits	1,369	1,471	1,457	1,428	1,552
Total	$4,495	$4,547	$4,246	$4,053	$3,666
FIXED CHARGES					
Interest on borrowed funds	$1,119	$1,268	$1,098	$1,065	$1,454
Interest component of rentals	50	37	29	31	32
Amortization of notes and debentures	1	1	1	1	1
Distributions on Mandatorily Redeemable Capital Securities of Subsidiary Trusts	65	60	43	1	
Subtotal	1,235	1,366	1,171	1,098	1,487
Interest on deposits	1,369	1,471	1,457	1,428	1,552
Total	$2,604	$2,837	$2,628	$2,526	$3,039
RATIO OF EARNINGS TO FIXED CHARGES					
Excluding interest on deposits	2.53x	2.25x	2.38x	2.39x	1.42x
Including interest on deposits	1.73	1.60	1.62	1.60	1.21

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THE PNC FINANCIAL SERVICES GROUP, INC. AND SUBSIDIARIES
EXHIBIT 12.2
COMPUTATION OF RATIO OF EARNINGS
TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

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Year ended December 31 Dollars in millions	1999	1998	1997	1996	1995
EARNINGS					
Income before taxes	$1,891	$1,710	$1,618	$1,527	$ 627
Fixed charges and preferred stock dividends excluding interest on deposits	1,265	1,395	1,201	1,106	1,492
Subtotal	3,156	3,105	2,819	2,633	2,119
Interest on deposits	1,369	1,471	1,457	1,428	1,552
Total	$4,525	$4,576	$4,276	$4,061	$3,671
FIXED CHARGES					
Interest on borrowed funds	$1,119	$1,268	$1,098	$1,065	$1,454
Interest component of rentals	50	37	29	31	32
Amortization of notes and debentures	1	1	1	1	1
Distributions on Mandatorily Redeemable Capital Securities of Subsidiary Trusts	65	60	43	1	
Preferred stock dividend requirements	30	29	30	8	5
Subtotal	1,265	1,395	1,201	1,106	1,492
Interest on deposits	1,369	1,471	1,457	1,428	1,552
Total	$2,634	$2,866	$2,658	$2,534	$3,044
RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS					
Excluding interest on deposits	2.49x	2.23x	2.35x	2.38x	1.42x
Including interest on deposits	1.72	1.60	1.61	1.60	1.21

</TABLE>

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SELECTED CONSOLIDATED FINANCIAL DATA

<TABLE>
<CAPTION>

YEAR ENDED DECEMBER 31 DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA	1999	1998	1997	1996	1995
<S>	<C>	<C>	<C>	<C>	<C>
SUMMARY OF OPERATIONS					
Interest income	$4,921	$5,313	$5,051	$4,938	$5,149
Interest expense	2,488	2,740	2,556	2,494	3,007
Net interest income	2,433	2,573	2,495	2,444	2,142
Provision for credit losses	163	225	70		6
Noninterest income before net securities gains (losses).	2,723	2,286	1,735	1,353	1,198
Net securities gains (losses)	22	16	40	22	(280)
Noninterest expense	3,124	2,940	2,582	2,292	2,427
Income before income taxes	1,891	1,710	1,618	1,527	627

Income taxes	627	595	566	535	219
Net income	$1,264	$1,115	$1,052	$992	$408
PER COMMON SHARE DATA					
Earnings					
Basic	$4.19	$3.64	$3.33	$2.91	$1.20
Diluted	4.15	3.60	3.28	2.88	1.19
Cash*	4.42	3.82	3.45	3.04	1.31
Book value	19.23	18.86	16.87	17.13	16.87
Cash dividends declared	1.68	1.58	1.50	1.42	1.40
*EXCLUDES AMORTIZATION OF GOODWILL.					
BALANCE SHEET HIGHLIGHTS (At December 31)					
Total assets	$75,413	$77,207	$75,120	$73,260	$73,404
Earning assets	64,671	69,027	66,688	65,439	66,772
Loans, net of unearned income	50,046	57,650	54,245	51,798	48,653
Securities available for sale	7,611	7,074	8,522	11,917	15,839
Loans held for sale	5,798	3,226	2,324	941	659
Deposits	46,668	47,496	47,649	45,676	46,899
Borrowed funds	19,347	20,946	19,622	19,604	19,063
Shareholders' equity	5,946	6,043	5,384	5,869	5,768
Common shareholders' equity	5,633	5,729	5,069	5,553	5,751
SELECTED RATIOS					
Return on					
Average common shareholders' equity	22.41%	20.81%	20.01%	17.18%	7.05%
Average assets	1.69	1.49	1.49	1.40	.54
Net interest margin	3.68	3.85	3.94	3.83	3.15
Noninterest income to total revenue	52.79	46.97	41.29	35.68	29.55
Efficiency**	54.82	54.76	56.07	56.95	75.24
Leverage	6.61	7.28	7.30	7.70	6.37
Common shareholders' equity to assets	7.47	7.42	6.75	7.58	7.83
Dividend payout	40.22	43.43	45.39	48.89	94.76

</TABLE>

** EXCLUDES AMORTIZATION, DISTRIBUTIONS ON CAPITAL SECURITIES AND MORTGAGE BANKING HEDGING ACTIVITIES.

FINANCIAL REVIEW

This Financial Review should be read in conjunction with The PNC Financial Services Group, Inc. and subsidiaries' ("Corporation" or "PNC") Consolidated Financial Statements and Statistical Information included herein.

OVERVIEW

THE PNC FINANCIAL SERVICES GROUP, INC.

The Corporation is one of the largest diversified financial services companies in the United States operating regional banking, wholesale banking and asset management businesses that provide products and services nationally and in PNC's primary geographic markets in Pennsylvania, New Jersey, Delaware, Ohio and Kentucky.

Financial services organizations today are challenged to demonstrate that they can generate sustainable and consistent earnings growth in an increasingly competitive and volatile environment. PNC has responded to these challenges by transitioning to a diversified national financial services organization driven by businesses that are increasingly national in scope and less balance sheet dependent. Increasing contributions from fee-based businesses including asset management, processing and private banking have enhanced PNC's revenue and earnings mix. In addition, the Corporation seeks to enhance consolidated value by leveraging technology, information, branding, marketing and financial resources across all businesses.

As a result of these strategies, the financial characteristics of PNC have changed significantly over the last few years. Since 1996, PNC has become significantly less dependent on balance sheet leverage and related net interest income. Revenue growth over the past three years has been generated through core noninterest income that has grown more than 20% compounded annually while the balance sheet and net interest income were essentially flat. Core diluted earnings per share grew 11% compounded annually over the same time period. Core performance ratios also improved as noninterest income to total revenue grew from 36% in 1996 to 51% in 1999 and returns on equity and assets increased from 17.18% and 1.40% in 1996 to 21.24% and 1.60%, respectively, in 1999.

As part of this ongoing transition, during 1999 the Corporation implemented a number of initiatives designed to improve the risk and return characteristics of its lending businesses. These include the sale of the credit card business, exiting certain non-strategic wholesale lending businesses and continued downsizing of the indirect automobile lending portfolio.

At the same time, PNC has taken aggressive steps to build on asset management and processing businesses including the completion of the acquisition of First Data Investor Services Group ("ISG").

The combination of ISG with PFPC, the Corporation's investment servicing subsidiary, creates one of the nation's leading full-service processors for pooled investment products. The acquisition was one cent dilutive to the Corporation's earnings per share in 1999 and is anticipated to be four cents dilutive in 2000. On a cash basis, ISG is expected to be substantially accretive to earnings per share in 2000.

Additionally, in October 1999, BlackRock, Inc., PNC's investment management subsidiary, completed an initial public offering ("IPO") for approximately 14% of the equity ownership of BlackRock. PNC continues to own approximately 70% of BlackRock's stock after the IPO.

SUMMARY FINANCIAL RESULTS

Full year 1999 earnings were $1.264 billion or $4.15 per diluted share and included one-time gains that were partially offset by the cost of certain strategic initiatives. Cash earnings per diluted share, which excludes goodwill amortization, were $4.42 for 1999, a 16% increase compared with 1998.

Core earnings were $1.199 billion or $3.93 per diluted share, a 9% increase compared with 1998. On a core basis, return on average common shareholders' equity was 21.24% and return on average assets was 1.60% compared with 20.81% and 1.49%, respectively, in the prior year. Core cash earnings per share were $4.21 for 1999, a 10% increase compared with 1998.

The following table summarizes one-time gains and the cost of certain strategic initiatives and reconciles reported to core earnings for full year 1999:

<TABLE>
<CAPTION>

YEAR ENDED DECEMBER 31, 1999 IN MILLIONS, EXCEPT PER SHARE DATA	PRETAX	AFTER-TAX	PER SHARE
<S>	<C>	<C>	<C>
Reported earnings	$1,891	$1,264	$4.15
Gain on sale of credit card business	(193)	(125)	(.41)
Gain on sale of equity interest in Electronic Payment Services, Inc.	(97)	(63)	(.21)
BlackRock IPO gain	(64)	(59)	(.20)
Branch gains	(27)	(17)	(.06)
Gain on sale of Concord EFS, Inc. stock, net of PNC Bank Foundation contribution	(11)	(16)	(.05)
Wholesale lending			

repositioning	195	126	.42
Costs related to efficiency initiatives	98	64	.21
Write-down of an equity investment	28	18	.06
Mall ATM buyout	12	7	.02
Core earnings	$1,832	$1,199	$3.93

</TABLE>

Total revenue for 1999 on a reported basis was $5.178 billion, a $303 million increase compared with the prior year. Noninterest income of $2.745 billion for 1999 increased $443 million or 19% compared with 1998 primarily due to strong growth in fee-based services. Noninterest income grew to 53% of total revenue for 1999 compared with 47% in 1998. The ISG acquisition is expected to further increase noninterest income to 60% of total revenue by the end of 2000.

The increase in noninterest income more than offset the decline in net interest income that resulted from the sale of the credit card business. Excluding the impact of credit cards, net interest income for 1999 increased $111 million or 5% and the net interest margin widened four basis points compared with the prior year.

The provision for credit losses was $163 million for 1999 and fully covered net charge-offs of $161 million for the year. Net charge-offs for 1999 were .30% of average loans compared with .80% in 1998. The year-to-year decrease was primarily due to the sale of the credit card business in the first quarter of 1999. Excluding credit cards, net charge-offs were .20% of average loans for 1999 compared with .32% in 1998.

Noninterest expense was $3.124 billion for 1999 compared with $2.940 billion in 1998. The increase supported revenue growth in fee-based businesses. The efficiency ratio of 54.8% for 1999 remained consistent with 1998 reflecting a continued focus on improving returns in traditional businesses.

Overall asset quality characteristics remained stable during 1999. The ratio of nonperforming assets to total loans, loans held for sale and foreclosed assets was .61% at December 31, 1999 and .55% at December 31, 1998. Nonperforming assets were $338 million at December 31, 1999 compared with $332 million at December 31, 1998. The allowance for credit losses was $674 million and represented 225% of nonaccrual loans and 1.35% of period-end loans at December 31, 1999. The comparable ratios were 255% and 1.31%, respectively, at December 31, 1998.

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to financial performance and other financial and business matters. Forward-looking statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "intend," "estimate," "position" and variations of such words and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may" or similar expressions. The Corporation cautions that these forward-looking statements are subject to numerous assumptions, risks and uncertainties, all of which change over time, and the Corporation assumes no duty to update forward-looking statements. Actual results could differ materially from those anticipated in these forward-looking statements.

In addition to factors previously disclosed by the Corporation and those identified elsewhere herein, the following factors, among others, could cause actual results to differ materially from forward-looking statements: increased credit risk; the introduction, withdrawal, success and timing of business initiatives and strategies; changes in competitive conditions; the inability to sustain revenue and earnings growth; the inability to realize cost savings or revenues and implement integration plans associated with acquisitions and divestitures; changes in economic conditions, interest rates and financial and capital markets; inflation; changes in investment performance; customer disintermediation; customer borrowing, repayment, investment and deposit practices; customer acceptance of PNC products and services; the inability of the Corporation or others to remediate year 2000 concerns; and the impact, extent and timing of technological changes, capital management activities, actions of the Federal Reserve Board and legislative and regulatory actions and reforms.

REVIEW OF BUSINESSES

PNC operates seven major businesses engaged in regional banking, wholesale banking and asset management activities: PNC Bank - Regional Banking, PNC Bank - Corporate Banking, PNC Secured Finance, PNC Mortgage, PNC Advisors, BlackRock and PFPC.

Business results are based on PNC's management accounting practices and the Corporation's current management structure. There is no comprehensive, authoritative body of guidance for management accounting equivalent to generally accepted accounting principles; therefore, PNC's results are not necessarily comparable with similar information for any other financial services institution. Financial results are presented as if each business operated on a stand-alone basis.

The management accounting process uses various balance sheet and income statement assignments and transfers to measure performance of the businesses. Methodologies change from time to time as management accounting practices are enhanced and businesses change. Securities or borrowings and related net interest income are assigned based on the net asset or liability position of each business. Capital is assigned based on management's assessment of inherent risks and equity levels at independent companies providing similar products and services. Support areas not directly aligned with the businesses are allocated primarily based on the utilization of services.

Total business financial results differ from consolidated financial results primarily due to differences between management accounting practices and generally accepted accounting principles, divested and exited businesses, equity management activities, minority interests, eliminations and unassigned items, the impact of which is reflected in Other.

Wholesale lending businesses designated for exit in PNC Bank - Corporate Banking and PNC Secured Finance are included in Other. Total outstandings and exposure designated for exit during 1999 in wholesale lending totaled $3.7 billion and $10.5 billion, respectively.

RESULTS OF BUSINESSES

<TABLE>
<CAPTION>

	Earnings		Revenue *		Return on Assigned Capital		Average Assets	
YEAR ENDED DECEMBER 31 - DOLLARS IN MILLIONS	1999	1998	1999	1998	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
PNC Bank - Regional Banking.....................	$641	$582	$2,307	$2,317	22%	20%	$39,513	$38,848
Wholesale								
PNC Bank - Corporate Banking................	127	56	408	351	22	11	8,417	7,564
PNC Secured Finance..........................	114	60	281	178	24	16	6,701	5,477
PNC Mortgage................................	62	35	421	339	14	10	6,906	5,350
Total wholesale...........................	303	151	1,110	868	20	12	22,024	18,391
Asset Management................................								
PNC Advisors................................	147	119	738	489	27	30	3,353	2,731
BlackRock...................................	59	36	381	339	36	41	448	441
PFPC..	45	38	257	191	40	41	308	229
Total asset management....................	251	193	1,376	1,019	30	34	4,109	3,401
Total businesses...........................	1,195	926	4,793	4,204	23	19	65,646	60,640
Other...	4	189	208	697			9,174	13,986
Total consolidated-core **..................	1,199	1,115	5,001	4,901	21	21		

							74,820	74,626
Gain on sale of credit card business	125		193					
Gain on sale of equity interest in Electronic Payment Services, Inc.	63		97					
BlackRock IPO gain	59		64					
Branch gains	17		27					
Gain on sale of Concord stock, net of PNC Bank Foundation contribution	16		41					
Wholesale lending repositioning	(126)		(195)					
Costs related to efficiency initiatives	(64)							
Write-down of an equity investment	(18)		(28)					
Mall ATM buyout	(7)							
Total consolidated-reported	$1,264	$1,115	$5,200	$4,901	22	21	$74,820	$74,626

</TABLE>

* TAXABLE-EQUIVALENT BASIS

** 1998 CORE RESULTS INCLUDE $162 MILLION OF NET GAINS FROM THE SALE OF THE CORPORATE TRUST AND ESCROW BUSINESS, BRANCH SALES AND THE SALE OF A CREDIT CARD PORTFOLIO. THESE ITEMS WERE PRIMARILY OFFSET BY A HIGHER-THAN-ANTICIPATED PROVISION FOR CREDIT LOSSES RELATED TO A SINGLE CREDIT IN THE HEALTH CARE INDUSTRY, ONE-TIME COSTS RELATED TO CONSUMER BANKING INITIATIVES, VALUATION ADJUSTMENTS ON CERTAIN MARKET-SENSITIVE ASSET POSITIONS AND MERGER AND ACQUISITION INTEGRATION COSTS.

PNC BANK - REGIONAL BANKING

<TABLE>
<CAPTION>

YEAR ENDED DECEMBER 31 - DOLLARS IN MILLIONS	1999	1998
INCOME STATEMENT		
Net interest income	$1,728	$1,706
Noninterest income	579	611
Total revenue	2,307	2,317
Provision for credit losses	59	65
Noninterest expense	1,215	1,291
Pretax earnings	1,033	961
Income taxes	392	379
Earnings	$641	$582
AVERAGE BALANCE SHEET		
Loans		
Consumer	$8,753	$9,737
Commercial	9,452	8,998
Residential mortgage	9,876	9,717
Other	3,061	2,852
Total loans	31,142	31,304
Assigned assets and other assets	8,371	7,544
Total assets	$39,513	$38,848
Deposits		
Noninterest-bearing demand	$6,235	$6,546
Interest-bearing demand	4,961	4,241
Money market	9,311	7,421
Savings	2,337	2,589
Certificates	13,338	14,778
Total net deposits	36,182	35,575
Other liabilities	363	354
Assigned capital	2,968	2,919
Total funds	$39,513	$38,848
PERFORMANCE RATIOS		
Return on assigned capital	22%	20%
Noninterest income to total revenue	25	26
Efficiency	51	54

</TABLE>

PNC Bank - Regional Banking ("Regional Banking") provides credit, deposit, branch-based brokerage and electronic banking products and services to retail customers as well as credit, leasing, treasury management and capital markets products and services to mid-sized and small businesses primarily within PNC's geographic footprint.

Regional Banking is focused on driving sustainable revenue growth while aggressively managing the revenue/expense relationship. Regional Banking utilizes knowledge-based marketing capabilities to analyze customer demographic information, transaction histories and delivery preferences to develop customized banking packages focused on improving customer satisfaction and profitability.

Regional Banking has also invested heavily in building a sales culture and infrastructure while improving efficiency. Capital investments have been redistributed strategically with a greater proportion going towards the development of alternative delivery capabilities consistent with customer preferences.

Regional Banking contributed 54% of total business earnings for 1999 compared with 63% for 1998. Earnings increased $59 million or 10% to $641 million for 1999 and the return on assigned capital and efficiency ratios improved. Excluding the impact of $86 million of branch gains and $40 million of costs related to consumer delivery initiatives in 1998, earnings increased 16%.

Revenue increased $76 million to $2.307 billion for 1999 compared with the prior year, excluding the impact of the branch gains in 1998. The increase was primarily due to growth in deposits and fee-based services. Consumer loans declined primarily due to the continued downsizing of the indirect automobile lending portfolio and the decision to sell student loans in repayment. Partially offsetting the decrease in consumer loans was a 5% increase in commercial loans due to strong growth in middle market lending. More valuable transaction deposits increased $2.0 billion while higher rate certificates of deposit decreased in the year-to-year comparison primarily reflecting the impact of strategic marketing initiatives.

Excluding the impact of costs related to consumer delivery initiatives in 1998, noninterest expense decreased 3% for 1999 compared with the prior year reflecting the continued focus on operating efficiency.

Regional Banking engages in credit and deposit activities that are affected by, among other things, economic and financial market conditions. Accordingly, changes in the economy or financial markets could impact asset quality and results of operations.

PNC BANK - CORPORATE BANKING

YEAR ENDED DECEMBER 31 - DOLLARS IN MILLIONS	1999	1998
INCOME STATEMENT		
Credit-related revenue	$160	$143
Noncredit revenue	248	208
Total revenue	408	351
Provision for credit losses	9	84
Noninterest expense	203	183
Pretax earnings	196	84
Income taxes	69	28
Earnings	$127	$56
AVERAGE BALANCE SHEET		
Loans		
Specialized industries	$3,720	$3,391
Large corporate	2,532	2,340
Other	451	366
Total loans	6,703	6,097
Other assets	1,714	1,467
Total assets	$8,417	$7,564
Net deposits	$2,793	$2,509
Assigned funds and other liabilities	5,035	4,525
Assigned capital	589	530

Total funds	$8,417	$7,564
PERFORMANCE RATIOS		
Return on assigned capital	22%	11%
Noncredit revenue to total revenue	61	59
Efficiency	49	51

</TABLE>

PNC Bank - Corporate Banking ("Corporate Banking") provides specialized credit, capital markets and treasury management products and services to corporations, institutions and government entities primarily within PNC's geographic footprint.

The strategic focus for Corporate Banking is to reduce historical reliance on balance sheet leverage and to emphasize higher-margin noncredit products and services, especially treasury management and capital markets.

Corporate Banking made the decision to exit certain non-strategic wholesale lending businesses during 1999. These activities are excluded from business results in both periods.

Corporate Banking contributed 11% of total business earnings for 1999 compared with 6% in the prior year. Earnings of $127 million for 1999 more than doubled in the comparison with 1998.

Total revenue of $408 million for 1999 increased $57 million or 16% compared with 1998. Credit-related revenue increased 12% in the year-to-year comparison driven by higher loans in selected segments that have attractive risk/return characteristics. Noncredit revenue, which includes noninterest income and the benefit of compensating balances received in lieu of fees, was $248 million for 1999, a $40 million or 19% increase compared with the prior year primarily driven by growth in treasury management and capital markets fees. Noncredit revenue comprised 61% of total revenue in 1999 reflecting the emphasis on sales of fee-based products.

The higher provision for credit losses in 1998 related to exposure to a single health care relationship.

Treasury management and capital markets products offered through Corporate Banking are sold by several businesses across the Corporation and related revenue is included in the results of those businesses. Consolidated revenue from treasury management was $264 million for 1999, a 15% increase compared with 1998. Consolidated revenue from capital markets was $109 million for 1999, a 20% increase compared with the prior year.

Corporate Banking engages in credit and capital markets activities that are impacted by, among other things, economic and financial market conditions. Accordingly, changes in the economy or financial markets could impact asset quality and results of operations.

PNC SECURED FINANCE

<TABLE>
<CAPTION>

YEAR ENDED DECEMBER 31 - DOLLARS IN MILLIONS	1999	1998
<S>	<C>	<C>
INCOME STATEMENT		
Net interest income	$164	$122
Noninterest income		
Net commercial mortgage banking	64	26
Corporate finance	31	18
Other	22	12
Total noninterest income	117	56
Total revenue	281	178
Provision for credit losses	(8)	(8)
Noninterest expense	147	106
Pretax earnings	142	80
Income taxes	28	20
Earnings	$114	$60
AVERAGE BALANCE SHEET		
Loans		
Commercial - real estate related	$1,791	$1,124
Commercial real estate	981	1,138
Business credit	1,726	1,339

Leasing	1,032	726
Other	282	348
Total loans	5,812	4,675
Commercial mortgages held for sale	135	181
Other assets	754	621
Total assets	$6,701	$5,477
Deposits	$341	$142
Assigned funds and other liabilities	5,891	4,952
Assigned capital	469	383
Total funds	$6,701	$5,477
PERFORMANCE RATIOS		
Return on assigned capital	24%	16%
Noninterest income to total revenue	42	31
Efficiency	42	48

</TABLE>

PNC Secured Finance, serving corporate clients nationwide, is engaged in commercial real estate finance, business credit, and equipment lease financing.

Over the past several years, through customer segmentation and strategic acquisitions, commercial real estate finance has redeployed capital historically assigned to lending activities in PNC's primary geographic markets to fee-based businesses focused on loan servicing and securitization on a national basis.

In 1998, PNC Secured Finance acquired Midland Loan Services, one of the nation's largest servicers of commercial mortgage-backed securities, and Columbia Housing Partners, one of the nation's largest originators of investments in affordable housing.

At the end of 1999, the decision was made to exit the cyclical mortgage warehouse lending business and certain non-strategic commercial real estate portfolios. These activities are excluded from business results in both periods.

PNC Secured Finance also continued the strategy to expand business credit and equipment leasing. Consistent with this strategy, PNC Secured Finance increased its business credit marketing presence to fifteen locations, while maintaining centralized collateral monitoring and loan approval.

PNC Secured Finance contributed 9% of total business earnings for 1999 compared with 6% in the prior year.

Net interest income of $164 million for 1999 increased $42 million or 34% compared with the prior year. The increase was driven by loan growth within business credit, equipment lease financing and commercial real estate related lending.

Noninterest income of $117 million for 1999 increased to 42% of total revenue. The increase was primarily due to higher commercial mortgage securitization and servicing revenue and fee income from affordable housing equity placements, as well as the comparative impact of valuation adjustments recorded in 1998.

Noninterest expense increased in the year-to-year comparison to support revenue growth.

COMMERCIAL MORTGAGE SERVICING PORTFOLIO

<TABLE>
<CAPTION>

IN BILLIONS	1999	1998
<S>	<C>	<C>
January 1	$39	
Acquisitions/additions	17	$39
Repayments/transfers	(11)	
December 31	$45	$39

</TABLE>

At December 31, 1999 the commercial mortgage servicing portfolio was $45 billion, a 15% increase compared with December 31, 1998.

PNC Secured Finance engages in credit and capital markets activities that are impacted by, among other things, economic and financial market conditions. Accordingly, changes in the economy or financial markets could impact asset quality and results of operations.

PNC MORTGAGE

YEAR ENDED DECEMBER 31 - DOLLARS IN MILLIONS	1999	1998
INCOME STATEMENT		
Net mortgage banking revenue		
Residential mortgage servicing	$350	$212
Origination and securitization	172	186
MSR amortization, net of servicing hedge	(190)	(144)
Net mortgage banking revenue	332	254
Net interest income	89	85
Total revenue	421	339
Operating expense	318	280
Pretax earnings	103	59
Income taxes	41	24
Earnings	$62	$35
AVERAGE BALANCE SHEET		
Residential mortgages held for sale	$2,594	$2,935
Securities available for sale	2,470	1,245
Mortgage servicing rights and other assets	1,842	1,170
Total assets	$6,906	$5,350
Escrow deposits	$1,151	$1,002
Assigned funds and other liabilities	5,306	4,000
Assigned capital	449	348
Total funds	$6,906	$5,350
PERFORMANCE RATIOS		
Return on assigned capital	14%	10%
Net mortgage banking revenue to total revenue	79	75
Efficiency	52	58

PNC Mortgage originates, purchases and services residential mortgages and related products. PNC Mortgage also acquires and securitizes residential mortgages as private-label, mortgage-backed securities and performs the master servicing of those securities for investors.

PNC Mortgage's strategic focus is on expanding sales of a broader array of financial products while leveraging its technology platform and servicing capabilities to manage the revenue/expense relationship for traditional mortgage products.

PNC Mortgage contributed 5% of total business earnings for 1999 compared with 4% for 1998. Earnings nearly doubled in the comparison primarily due to lower amortization, improved efficiency and the impact of a larger servicing portfolio. The efficiency ratio improved significantly as PNC Mortgage continued to leverage its technology platform and servicing capabilities.

During 1999, PNC Mortgage funded $20 billion of residential mortgages, with 36% consisting of retail originations. The comparable amounts were $22 billion and 35%, respectively, in 1998. Production volume for 1999 consisted of $7 billion of originated loans and $13 billion of mortgages acquired through correspondent and contractual flow agreements. The corresponding amounts for 1998 were $8 billion and $14 billion, respectively.

RESIDENTIAL MORTGAGE SERVICING PORTFOLIO

IN BILLIONS	1999	1998
January 1	$62	$41

Production volume	20	22
Acquisitions	8	16
Repayments	(15)	(16)
Sales		(1)
DECEMBER 31	$75	$62

</TABLE>

At December 31, 1999, the residential mortgage servicing portfolio totaled $75 billion. Loans included in this portfolio that were serviced for others totaled $67 billion and had a weighted-average coupon of 7.53%. Capitalized residential mortgage servicing rights ("MSR") totaled $1.6 billion at December 31, 1999, and had an estimated fair value of $1.8 billion. The master servicing portfolio grew 33% to $35 billion at December 31, 1999.

Securities available for sale increased $1.2 billion in 1999 compared with the prior year and are used in managing the interest rate risk associated with the mortgage servicing portfolio.

The value of MSR and related amortization are affected by changes in interest rates. If interest rates decline and the rate of prepayments increases, the underlying servicing fees and related MSR value also would decline. In a period of rising interest rates, a converse relationship would be expected. PNC Mortgage seeks to manage this risk by using financial instruments as hedges designed to move in the opposite direction of expected MSR value changes. Changes in interest rates also can affect the level of mortgage originations that generally are expected to decline as interest rates increase and increase as interest rates decline.

PNC ADVISORS

<TABLE>
<CAPTION>

YEAR ENDED DECEMBER 31 - DOLLARS IN MILLIONS	1999	1998
<S>	<C>	<C>
INCOME STATEMENT		
Net interest income	$130	$121
Noninterest income		
Investment management and trust	388	324
Brokerage	149	31
Other	71	13
Total noninterest income	608	368
Total revenue	738	489
Provision for credit losses	7	1
Noninterest expense	494	296
Pretax earnings	237	192
Income taxes	90	73
Earnings	$147	$119
AVERAGE BALANCE SHEET		
Loans		
Residential mortgage	$959	$967
Consumer	940	936
Commercial	631	614
Other	389	44
Total loans	2,919	2,561
Other assets	434	170
Total assets	$3,353	$2,731
Deposits	$2,164	$2,300
Assigned funds and other liabilities	641	36
Assigned capital	548	395
Total funds	$3,353	$2,731
PERFORMANCE RATIOS		
Return on assigned capital	27%	30%
Noninterest income to total revenue	82	75
Efficiency	66	60

</TABLE>

PNC Advisors offers customized investment management, high-end brokerage, personal trust, estate planning and traditional banking services to affluent and wealthy individuals, and investment management, trust and administrative services to pensions, 401(k) plans and charitable organizations.

PNC Advisors strives to be the "financial advisor of choice" in the growing affluent market, providing a full range of high-quality, customized and predominantly fee-based investment products and services. In 1998, the Corporation acquired Hilliard-Lyons, Inc. ("Hilliard Lyons"), a firm primarily focused on delivering brokerage services and investment advice to affluent clients. PNC Advisors is expanding the Hilliard Lyons brand and organization throughout PNC's geographic footprint, which includes several of the nation's wealthiest metropolitan areas.

PNC Advisors contributed 12% of total business earnings for 1999 compared with 13% in the prior year. Earnings of $147 million for 1999 increased $28 million or 24% compared with 1998.

Revenue increased $249 million or 51% for 1999 compared with the prior year. The increase was due to higher brokerage revenue resulting from the Hilliard Lyons acquisition and higher investment management and trust revenue primarily resulting from new business. The year-to-year increase in noninterest expense and the efficiency ratio, as well as the lower return on assigned capital, was due to the impact of Hilliard Lyons.

ASSETS UNDER MANAGEMENT*

DECEMBER 31 - IN BILLIONS	1999	1998
Personal investment management and trust	$60	$57
Institutional trust	11	7
Total	$71	$64

* ASSETS UNDER MANAGEMENT DO NOT INCLUDE BROKERAGE ASSETS ADMINISTERED.

At December 31, 1999, PNC Advisors managed $71 billion of assets, an 11% increase compared with the prior year primarily due to new business. Brokerage assets administered by PNC Advisors increased $4 billion in the year-to-year comparison to $27 billion at December 31, 1999, primarily due to increased asset gathering at Hilliard Lyons.

PNC Advisors' revenue is affected by, among other things, the volume of new business, the value of assets managed, investment performance and financial market conditions. Revenue may be positively affected by growth in new business, increasing values of assets managed, strong investment performance and improving financial markets. Conversely, a decline in new business, declining values of assets managed, declining investment performance and deteriorating financial markets may have an adverse effect on results of operations.

BLACKROCK

YEAR ENDED DECEMBER 31 - DOLLARS IN MILLIONS	1999	1998
INCOME STATEMENT		
Advisory and administrative fees	$ 362	$325
Other income	19	14
Total revenue	381	339
Operating expense	260	250
Goodwill amortization	10	10
Operating income	111	79
Interest expense	8	11
Pretax earnings	103	68
Income taxes	44	32
Earnings	$ 59	$ 36

PERIOD-END BALANCE SHEET		
Goodwill	$ 194	$204
Other assets	254	237
Total assets	$ 448	$441
Borrowings	$ 28	$197
Other liabilities	139	138
Shareholders' equity	281	106
Total funds	$ 448	$441
PERFORMANCE RATIOS		
Return on average equity	36%	41%
Operating margin*	37	30
Diluted earnings per share	$1.04	$.66

*EXCLUDES THE IMPACT OF BAI AND AFFILIATE FUND ADMINISTRATION AND SERVICING COSTS.

BlackRock manages assets for institutions and individuals through a variety of fixed income, liquidity, equity and alternative investment products, including BlackRock's flagship fund families.

BlackRock completed an IPO in October 1999 representing approximately a 14% equity interest. Management anticipates that having its own public currency will assist BlackRock in attracting and retaining the highest quality professionals and support its long-term growth objectives.

BlackRock contributed 5% of total business earnings for 1999 compared with 4% a year ago. Earnings of $59 million for 1999 increased 67% compared with the prior year primarily due to strong growth in advisory and administrative fees resulting from new asset management mandates that accounted for the majority of the $34 billion or 26% increase in assets under management. Total revenue for 1999 increased $110 million or 39% compared with the prior year, excluding performance fees in both years associated with BlackRock Asset Investors ("BAI"), a pooled investment fund that was liquidated in the third quarter of 1999. The growth in revenue was strong across all product categories, particularly fixed income separate accounts that increased primarily due to significant new business. The increase in operating expense in the year-to-year comparison supported revenue growth.

At December 31, 1999, BlackRock managed $165 billion of assets for individual and institutional investors.

ASSETS UNDER MANAGEMENT

DECEMBER 31 - IN BILLIONS	1999	1998
Separate Accounts		
Fixed income*	$ 75	$ 53
Liquidity	21	14
Equity	3	2
Subtotal	99	69
Mutual Funds		
Fixed income	13	14
Liquidity	37	36
Equity	16	12
Subtotal	66	62
Total assets under management	$165	$131
Proprietary mutual funds		
BlackRock Funds	$ 27	$ 24
Provident Institutional Funds	26	25
Total proprietary mutual funds	$ 53	$ 49

* INCLUDES ALTERNATIVE INVESTMENT PRODUCTS.

BlackRock's revenue is affected by, among other things, the volume of new business, the value of assets managed, investment performance and financial market conditions. Revenue may be positively affected by growth in new business, increasing values of assets managed, strong investment performance and improving financial markets. Conversely, a decline in new business, declining values of assets managed, declining investment performance and deteriorating financial markets may have an adverse effect on results of operations.

BlackRock's common stock is listed on the New York Stock Exchange under the symbol BLK. Additional information about BlackRock is available in its filings with the Securities and Exchange Commission ("SEC") and may be obtained electronically at the SEC's home page at www.sec.gov.

PFPC

YEAR ENDED DECEMBER 31 - DOLLARS IN MILLIONS	1999	1998
INCOME STATEMENT		
Revenue	$257	$191
Operating expense	185	131
Pretax earnings	72	60
Income taxes	27	22
Earnings	$ 45	$ 38
AVERAGE BALANCE SHEET		
Total assets	$308	$229
Other liabilities	$196	$137
Assigned capital	112	92
Total funds	$308	$229
PERFORMANCE RATIOS		
Return On Assigned Capital	40%	41%
Operating margin	28	31
Efficiency	70	68

PFPC, the Corporation's global fund services subsidiary, provides a wide range of processing services to the investment management community. PFPC provides customized services to clients in the United States and to the global funds marketplace through its Dublin, Ireland operation.

On December 1, 1999, PFPC acquired First Data Investor Services Group ("ISG"), one of the nation's leading providers of back-office services to mutual funds and retirement plans. The transaction was valued at $1.1 billion and accounted for as a purchase. The acquisition adds key related businesses, as well as retirement plan servicing, to PFPC's expanding operations.

PFPC contributed 4% of total business earnings for 1999 and 1998. Earnings increased $7 million or 18% to $45 million for 1999. Excluding the net impact of ISG, earnings increased 26% in the year-to-year comparison.

Revenue increased $66 million to $257 million for 1999, of which $24 million was attributable to the one-month impact of ISG. The remaining increase was driven by new business, existing client growth and market appreciation. Operating expense increased in the year-to-year comparison due to the impact of ISG and to support revenue growth and infrastructure costs associated with business expansion.

At December 31, 1999, PFPC provided accounting/ administration services for $412 billion of mutual fund and other pooled assets, a 63% increase compared with December 31, 1998, primarily due to the impact of ISG. PFPC provided custody services for $388 billion of assets at December 31, 1999, an increase of 23% compared with December 31, 1998.

ASSETS SERVICED

DECEMBER 31 - IN BILLIONS	1999	1998
Accounting/administration	$412	$252
Custody	388	315

PFPC's revenue is affected by, among other things, the number and value of customer accounts serviced and financial market conditions. Revenue may be positively affected by increasing customer accounts and account values serviced or improving financial markets. Conversely, declining customer accounts and account values serviced or deteriorating financial markets may have an adverse effect on results of operations.

CONSOLIDATED INCOME STATEMENT REVIEW
NET INTEREST INCOME ANALYSIS

<TABLE>
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TAXABLE-EQUIVALENT BASIS	AVERAGE BALANCES			INTEREST INCOME/EXPENSE			AVERAGE YIELDS/RATES		
YEAR ENDED DECEMBER 31 -- DOLLARS IN MILLIONS	1999	1998	CHANGE	1999	1998	CHANGE	1999	1998	CHANGE
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Interest-earning assets									
Loans held for sale	$3,986	$3,371	$615	$291	$233	$58	7.30%	6.91%	39bp
Securities available for sale	8,554	7,374	1,180	487	430	57	5.70	5.83	(13)
Loans, net of unearned income									
Consumer	10,314	11,073	(759)	844	940	(96)	8.18	8.49	(31)
Credit card	672	3,849	(3,177)	100	538	(438)	14.88	13.98	90
Residential mortgage	12,451	12,496	(45)	871	905	(34)	7.00	7.24	(24)
Commercial	23,084	22,773	311	1,792	1,794	(2)	7.76	7.88	(12)
Commercial real estate	3,362	3,279	83	265	277	(12)	7.88	8.45	(57)
Other	3,096	2,223	873	222	157	65	7.17	7.06	11
Total loans, net of unearned income	52,979	55,693	(2,714)	4,094	4,611	(517)	7.73	8.28	(55)
Other	1,117	1,001	116	71	65	6	6.36	6.49	(13)
Total interest-earning assets/ interest income	66,636	67,439	(803)	4,943	5,339	(396)	7.42	7.92	(50)
Noninterest-earning assets	8,184	7,187	997						
Total assets	$74,820	$74,626	$194						
Interest-bearing liabilities									
Deposits									
Demand and money market	$17,698	$14,820	$2,878	493	439	54	2.79	2.96	(17)
Savings	2,390	2,620	(230)	39	51	(12)	1.63	1.95	(32)
Other time	15,734	17,206	(1,472)	793	929	(136)	5.04	5.40	(36)
Deposits in foreign offices	872	935	(63)	44	52	(8)	5.05	5.56	(51)
Total interest-bearing deposits	36,694	35,581	1,113	1,369	1,471	(102)	3.73	4.13	(40)
Borrowed funds	20,594	21,809	(1,215)	1,119	1,269	(150)	5.43	5.82	(39)
Total interest-bearing liabilities/ interest expense	57,288	57,390	(102)	2,488	2,740	(252)	4.34	4.77	(43)
Noninterest-bearing liabilities, capital securities and shareholders' equity	17,532	17,236	296						
Total liabilities, capital securities and shareholders' equity	$74,820	$74,626	$194						
Interest rate spread							3.08	3.15	(7)
Impact of noninterest-bearing sources							.60	.70	(10)
Net interest income/margin				$2,455	$2,599	$(144)	3.68%	3.85%	(17)bp

</TABLE>

NET INTEREST INCOME

Changes in net interest income and margin result from the interaction between the volume and composition of earning assets, related yields and associated funding costs. Accordingly, portfolio size, composition and related yields earned and funding costs can have a significant impact on net interest income and margin.

Taxable-equivalent net interest income was $2.455 billion for 1999, a $144 million decrease compared with 1998. The net interest margin was 3.68% for 1999 compared with 3.85% in the prior year. These declines were primarily due to the sale of the credit card business in the first quarter of 1999. Excluding the credit card business, net interest income for 1999 increased $111 million or 5% and the net interest margin widened four basis points compared with the prior year. The increases were primarily due to higher commercial and other loans that resulted from strong growth in middle market lending and the strategic expansion of secured and equipment lease financing. The decrease in consumer loans was due to the continued downsizing of the indirect automobile lending portfolio and the decision to sell student loans in repayment. Excluding indirect automobile loans and student loans, consumer loans increased 5% due to strong growth in home equity loans. Loans represented 80% of average earning assets for 1999 compared with 83% for the prior year. Average loans held for sale increased $615 million in the year-to-year comparison, reflecting the decision to exit certain non-strategic wholesale lending businesses during 1999. Average securities available for sale increased $1.2 billion compared with the prior year and

represented 13% of average earning assets for 1999 compared with 11% a year ago. The increase was due to securities purchased as part of PNC Mortgage's risk management strategies.

Funding cost is affected by the volume and composition of funding sources as well as related rates paid thereon. Average deposits comprised 61% and 60% of total sources of funds for 1999 and 1998, respectively, with the remainder primarily comprised of wholesale funding obtained at prevailing market rates. Average demand and money market deposits increased $2.9 billion or 19% to $17.7 billion for 1999 primarily reflecting the impact of strategic marketing initiatives while savings and certificates decreased in the year-to-year comparison.

PROVISION FOR CREDIT LOSSES

The provision for credit losses was $163 million in 1999 compared with $225 million in the prior year. Net charge-offs were $161 million or .30% of average loans for 1999 compared with $447 million or .80%, respectively, in 1998. The decreases were primarily due to the sale of the credit card business in the first quarter of 1999. Excluding credit cards, net charge-offs were .20% of average loans for 1999 compared with .32% in 1998.

NONINTEREST INCOME

Noninterest income was $2.745 billion for 1999 and represented 53% of total revenue compared with $2.302 billion and 47%, respectively, in 1998. The increases were primarily due to strong growth in fee-based businesses.

Asset management fees of $681 million for 1999 increased $143 million or 26% compared with 1998, excluding performance fees associated with BAI, a pooled investment fund that was liquidated in the third quarter of 1999, and revenue from the corporate trust business that was sold in the fourth quarter of 1998. Assets under management increased to approximately $213 billion at December 31, 1999 compared with $174 billion at December 31, 1998.

Mutual fund servicing fees of $251 million for 1999 increased $69 million or 38% compared with 1998 of which $30 million was attributable to the one-month impact of the ISG acquisition. The remaining increase was primarily due to new business and existing client growth as well as market appreciation.

Service charges on deposits of $207 million remained consistent with the prior year.

Brokerage income of $219 million in 1999 increased $128 million compared with 1998 primarily due to the acquisition of Hilliard Lyons.

Other consumer services revenue of $236 million for 1999 decreased $63 million compared with 1998 due to the sale of the credit card business in the first quarter of 1999.

The decrease in corporate services revenue primarily reflected the impact of $195 million of valuation adjustments in 1999 associated with the exit of certain non-strategic wholesale lending businesses. Excluding valuation adjustments in both years, corporate services revenue was $328 million and $275 million for 1999 and 1998, respectively, a 19% increase primarily due to growth in commercial mortgage banking, capital markets and treasury management fees.

Net residential mortgage banking revenue of $272 million for 1999 increased $60 million or 28% compared with the prior year primarily due to a larger servicing portfolio.

Equity management income was $100 million for 1999 and $96 million for 1998. Both years benefited from strong equity market conditions.

Net securities gains for 1999 were $22 million and included a $41 million gain from the sale of Concord EFS, Inc. stock partially offset by a $28 million write-down of an equity investment in Friedman Billings Ramsey Group, Inc.

Sale of subsidiary stock of $64 million in 1999 reflects the gain from the BlackRock IPO.

Other noninterest income included a $193 million gain from the sale of the credit card business in the first quarter of 1999. Also included in other noninterest income was a $97 million gain from the sale of an equity interest in Electronic Payment Services Inc. ("EPS") and $27 million of gains from the sale of twelve branches in Western Pennsylvania. During 1998, other noninterest income included a $97 million gain from the sale of the corporate trust business, $86 million of branch gains and a $21 million loss from the sale of a credit card portfolio. Excluding these items, other noninterest income increased $73 million in the comparison primarily due to the Hilliard Lyons acquisition.

NONINTEREST EXPENSE

Noninterest expense was $3.124 billion for 1999 compared with $2.940 billion in 1998. The increase was primarily to support revenue growth in fee-based businesses. On a comparable basis, noninterest expense increased $120 million or 4% excluding $98 million of costs related to efficiency initiatives (compensation -- $22 million, net occupancy -- $35 million, equipment -- $38 million and other -- $3 million), a $30 million contribution to the PNC Bank Foundation and $12 million of expense associated with the buyout of PNC's mall ATM marketing representative from 1999. For 1998, $55 million of costs related to consumer banking initiatives and $21 million of merger and acquisition integration costs were excluded from the comparison. The efficiency ratio of 54.8% for 1999 remained consistent with 1998 reflecting a continued focus on improving returns in traditional businesses. Average full-time equivalent employees were relatively consistent in the year-to-year comparison and totaled approximately 25,600 and 25,500 in 1999 and 1998, respectively.

CONSOLIDATED BALANCE SHEET REVIEW

LOANS

Loans outstanding of $50.0 billion at December 31, 1999 decreased $7.7 billion from year-end 1998 primarily due to the impact of strategies designed to reduce balance sheet leverage in lower-return businesses. During 1999, the Corporation sold the credit card business, decided to sell education loans in repayment and continued the downsizing of the indirect automobile lending portfolio. In the first quarter of 1999, the decision was made to exit certain non-strategic wholesale lending businesses. Additional actions were taken in the fourth quarter of 1999 to further reduce exposure to wholesale lending businesses and exit the mortgage warehouse lending business. Total outstandings and exposure designated for exit during 1999 totaled $3.7 billion and $10.5 billion, respectively. At December 31, 1999, the remaining outstandings and exposure associated with this initiative totaled $2.9 billion and $7.7 billion, respectively.

DETAILS OF LOANS

DECEMBER 31 - IN MILLIONS	1999	1998
Consumer		
Home equity	$ 6,068	$ 5,731
Automobile	1,691	2,444
Education	85	1,196
Other	1,513	1,609

Total consumer	9,357	10,980
Credit card		2,958
Residential mortgage	12,869	12,265
Commercial		
Manufacturing	5,355	5,336
Retail/wholesale	4,301	4,452
Service providers	3,208	3,263
Real estate related	2,862	3,093
Communications	1,370	1,529
Health care	772	1,136
Financial services	1,300	2,928
Other	2,300	3,445
Total commercial	21,468	25,182
Commercial real estate		
Mortgage	761	1,398
Real estate project	1,969	2,051
Total commercial real estate	2,730	3,449
Lease financing	3,663	2,978
Other	683	392
Unearned income	(724)	(554)
Total, net of unearned income	$ 50,046	$57,650

Loan portfolio composition continued to be geographically diversified among numerous industries and types of businesses.

SECURITIES AVAILABLE FOR SALE

The securities available for sale portfolio increased $537 million from December 31, 1998 to $7.6 billion at December 31, 1999. Total securities used in mortgage banking risk management were $1.7 billion at December 31, 1999. Portfolio securities represented 8% of total assets at December 31, 1999. The expected weighted-average life of the portfolio securities increased to 4 years and 7 months at December 31, 1999 compared with 2 years and 8 months at year-end 1998.

DETAILS OF SECURITIES AVAILABLE FOR SALE

DECEMBER 31 - IN MILLIONS	AMORTIZED COST	FAIR VALUE
1999		
PORTFOLIO SECURITIES		
Debt securities		
U.S. Treasury and government agencies	$ 411	$ 400
Mortgage-backed	3,918	3,769
Asset-backed	1,051	1,027
State and municipal	134	131
Other debt	40	39
Corporate stocks and other	590	594
Total	$6,144	$5,960
MORTGAGE BANKING RISK MANAGEMENT		
Debt securities		
U.S. Treasury and government agencies	$1,791	$1,587
Mortgage-backed	68	64
TOTAL	$1,859	$1,651
Total securities available for sale	$8,003	$7,611
1998		
PORTFOLIO SECURITIES		
Debt securities		
U.S. Treasury and government agencies	$ 152	$ 152
Mortgage-backed	2,942	2,936
Asset-backed	709	708
State and municipal	122	128
Other debt	33	31
Corporate stocks and other	542	517
Total	$4,500	$4,472
MORTGAGE BANKING RISK MANAGEMENT		
Debt securities		

U.S. Treasury and government agencies	$2,629	$2,602
Total	$2,629	$2,602
Total securities available for sale	$7,129	$7,074

FUNDING SOURCES

Total funding sources were $66.0 billion at December 31, 1999, a decrease of $2.4 billion compared with December 31, 1998, primarily resulting from reduced wholesale funding related to the credit card business that was sold in the first quarter of 1999.

While total demand, savings and money market deposits decreased approximately $700 million in the year-to-year comparison, money market deposits individually increased more than $600 million reflecting strategic marketing initiatives in regional banking. Time deposits decreased $3.0 billion primarily due to a decrease in higher rate certificates of deposit.

During 1999, the Corporation issued $250 million of 6.13% subordinated notes. Additionally, the Corporation issued $300 million of 6.95% notes, $300 million of 7.00% notes and $400 million of 7.50% subordinated notes to fund the ISG acquisition.

DETAILS OF FUNDING SOURCES

DECEMBER 31 - IN MILLIONS	1999	1998
Deposits		
Demand, savings and money market	$28,689	$29,359
Time	14,786	17,774
Foreign	3,193	363
Total deposits	46,668	47,496
Borrowed funds		
Federal funds purchased	1,281	390
Repurchase agreements	1,122	1,669
Bank notes and senior debt	6,975	10,384
Other borrowed funds	7,642	6,722
Subordinated debt	2,327	1,781
Total borrowed funds	19,347	20,946
Total	$66,015	$68,442

CAPITAL

The access to and cost of funding new business initiatives including acquisitions, ability to pay dividends, deposit insurance costs, and the level and nature of regulatory oversight depend, in large part, on a financial institution's capital strength. At December 31, 1999, the Corporation and each bank subsidiary were considered well capitalized based on regulatory capital ratio requirements.

RISK-BASED CAPITAL

DECEMBER 31 - DOLLARS IN MILLIONS	1999	1998
Capital components		
Shareholders' equity		
Common	$5,633	$5,729
Preferred	313	314
Trust preferred capital securities	848	848
Goodwill and other	(2,318)	(1,381)
Net unrealized securities losses	255	36
Tier I risk-based capital	4,731	5,546
Subordinated debt	2,040	1,641
Eligible allowance for credit losses	667	753
Total risk-based capital	$7,438	$7,940
Assets		
Risk-weighted assets and off-balance-sheet instruments	$67,118	$71,146
Average tangible assets	71,617	76,135
Capital ratios		
Tier I risk-based	7.05%	7.80%
Total risk-based	11.08	11.16

Leverage	6.61	7.28

The capital position is managed through balance sheet size and composition, issuance of debt and equity instruments, treasury stock activities, dividend policies and retention of earnings.

During 1999, PNC repurchased 13.5 million shares of common stock. On February 17, 2000, the Board of Directors authorized the Corporation to purchase up to 10 million shares of common stock through February 28, 2001. This new program replaces the prior program that was rescinded.

RISK MANAGEMENT

In the normal course of business, the Corporation assumes various types of risk, the most significant of which are credit, liquidity, interest rate and market risk. To manage these risks, PNC has risk management processes designed to provide for risk identification, measurement, monitoring and control.

CREDIT RISK

Credit risk represents the possibility that a borrower or counterparty may not perform in accordance with contractual terms. Credit risk is inherent in the financial services business and results from extending credit to customers, purchasing securities and entering into off-balance-sheet financial derivative transactions. The Corporation seeks to manage credit risk through, among others, diversification, limiting exposure to any single industry or customer, requiring collateral or selling participations to third parties and purchasing credit-related derivatives.

NONPERFORMING ASSETS

DECEMBER 31 - DOLLARS IN MILLIONS	1999	1998
Nonaccrual loans		
Commercial	$220	$188
Residential mortgage	56	51
Commercial real estate		
Real estate project	13	28
Mortgage	8	22
Consumer	2	6
Total nonaccrual loans	299	295
Foreclosed and other assets		
Residential mortgage	12	17
Commercial real estate	5	15
Other	22	5
Total foreclosed and other assets	39	37
Total nonperforming assets	$338	$332
Nonaccrual loans to total loans	.60%	.51%
Nonperforming assets to total loans, loans held for sale and foreclosed assets	.61	.55
Nonperforming assets to total assets	.45	.43

The above table excludes $13 million of equity management assets at December 31, 1999 carried at fair value.

The amount of nonperforming loans that were current as to principal and interest was $42 million at December 31, 1999 and $28 million at December 31, 1998. There were no troubled debt restructured loans outstanding as of either period end.

CHANGE IN NONPERFORMING ASSETS

IN MILLIONS	1999	1998
January 1	$332	$333
Transferred from accrual	418	377
Returned to performing	(11)	(12)
Principal reductions	(268)	(175)
Sales	(49)	(58)

Charge-offs and other	(84)	(133)
December 31	$338	$332

ACCRUING LOANS PAST DUE 90 DAYS OR MORE

DECEMBER 31 DOLLARS IN MILLIONS	AMOUNT 1999	AMOUNT 1998	PERCENT OF LOANS 1999	PERCENT OF LOANS 1998
CONSUMER				
Education		$23		1.92%
Other	$25	38	.27%	.39
Total consumer	25	61	.27	.56
Credit card		63		2.13
Residential mortgage	34	53	.26	.43
Commercial	30	56	.14	.22
Commercial real estate	5	32	.18	.93
Other	2	1	.05	.04
Total	$96	$266	.19	.46

Education loans were excluded from the above table in 1999 due to the decision to sell student loans in repayment. Also, credit cards declined due to the sale of the credit card business in 1999.

Loans not included in nonaccrual or past due categories, but where information about possible credit problems causes management to be uncertain about the borrower's ability to comply with existing repayment terms over the next six months, totaled $95 million at December 31, 1999.

ALLOWANCE FOR CREDIT LOSSES

In determining the adequacy of the allowance for credit losses, the Corporation makes specific allocations to impaired loans and to pools of watchlist and nonwatchlist loans for various credit risk factors. Allocations to loan pools are developed by business segment and risk rating and are based on historical loss trends and management's judgment concerning those trends and other relevant factors. Those factors may include, among others, actual versus estimated losses, current regional and national economic conditions, business segment and portfolio concentrations, industry competition and consolidation, and the impact of government regulations. Consumer and residential mortgage loan allocations are made at a total portfolio level based on historical loss experience adjusted for portfolio activity and current economic conditions.

While PNC's commercial and consumer pool reserve methodologies strive to reflect all risk factors, there continues to be a certain element of risk associated with, but not limited to, potential estimation or judgmental errors. Unallocated reserves provide coverage for such risks. While allocations are made to specific loans and pools of loans, the total reserve is available for all credit losses.

Senior management's Reserve Adequacy Committee provides oversight for the allowance evaluation process including quarterly evaluations, and methodology and estimation changes. The results of the evaluations are reported to the Credit Committee of the Board of Directors.

The provision for credit losses in 1999 and the evaluation of the allowance for credit losses as of December 31, 1999 reflected changes in loan portfolio composition, changes in asset quality, the impact of selling the credit card business, the decision to exit certain wholesale lending businesses and downsize the indirect automobile lending portfolio. The unallocated portion of the allowance for credit losses at December 31, 1999 represented 20% of the total allowance and .27% of total loans compared with 22% and .29%, respectively, at December 31, 1998.

ROLLFORWARD OF ALLOWANCE FOR CREDIT LOSSES

IN MILLIONS	1999	1998
January 1	$ 753	$ 972
Charge-offs	(216)	(524)
Recoveries	55	77
Net charge-offs	(161)	(447)

Provision for credit losses	163	225
Sale of credit card business ...	(81)	
Acquisitions		3
December 31	$ 674	$ 753

The allowance as a percent of nonaccrual loans and period-end loans was 225% and 1.35%, respectively, at December 31, 1999. The comparable year-end 1998 amounts were 255% and 1.31%, respectively.

CHARGE-OFFS AND RECOVERIES

YEAR ENDED DECEMBER 31 DOLLARS IN MILLIONS	CHARGE-OFFS	RECOVERIES	NET CHARGE-OFFS	PERCENT OF AVERAGE LOANS
1999				
Consumer	$ 63	$25	$ 38	.37%
Credit card	60	2	58	8.63
Residential mortgage	8	1	7	.06
Commercial	72	22	50	.22
Commercial real estate	4	4		
Other	9	1	8	.26
Total	$216	$55	$161	.30
1998				
Consumer	$ 83	$34	$ 49	.44%
Credit card	297	17	280	7.27
Residential mortgage	7	1	6	.05
Commercial	122	20	102	.45
Commercial real estate	8	3	5	.15
Other	7	2	5	.22
Total	$524	$77	$447	.80

The actual level of net charge-offs and the provision for credit losses in future periods can be affected by many business and economic factors and may differ from current or historical experience.

LIQUIDITY RISK

Liquidity represents the Corporation's ability to obtain cost-effective funding to meet the needs of customers, as well as the Corporation's financial obligations. Liquidity is centrally managed by Asset and Liability Management, with oversight provided by the Corporate Asset and Liability Committee and the Finance Committee of the Board of Directors.

Access to capital markets funding sources is a key factor affecting liquidity management. Access to such markets is in part based on the Corporation's credit ratings, which are influenced by a number of factors including capital ratios, credit quality, and earnings. Additional factors that impact liquidity include the maturity structure of existing assets, liabilities, and off-balance-sheet positions, the level of liquid investment securities and loans available for sale and the Corporation's ability to securitize various types of loans.

Liquidity can also be provided through the sale of liquid assets, which consist of short-term investments, loans held for sale and securities available for sale as well as alternative forms of borrowing including Federal funds purchased, repurchase agreements and debt issuances. At December 31, 1999, such assets totaled $14.6 billion with $4.2 billion pledged as collateral for borrowing, trust and other commitments. Funding can also be obtained through secured advances from the Federal Home Loan Bank ("FHLB") system, of which PNC is a member. These borrowings are generally secured by residential mortgages. At December 31, 1999, approximately $6.3 billion of residential mortgages were available as collateral for borrowings from the FHLB.

Liquidity for the parent company and subsidiaries is also generated through the issuance of securities in public or private markets and lines of credit and through asset securitizations and sales. During 1999, the Corporation issued $1.3 billion of senior and subordinated debt. At December 31, 1999, the Corporation had unused capacity under effective shelf registration statements of approximately $1.5 billion of debt and equity securities and $400 million of trust preferred capital securities. In addition, the Corporation has an unused line of credit of $500 million.

The principal source of parent company revenue and cash flow is dividends from subsidiary banks. PNC Bancorp, Inc. is a wholly-owned subsidiary of the parent company and is the holding company for all bank subsidiaries. There are legal limitations on the ability of bank subsidiaries to pay dividends and make other distributions to PNC Bancorp, Inc. and in turn the parent company. Without regulatory approval, the amount available for dividend payments to PNC Bancorp, Inc. by all bank subsidiaries was $489 million at December 31, 1999. Dividends may also be impacted by capital needs, regulatory requirements, corporate policies, contractual restrictions and other factors.

Management believes the Corporation has sufficient liquidity to meet current obligations to borrowers, depositors, debt holders and others. The impact of replacing maturing liabilities is reflected in the income simulation model in the overall asset and liability management process.

INTEREST RATE RISK

Interest rate risk arises primarily through the Corporation's traditional business activities of extending loans and accepting deposits. Many factors, including economic and financial conditions, movements in market interest rates and consumer preferences, affect the spread between interest earned on assets and interest paid on liabilities. In managing interest rate risk, the Corporation seeks to minimize its reliance on a particular interest rate scenario as a source of earnings, while maximizing net interest income and net interest margin. To achieve these objectives, the Corporation uses securities purchases and sales, long-term and short-term funding, financial derivatives and other capital markets instruments.

Interest rate risk is centrally managed by Asset and Liability Management. The Corporation actively measures and monitors components of interest rate risk including term structure or repricing risk, yield curve or nonparallel rate shift risk, basis risk and options risk. Senior management's Corporate Asset and Liability Committee provides strategic direction to Asset and Liability Management and, in doing so, reviews capital markets activities and interest rate risk exposures. The Finance Committee of the Board of Directors is responsible for overseeing the Corporation's interest rate risk management process.

The Corporation measures and manages both the short-term and long-term effects of changing interest rates. An income simulation model is used to measure the sensitivity of net interest income to changing interest rates over the next twenty-four month period. An economic value of equity model is used to measure the sensitivity of the value of existing on-balance-sheet and off-balance-sheet positions to changing interest rates.

The income simulation model is the primary tool used to measure the direction and magnitude of changes in net interest income resulting from changes in interest rates. Forecasting net interest income and its sensitivity to changes in interest rates requires that the Corporation make assumptions about the volume and characteristics of new business and the behavior of existing positions. These business assumptions are based on the Corporation's experience, business plans and published industry experience. Key assumptions employed in the model include prepayment speeds on mortgage-related assets and consumer loans, loan volumes and pricing, deposit volumes and pricing, the expected life and repricing characteristics of nonmaturity loans and deposits, and management's financial and capital plans.

Because these assumptions are inherently uncertain, the model cannot precisely estimate net interest income or precisely predict the effect of higher or lower interest rates on net interest income. Actual results will differ from simulated results due to the timing, magnitude and frequency of interest rate changes, the difference between actual experience and the assumed volume and characteristics of new business and behavior of existing positions, and changes in market conditions and management strategies, among other factors.

The Corporation's interest rate risk management policies provide that net interest income should not decrease by more than 3% if interest rates gradually increase or decrease from current rates by 100 basis points over a twelve-month period. At December 31, 1999, if interest rates were to gradually increase by 100 basis points over the next twelve months, the model indicates that net interest income would decrease by .9%. If interest rates were to gradually decrease by 100 basis points over the next twelve months, the model indicates that net interest income would increase by 1.2%.

The Corporation models additional interest rate scenarios covering a wider range of rate movements to identify yield curve, term structure and basis risk exposures. These scenarios are developed based on historical rate relationships or management's expectations regarding the future direction and level of interest rates. Depending on market conditions and other factors, these scenarios may be modeled more or less frequently. Such analyses are used in conjunction with the net interest income simulation model and economic value of equity model to identify inherent risk and develop appropriate strategies.

The Corporation measures the sensitivity of the value of its on-balance-sheet and off-balance-sheet positions to movements in interest rates using an economic value of equity model. The model computes the value of all current on-balance-sheet and off-balance-sheet positions under a range of instantaneous interest rate changes. The resulting change in the value of equity is the measure of overall long-term interest rate risk inherent in the Corporation's existing on-balance-sheet and off-balance-sheet positions. The Corporation uses the economic value of equity model to complement the net interest income simulation modeling process.

The Corporation's risk management policies provide that the change in economic value of equity should not decline by more than 1.5% of the book value of assets for a 200 basis point instantaneous increase or decrease in interest rates. Based on the results of the economic value of equity model at December 31, 1999, if interest rates were to instantaneously increase by 200 basis points, the economic value of existing on-balance-sheet and off-balance-sheet positions would decline by 1.00% of assets. If interest rates were to instantaneously decrease by 200 basis points, the economic value of existing on-balance-sheet and off-balance-sheet positions would increase by .3% of assets.

MARKET RISK

Most of PNC's trading activities are designed to provide capital markets services for customers of PNC Bank - Corporate Banking, PNC Secured Finance and PNC Advisors. The performance of PNC's trading operations is predominantly based on providing services to customers and not on positioning the Corporation's portfolio for gains from market movements.

Market risk associated with trading, capital markets and foreign exchange activities is managed using a value-at-risk approach that combines interest rate risk, foreign exchange rate risk, spread risk and volatility risk. Exposure is measured as the potential loss due to a two standard deviation, one-day move. The combined period-end value-at-risk of all trading operations using this measurement was less than $850 thousand at December 31, 1999.

FINANCIAL DERIVATIVES

A variety of off-balance-sheet financial derivatives are used as part of the overall risk management process to manage interest rate, market and credit risk inherent in the Corporation's business activities. Interest rate swaps and purchased interest rate caps and floors are the primary instruments used for interest rate risk management. Interest rate swaps are agreements to exchange fixed and floating interest rate payments calculated on a notional principal amount. The floating rate is based on a money market index, primarily short-term LIBOR indices. Purchased interest rate caps and floors are agreements where, for a fee, the counterparty agrees to pay the Corporation the amount, if any, by which a specified market interest rate exceeds or is less than a defined rate applied to a notional amount, respectively.

Forward contracts provide for the delivery of financial instruments at a specified future date and at a specified price or yield. Such contracts are primarily used to manage risk positions associated with certain mortgage banking and student lending activities.

Credit-related derivatives provide, for a fee, an assumption of a portion of the credit risk associated with the underlying financial instruments. Such contracts are primarily used to manage credit risk and regulatory capital associated with commercial lending activities.

Financial derivatives involve, to varying degrees, interest rate, market and credit risk in excess of the amount on the balance sheet, but less than the notional amount of the contract. For interest rate swaps, caps and floors, only periodic cash payments and, with respect to caps and floors, premiums, are exchanged. Therefore, cash requirements and exposure to credit risk are significantly less than the notional value.

During 1999, financial derivatives used in interest rate risk management increased net interest income by $43 million compared with an $18 million increase in the prior year.

The following table sets forth changes in the notional value of off-balance-sheet financial derivatives used for risk management during 1999.

FINANCIAL DERIVATIVES ACTIVITY

<TABLE>
<CAPTION>

WEIGHTED-

AVERAGE

1999 - DOLLARS IN MILLIONS	JANUARY 1	ADDITIONS	MATURITIES	TERMINATIONS	DECEMBER 31

						MATURITY
Interest rate risk management						
Interest rate swaps						
Receive fixed	$ 7,163	$ 1,400	$ (650)	$ (500)	$ 7,413	2 yrs. 6 mos
Pay fixed	13	4	(12)		5	1 yr.
Basis swaps	2,274		(624)		1,650	3 yrs. 6 mos
Interest rate caps	722		(220)	(28)	474	4 yrs.
Interest rate floors	1,939	3,000	(1,602)	(26)	3,311	2 yrs. 5 mos
Total interest rate risk management	12,111	4,404	(3,108)	(554)	12,853	
Mortgage banking risk management						
Residential						
Forward contracts						
Commitments to purchase loans	1,286	29,709	(30,691)		304	2 mos.
Commitments to sell loans	3,248	36,995	(39,049)		1,194	2 mos.
Options	207	890	(1,001)		96	2 mos.
Options - MSR	4,875	4,025	(525)	(700)	7,675	3 yrs. 11 mos.
Total residential	9,616	71,619	(71,266)	(700)	9,269	
Commercial - interest rate swaps	657	1,431	(88)	(1,357)	643	7 yrs. 1 mo.
Total mortgage banking risk management	10,273	73,050	(71,354)	(2,057)	9,912	
Student lending activities						
Forward contracts		681			681	1 yr. 4 mos.
Credit-related activities						
Credit default swaps	4,255	60			4,315	2 yrs. 5 mos.
Total	$26,639	$ 78,195	$(74,462)	$(2,611)	$27,761	

</TABLE>

The following table sets forth, by designated assets and liabilities, the notional value and the estimated fair value of financial derivatives used for risk management. Weighted-average interest rates presented are those expected to be in effect based on the implied forward yield curve at December 31, 1999.

FINANCIAL DERIVATIVES

<TABLE>
<CAPTION>

			WEIGHTED-AVERAGE INTEREST RATES	
DECEMBER 31, 1999 - DOLLARS IN MILLIONS	NOTIONAL VALUE	ESTIMATED FAIR VALUE	PAID	RECEIVED
Interest rate risk management				
Asset rate conversion				
Interest rate swaps(1)				
Receive fixed designated to loans	$ 5,550	$(48)	6.53%	5.49%
Basis swaps designated to other earning assets	226	3	6.44	6.72
Interest rate caps designated to loans(2)	474	12	NM	NM
Interest rate floors designated to loans(3)	3,311		NM	NM
Total asset rate conversion	9,561	(33)		
Liability rate conversion				

Interest rate swaps(1)				
Receive fixed designated to:				
Interest-bearing deposits	150	(2)	6.85	6.65
Borrowed funds	1,713	(23)	6.75	6.24
Pay fixed designated to borrowed funds	5	1	6.09	7.04
Basis swaps designated to borrowed funds	1,424	7	6.70	6.71
Total liability rate conversion	3,292	(17)		
Total interest rate risk management	12,853	(50)		
Mortgage banking risk management				
Residential				
Forward contracts				
Commitments to purchase loans	304	6	NM	NM
Commitments to sell loans	1,194	2	NM	NM
Options	96	1	NM	NM
Options - MSR	7,675	19	NM	NM
Total residential	9,269	28		
Commercial				
Pay fixed interest rate swaps designated to securities(1)	144	3	7.16	6.08
Pay fixed interest rate swaps designated to loans(1)	499	48	5.49	7.05
Total commercial	643	51		
Total mortgage banking risk management ..	9,912	79		
Student lending activities				
Forward contracts	681		NM	NM
Credit-related activities				
Credit default swaps	4,315	(4)	NM	NM
Total financial derivatives	$27,761	$ 25		

</TABLE>

(1) THE FLOATING RATE PORTION OF INTEREST RATE CONTRACTS IS BASED ON MONEY-MARKET INDICES. AS A PERCENT OF NOTIONAL VALUE, 27% WERE BASED ON 1-MONTH LIBOR, 70% ON 3-MONTH LIBOR AND THE REMAINDER ON OTHER SHORT-TERM INDICES.

(2) INTEREST RATE CAPS WITH NOTIONAL VALUES OF $142 MILLION, $129 MILLION AND $199 MILLION REQUIRE THE COUNTERPARTY TO PAY THE CORPORATION THE EXCESS, IF ANY, OF 3-MONTH LIBOR OVER A WEIGHTED-AVERAGE STRIKE OF 6.16%, 1-MONTH LIBOR OVER A WEIGHTED-AVERAGE STRIKE OF 5.72% AND PRIME OVER A WEIGHTED-AVERAGE STRIKE OF 8.76%, RESPECTIVELY. AT DECEMBER 31, 1999, 3-MONTH LIBOR WAS 6.00%, 1-MONTH LIBOR WAS 5.82% AND PRIME WAS 8.50%.

(3) INTEREST RATE FLOORS WITH NOTIONAL VALUES OF $3.0 BILLION, $3.8 BILLION AND $3.2 BILLION REQUIRE THE COUNTERPARTY TO PAY THE CORPORATION THE EXCESS, IF ANY, OF THE WEIGHTED-AVERAGE STRIKE OF 4.63% OVER 3-MONTH LIBOR, THE WEIGHTED-AVERAGE STRIKE OF 5.08% OVER 10-YEAR CMT AND THE WEIGHTED-AVERAGE STRIKE OF 4.99% OVER 10-YEAR CMS, RESPECTIVELY. AT DECEMBER 31, 1999, 3-MONTH LIBOR WAS 6.00%, 10-YEAR CMT WAS 6.45% AND 10-YEAR CMS WAS 7.18%.

NM - NOT MEANINGFUL

OTHER DERIVATIVES

To accommodate customer needs, PNC enters into customer-related financial derivative transactions primarily consisting of interest rate swaps, caps, floors and foreign exchange contracts. Risk exposure from customer positions is managed through transactions with other dealers.

Additionally, the Corporation enters into other derivative transactions for risk management purposes. These positions are recorded at estimated fair value and changes in value are included in results of operations.

<TABLE>
<CAPTION>

OTHER DERIVATIVES	AT DECEMBER 31, 1999				1999
IN MILLIONS	NOTIONAL VALUE	POSITIVE FAIR VALUE	NEGATIVE FAIR VALUE	NET ASSET (LIABILITY)	AVERAGE FAIR VALUE
<S>	<C>	<C>	<C>	<C>	<C>
Customer-related					

Interest rate					
Swaps	$17,103	$110	$(116)	$(6)	$(13)
Caps/floors					
Sold	3,440		(25)	(25)	(20)
Purchased	3,337	22		22	18
Foreign exchange	3,310	47	(36)	11	7
Other	2,161	22	(9)	13	3
Total customer-related	29,351	201	(186)	15	(5)
Other	1,238	6		6	4
Total other derivatives	$30,589	$207	$(186)	$21	$(1)

</TABLE>

The following table sets forth, by designated assets and liabilities, the notional value and the estimated fair value of financial derivatives used for risk management. Weighted-average interest rates presented are those expected to be in effect based on the implied forward yield curve at December 31, 1998.

FINANCIAL DERIVATIVES

<TABLE>
<CAPTION>

			WEIGHTED-AVERAGE INTEREST RATES	
DECEMBER 31, 1998 - DOLLARS IN MILLIONS	NOTIONAL VALUE	ESTIMATED FAIR VALUE	PAID	RECEIVED
<S>	<C>	<C>	<C>	<C>
Interest rate risk management				
Asset rate conversion				
Interest rate swaps(1)				
Receive fixed designated to loans	$5,550	$83	5.06%	5.49%
Pay fixed designated to loans	5		6.23	4.98
Basis swaps designated to other earning assets	300	4	4.78	5.17
Interest rate caps designated to loans(2)	722	6	NM	NM
Interest rate floors designated to loans(3)	1,939	(9)	NM	NM
Total asset rate conversion	8,516	84		
Liability rate conversion				
Interest rate swaps(1)				
Receive fixed designated to:				
Interest-bearing deposits	150	10	5.23	6.65
Borrowed funds	1,463	60	5.12	5.83
Pay fixed designated to borrowed funds	8	1	7.22	5.58
Basis swaps designated to borrowed funds	1,974	9	5.09	5.09
Total liability rate conversion	3,595	80		
Total interest rate risk management	12,111	164		
Mortgage banking risk management				
Residential				
Forward contracts				
Commitments to purchase loans	1,286	4	NM	NM
Commitments to sell loans	3,248	4	NM	NM
Options	207	5	NM	NM
Interest rate floors - MSR(3)	4,875	53	NM	NM
Total residential	9,616	66		
Commercial				
Pay fixed swaps	657	(2)	5.42	5.34

Total mortgage banking risk management	10,273	64		
Credit-related activities				
Credit default swaps	4,255	(2)	NM	NM
Total financial derivatives	$26,639	$226		

</TABLE>

(1) THE FLOATING RATE PORTION OF INTEREST RATE CONTRACTS IS BASED ON MONEY-MARKET INDICES. AS A PERCENT OF NOTIONAL VALUE, 33% WERE BASED ON 1-MONTH LIBOR, 63% ON 3-MONTH LIBOR AND THE REMAINDER ON OTHER SHORT-TERM INDICES.

(2) INTEREST RATE CAPS WITH NOTIONAL VALUES OF $248 MILLION, $209 MILLION AND $257 MILLION REQUIRE THE COUNTERPARTY TO PAY THE EXCESS, IF ANY, OF 3-MONTH LIBOR OVER A WEIGHTED-AVERAGE STRIKE OF 6.19%, 1-MONTH LIBOR OVER A WEIGHTED-AVERAGE STRIKE OF 5.85% AND PRIME OVER A WEIGHTED-AVERAGE STRIKE OF 8.77%, RESPECTIVELY. AT DECEMBER 31, 1998, 3-MONTH LIBOR WAS 5.07%, 1-MONTH LIBOR WAS 5.06% AND PRIME WAS 7.8%.

(3) INTEREST RATE FLOORS WITH NOTIONAL VALUES OF $1.5 BILLION, $1.7 BILLION AND $3.2 BILLION REQUIRE THE COUNTERPARTY TO PAY THE CORPORATION THE EXCESS, IF ANY, OF THE WEIGHTED-AVERAGE STRIKE OF 5.01% OVER 3-MONTH LIBOR, THE WEIGHTED-AVERAGE STRIKE OF 5.19% OVER 10-YEAR CMT AND THE WEIGHTED-AVERAGE STRIKE OF 4.99% OVER 10-YEAR CMS, RESPECTIVELY. AT DECEMBER 31, 1998, 3-MONTH LIBOR WAS 5.07%, 10-YEAR CMT WAS 4.65% AND 10-YEAR CMS WAS 5.47%.

NM - NOT MEANINGFUL

FINANCIAL REVIEW

1998 VERSUS 1997 CONSOLIDATED INCOME STATEMENT REVIEW

OVERVIEW

Consolidated net income for 1998 was $1.115 billion compared with $1.052 billion in 1997. Diluted earnings per share increased 10% to $3.60 for 1998 compared with $3.28 in 1997. Returns on average common shareholders' equity and average assets were 20.81% and 1.49% for 1998 compared with 20.01% and 1.49%, respectively, in 1997.

NET INTEREST INCOME

Taxable-equivalent net interest income increased $75 million to $2.599 billion in 1998 compared with $2.524 billion in 1997. The net interest margin narrowed to 3.85% in 1998 compared with 3.94% in the prior year. The increase in net interest income was primarily due to a $3.4 billion increase in average earning assets, which more than offset a narrower net interest margin resulting from a change in balance sheet composition.

PROVISION FOR CREDIT LOSSES

The provision for credit losses was $225 million in 1998 compared with $70 million in 1997. Net charge-offs were .80% of average loans in 1998 compared with .51% in 1997. The increase in the net charge-off ratio was primarily associated with credit cards and a single credit in the health care industry.

NONINTEREST INCOME

Noninterest income was $2.302 billion in 1998 compared with $1.775 billion in 1997. Asset management, mutual fund servicing, brokerage, other consumer services, corporate services and mortgage banking revenues each grew 24% or more compared with the prior year. Noninterest income for 1998 included $162 million of net gains from the sale of the corporate trust and escrow business, branch sales and the sale of a credit card portfolio as well as the negative impact of $30 million of valuation adjustments on certain market-sensitive asset positions.

Asset management fees of $626 million for 1998 increased 35% compared with 1997 primarily due to new business, market appreciation and performance fees. Assets under management increased 27% to $174 billion at December 31, 1998, compared with $137 billion at December 31, 1997. Mutual fund servicing fees of $182 million for 1998 increased 29% compared with 1997 resulting from an increase in assets serviced. At December 31, 1998, custody and accounting/administration services were provided for $315 billion and $252 billion of mutual fund assets, respectively. The comparable amounts were $232 billion and $182 billion, respectively, at December 31, 1997.

Brokerage income was $91 million for 1998, a $21 million increase compared with 1997, primarily due to an increase in brokerage accounts.

Other consumer services revenue of $299 million for 1998 increased $57 million or 24% compared with 1997 primarily due to an increase in credit card accounts. Corporate services revenue of $245 million for 1998 increased 24% compared with 1997 resulting from the Midland acquisition and higher treasury management and capital markets fees, partially offset by $30 million of valuation adjustments.

Net residential mortgage banking revenue of $212 million in 1998 increased $60 million or 39% compared with the prior year primarily due to significant mortgage refinance activity and higher servicing income resulting from servicing portfolio acquisitions. Residential mortgage production volume, including both retail and correspondent activity totaled $22 billion in 1998 compared with $6 billion in 1997.

Net securities gains were $16 million in 1998 compared with $40 million in 1997. The year-to-year increase in other noninterest income was primarily due to the net gains from the sale of the corporate trust and escrow business, branches and a credit card portfolio in 1998.

NONINTEREST EXPENSE

Noninterest expense of $2.940 billion in 1998 increased $358 million compared with the prior year primarily to support revenue growth in fee-based businesses, the impact of acquisitions and consumer banking initiatives. Average full-time equivalent employees totaled approximately 25,500 in 1998 compared with 24,600 in the prior year, an increase of 4% mainly due to acquisitions.

CONSOLIDATED BALANCE SHEET REVIEW

Total assets were $77.2 billion at December 31, 1998, compared with $75.1 billion at December 31, 1997.

LOANS

Loans outstanding increased $3.4 billion from year-end 1997 to $57.7 billion at December 31, 1998. Growth in commercial and home equity loans more than offset a decline in commercial and residential mortgages and credit card and automobile loans. The increase in commercial loans was primarily in real estate related, specialized lending and middle market.

SECURITIES AVAILABLE FOR SALE

The securities available for sale portfolio declined $1.4 billion from year-end 1997 to $7.1 billion at December 31, 1998. The expected weighted-average life of the securities portfolio increased to 5 years and 3 months at December 31, 1998, compared with 2 years and 9 months at December 31, 1997, due to the purchase of U.S. Treasury and government agency securities with maturities of 10 years or more used as part of PNC's risk management strategies.

FUNDING SOURCES

Total funding sources increased $1.2 billion to $68.4 billion at December 31, 1998. Increases in transaction deposit accounts and other borrowed funds were mostly offset by decreases in foreign deposits and federal funds purchased. This change in funding composition resulted in a strengthening of liquidity as 48% of wholesale liabilities had a maturity beyond one year at December 31, 1998, compared with 29% at December 31, 1997. During 1998, the Corporation continued to expand funding sources by issuing approximately $800 million of bank notes under the Euro medium-term bank note program.

ASSET QUALITY

The ratio of nonperforming assets to total loans, loans held for sale and foreclosed assets was .55% at December 31, 1998, and .59% at December 31, 1997. Nonperforming assets were $332 million at December 31, 1998, compared with $333 million at December 31, 1997. The allowance for credit losses was 255% of nonperforming loans and 1.31% of total loans at December 31, 1998, compared with 352% and 1.79%, respectively, at December 31, 1997.

CAPITAL

Shareholders' equity totaled $6.0 billion and $5.4 billion at December 31, 1998 and 1997, respectively, and the leverage ratio was 7.28% and 7.30% in the comparison. Tier I and total risk-based capital ratios were 7.80% and 11.16%, respectively, at December 31, 1998. The comparable December 31, 1997 ratios were 7.43% and 11.11%, respectively.

YEAR 2000

During 1999, the Corporation completed the process of preparing for the year 2000 date change event. This process involved reviewing, modifying and replacing existing hardware, software and embedded chip technology systems, as necessary. The Corporation also assessed the year 2000 preparedness of third parties such as vendors, customers, governmental entities and others. Contingency plans, subject to oversight and regulation by certain federal bank regulatory authorities, for year 2000 issues were maintained. Business continuity plans were reviewed and strengthened to address year 2000 implications.

The estimated total cumulative cost to become year 2000 ready through December 31, 1999, which has been expensed as incurred, was approximately $24 million. Expenses incurred for year 2000 readiness efforts did not exceed one percent of technology-related expenses in 1999. No significant outlays were made to replace existing systems solely for year 2000 reasons.

The Corporation to date has not encountered any materially significant problems associated with its mission critical systems or service providers as a result of the date change event.

Unanticipated issues associated with the year 2000 date change event could still occur that may have an adverse impact on the financial condition and results of operations of the Corporation, its customers and service providers. To the extent that customers' financial positions are weakened due to year 2000 issues, credit quality could be adversely affected. It is not possible to predict with certainty all of the adverse effects that could result from a failure of third parties to address year 2000 issues or whether such effects could have a material adverse impact on the Corporation.

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REPORTS ON CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The PNC Financial Services Group, Inc. is responsible for the preparation, integrity and fair presentation of its published financial statements. The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States and, as such, include judgments and estimates of management. The PNC Financial Services Group, Inc. also prepared the other information included in the Annual Report and is responsible for its accuracy and consistency with the consolidated financial statements.

Management is responsible for establishing and maintaining effective internal control over financial reporting. The internal control system is augmented by written policies and procedures and by audits performed by an internal audit staff, which reports to the Audit Committee of the Board of Directors. Internal auditors test the operation of the internal control system and report findings to management and the Audit Committee, and corrective actions are taken to address identified control deficiencies and other opportunities for improving the system. The Audit Committee, composed solely of outside directors, provides oversight to the financial reporting process.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and circumvention or overriding of controls. Accordingly, even effective internal control can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time.

Management assessed The PNC Financial Services Group, Inc.'s internal control over financial reporting as of December 31, 1999. This assessment was based on criteria for effective internal control over financial reporting described in "Internal Control.Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management believes that The PNC Financial Services Group, Inc. maintained an effective internal control system over financial reporting as of December 31, 1999.

/s/ Thomas H. O'Brien	/s/ Robert L. Haunschild
Thomas H. O'Brien	Robert L. Haunschild
Chairman and	Senior Vice President and
Chief Executive Officer	Chief Financial Officer

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

Shareholders and Board of Directors
The PNC Financial Services Group, Inc.

We have audited the accompanying consolidated balance sheet of The PNC Financial Services Group, Inc. and subsidiaries as of December 31, 1999 and 1998, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1999. These financial statements are the responsibility of The PNC Financial Services Group, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The PNC Financial Services Group, Inc. and subsidiaries at December 31, 1999 and 1998, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP

Pittsburgh, Pennsylvania
January 20, 2000

CONSOLIDATED STATEMENT OF INCOME

YEAR ENDED DECEMBER 31 - IN MILLIONS, EXCEPT PER SHARE DATA	1999	1998	1997
INTEREST INCOME			
Loans and fees on loans	$4,077	$4,590	$4,354
Securities available for sale	483	425	540
Other	361	298	157
Total interest income	4,921	5,313	5,051
INTEREST EXPENSE			
Deposits	1,369	1,471	1,457
Borrowed funds	1,119	1,269	1,099
Total interest expense	2,488	2,740	2,556
Net interest income	2,433	2,573	2,495
Provision for credit losses	163	225	70
Net interest income less provision for credit losses	2,270	2,348	2,425
NONINTEREST INCOME			
Asset management	681	626	462
Mutual fund servicing	251	182	141
Service charges on deposits	207	203	203
Brokerage	219	91	70

Other consumer services	236	299	242
Corporate services	133	245	198
Net residential mortgage banking	272	212	152
Equity management	100	96	98
Net securities gains	22	16	40
Sale of subsidiary stock	64		
Other	560	332	169
Total noninterest income	2,745	2,302	1,775
NONINTEREST EXPENSE			
Staff expense	1,535	1,416	1,241
Net occupancy	249	204	189
Equipment	245	205	180
Amortization	93	111	94
Marketing	75	96	70
Distributions on capital securities	65	60	43
Other	862	848	765
Total noninterest expense	3,124	2,940	2,582
Income before income taxes	1,891	1,710	1,618
Income taxes	627	595	566
Net income	$1,264	$1,115	$1,052
EARNINGS PER COMMON SHARE			
Basic	$4.19	$3.64	$3.33
Diluted	4.15	3.60	3.28
CASH DIVIDENDS PER COMMON SHARE	1.68	1.58	1.50
AVERAGE COMMON SHARES OUTSTANDING			
Basic	296.9	300.8	310.1
Diluted	300.0	305.1	316.2

</TABLE>

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

DECEMBER 31 - IN MILLIONS, EXCEPT PAR VALUE	1999	1998
ASSETS		
Cash and due from banks	$3,097	$2,534
Short-term investments	1,148	1,014
Loans held for sale	5,798	3,226

Securities available for sale	7,611	7,074
Loans, net of unearned income of $724 and $554	50,046	57,650
Allowance for credit losses	(674)	(753)
Net loans	49,372	56,897
Goodwill and other amortizable assets	4,123	2,548
Other	4,264	3,914
Total assets	$75,413	$77,207
LIABILITIES		
Deposits		
Noninterest-bearing	$8,441	$9,943
Interest-bearing	38,227	37,553
Total deposits	46,668	47,496
Borrowed funds		
Federal funds purchased	1,281	390
Repurchase agreements	1,122	1,669
Bank notes and senior debt	6,975	10,384
Other borrowed funds	7,642	6,722
Subordinated debt	2,327	1,781
Total borrowed funds	19,347	20,946
Other	2,604	1,874
Total liabilities	68,619	70,316
Mandatorily redeemable capital securities of subsidiary trusts	848	848
SHAREHOLDERS' EQUITY		
Preferred stock	7	7
Common stock - $5 par value		
Authorized: 450 shares		
Issued: 353 shares	1,764	1,764
Capital surplus	1,276	1,250
Retained earnings	6,006	5,262
Deferred benefit expense	(17)	(36)
Accumulated other comprehensive loss	(267)	(43)
Common stock held in treasury at cost: 60 and 49 shares	(2,823)	(2,161)
Total shareholders' equity	5,946	6,043
Total liabilities, capital securities and shareholders' equity	$75,413	$77,207

</TABLE>

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

<TABLE>
<CAPTION>

IN MILLIONS	PREFERRED STOCK	Common Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Other	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at January 1, 1997	$7	$1,726	$939	$4,075	$(67)	$(811)	$5,869
Net income				1,052			1,052
Net unrealized securities gains					44		44
Comprehensive income							1,096
Cash dividends declared							
Common				(469)			(469)

Preferred				(19)			(19)
Common stock issued (3.3 shares)		16	57				73
Treasury stock activity (27.0 net shares purchased)			19			(1,233)	(1,214)
Tax benefit of ESOP and stock option plans			27	2			29
Deferred benefit expense						19	19
BALANCE AT DECEMBER 31, 1997	7	1,742	1,042	4,641	(23)	(2,025)	5,384
Net income				1,115			1,115
Net unrealized securities losses					(13)		(13)
Minimum pension liability adjustment					(7)		(7)
Comprehensive income							1,095
Cash dividends declared							
Common				(476)			(476)
Preferred				(19)			(19)
Common stock issued (4.4 shares)		22	99				121
Treasury stock activity (1.1 net shares purchased)			90			(177)	(87)
Tax benefit of ESOP and stock option plans			19	1			20
Deferred benefit expense						5	5
BALANCE AT DECEMBER 31, 1998	7	1,764	1,250	5,262	(43)	(2,197)	6,043
Net income				1,264			1,264
Net unrealized securities losses					(219)		(219)
Minimum pension liability adjustment					(5)		(5)
Comprehensive income							1,040
Cash dividends declared							
Common				(501)			(501)
Preferred				(19)			(19)
Treasury stock activity (11.0 net shares purchased)			13			(662)	(649)
Tax benefit of ESOP and stock option plans			13				13
Deferred benefit expense						19	19
BALANCE AT DECEMBER 31, 1999	$7	$1,764	$1,276	$6,006	$(267)	$(2,840)	$5,946

</TABLE>

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

<S> <C> <C> <C>

YEAR ENDED DECEMBER 31 - IN MILLIONS	1999	1998	1997
OPERATING ACTIVITIES			
Net income	$1,264	$1,115	$1,052
Adjustments to reconcile net income to net cash provided (used) by operating activities			
Provision for credit losses	163	225	70
Depreciation, amortization and accretion	327	632	346
Deferred income taxes	204	170	133
Net securities losses (gains)	93	(120)	(49)
Net gains on sales of assets	(554)	(328)	(179)
Valuation adjustments	195	30	
Change in			
Loans held for sale	613	(1,331)	(1,383)
Other	(445)	(679)	(31)
Net cash provided (used) by operating activities	1,860	(286)	(41)
INVESTING ACTIVITIES			
Net change in loans	(11)	(6,031)	(5,182)
Repayment of securities available for sale	1,306	2,120	2,014
Sales			
Securities available for sale	9,620	12,779	10,223
Loans	648	3,030	2,863
Foreclosed assets	39	69	116
Purchases			
Securities available for sale	(10,997)	(13,342)	(8,725)
Loans	(363)	(129)	(534)
Net cash received (paid) for acquisitions/divestitures	1,854	(1,031)	
Other	(139)	(241)	(823)
Net cash provided (used) by investing activities	1,957	(2,776)	(48)
FINANCING ACTIVITIES			
Net change in			
Noninterest-bearing deposits	(1,478)	(215)	(779)
Interest-bearing deposits	1,037	696	2,766
Federal funds purchased	891	(3,242)	(301)
Sale/issuance			
Repurchase agreements	139,175	112,108	84,315
Bank notes and senior debt	2,416	9,229	9,125
Other borrowed funds	35,997	98,534	99,469
Subordinated debt	650	140	350
Capital securities		198	300

Common stock	141	123	155
Repayment/maturity			
Repurchase agreements	(139,722)	(111,153)	(84,246)
Bank notes and senior debt	(5,827)	(8,672)	(7,390)
Other borrowed funds	(35,107)	(95,616)	(101,368)
Subordinated debt	(104)		
Acquisition of treasury stock	(803)	(342)	(1,532)
Cash dividends paid	(520)	(495)	(488)
Net cash (used) provided by financing activities	(3,254)	1,293	376
INCREASE (DECREASE) IN CASH AND DUE FROM BANKS	563	(1,769)	287
Cash and due from banks at beginning of year	2,534	4,303	4,016
Cash and due from banks at end of year	$3,097	$2,534	$4,303
CASH PAID FOR			
Interest	$2,484	$2,727	$2,569
Income taxes	289	397	418
NONCASH ITEMS			
Transfer (to) from loans held for sale (from) to loans	(3,378)	429	
Transfers from loans to other assets	40	44	71
Conversion of debt to equity		55	7

</TABLE>

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BUSINESS

The PNC Financial Services Group, Inc. ("Corporation" or "PNC") is one of the largest diversified financial services companies in the United States operating regional banking, wholesale banking and asset management businesses that provide financial products and services nationally and in PNC's primary geographic markets in Pennsylvania, New Jersey, Delaware, Ohio and Kentucky. PNC is subject to intense competition from other financial services companies with respect to these businesses and is subject to the regulations of certain federal and state agencies and undergoes periodic examinations by those authorities.

NOTE 1 ACCOUNTING POLICIES

BASIS OF FINANCIAL STATEMENT PRESENTATION

The consolidated financial statements include the accounts of PNC and its subsidiaries, most of which are wholly owned. Such statements have been prepared in accordance with accounting principles generally accepted in the United States. All significant intercompany accounts and transactions have been eliminated. Certain prior year amounts have been reclassified to conform with the current year presentation.

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the amounts reported. Actual results will differ from such estimates and the differences may be material to the consolidated financial statements.

LOANS HELD FOR SALE

Loans held for sale are carried at the lower of cost or aggregate market value. Gains and losses on sales of loans held for sale are included in noninterest income.

SECURITIES

Securities purchased with the intention of recognizing short-term profits are placed in the trading account, carried at market value and classified as short-term investments. Gains and losses on trading securities are included in noninterest income. Securities not classified as trading are designated as securities available for sale and carried at fair value with unrealized gains and losses, net of income taxes, reflected in accumulated other comprehensive income or loss. Gains and losses on sales of securities available for sale are computed on a specific security basis and included in noninterest income.

LOANS

Loans are stated at the principal amounts outstanding, net of unearned income. Interest income with respect to loans is accrued on the principal amount outstanding, except for lease financing income which is recognized over its respective terms using methods which approximate the level yield method. Significant loan fees are deferred and accreted to interest income over the respective lives of the loans.

LOAN SECURITIZATIONS

The Corporation sells mortgage and other loans through secondary market securitizations. The Corporation receives a fee for servicing the securitized loans. Securitized loans are removed from the balance sheet and the Corporation records a servicing asset and a corresponding gain or loss on sale. Certain estimates are inherent in determining the fair value of servicing assets and are subject to change.

NONPERFORMING ASSETS

Nonperforming assets are comprised of nonaccrual loans, troubled debt restructurings and foreclosed assets. Generally, loans other than consumer are classified as nonaccrual when it is determined that the collection of interest or principal is doubtful or when a default of interest or principal has existed for 90 days or more, unless the loans are well secured and in the process of collection. When interest accrual is discontinued, accrued but uncollected interest credited to income in the current year is reversed and unpaid interest accrued in the prior year, if any, is charged against the allowance for credit losses. Consumer loans are generally charged off when payments are past due 120 days.

A loan is categorized as a troubled debt restructuring in the year of restructuring if a concession is granted to the borrower due to a deterioration in the financial condition of the borrower.

Nonperforming loans are generally not returned to performing status until the obligation is brought current and has performed in accordance with the contractual terms for a reasonable period of time and collection of the contractual principal and interest is no longer doubtful.

Foreclosed assets are comprised of property acquired through a foreclosure proceeding or acceptance of a deed-in-lieu of foreclosure. These assets are recorded on the date acquired at the lower of the related loan balance or market value of the collateral less estimated disposition costs. Market values are estimated primarily based on appraisals. Subsequently, foreclosed assets are valued at the lower of the amount recorded at acquisition date or the current market value less estimated disposition costs. Gains or losses realized from disposition of such property are reflected in noninterest expense.

Impaired loans consist of nonaccrual commercial and commercial real estate loans and troubled debt restructurings. Interest collected on these loans is recognized on the cash basis or cost recovery method.

ALLOWANCE FOR CREDIT LOSSES

The allowance for credit losses is established through provisions charged against income. Loans deemed to be uncollectible are charged against the allowance and recoveries of previously charged-off loans are credited to the allowance.

The allowance is maintained at a level believed by management to be sufficient to absorb estimated probable credit losses. Management's determination of the adequacy of the allowance is based on periodic evaluations of the credit portfolio and other relevant factors. This evaluation is inherently subjective as it requires material estimates, including, among others, the amounts and timing of expected future cash flows on impaired loans, estimated losses on consumer loans and residential mortgages, and general amounts for historical loss experience, economic conditions, uncertainties in estimating losses and inherent risks in the various credit portfolios, all of which may be susceptible to significant change. In determining the adequacy of the allowance for credit losses, the Corporation makes specific allocations to impaired loans and to pools of watchlist and nonwatchlist loans for various credit risk factors. Allocations to loan pools are developed by business segment and risk rating and are based on historical loss trends and management's judgment concerning those trends and other relevant factors. These factors may include, among others, actual versus estimated losses, current regional and national economic conditions, business segment portfolio concentrations, industry competition and consolidation, and the impact of government regulations. Consumer and residential mortgage loan allocations are made at a total portfolio level based on historical loss experience adjusted for portfolio activity and current economic conditions.

While PNC's commercial and consumer pool reserve methodologies strive to reflect all risk factors, there continues to be a certain element of risk associated with, but not limited to, potential estimation or judgmental errors. Unallocated reserves provide coverage for such risks. While allocations are made to specific loans and pools of loans, the total reserve is available for all credit losses.

SERVICING OF FINANCIAL ASSETS

Servicing rights retained in a sale or securitization of loans are recorded by allocating the previous carrying amount of the loans sold or securitized to the relative fair values of the assets retained and sold. Purchased servicing rights are recorded at cost. Servicing rights are amortized in proportion to estimated net servicing income. To determine the fair value of servicing rights, the Corporation estimates the present value of future cash flows incorporating numerous assumptions including cost of servicing, discount rates, prepayment speeds and default rates.

A valuation allowance is maintained for the excess, if any, of the carrying amount of capitalized servicing rights over estimated fair value.

EQUITY MANAGEMENT ASSETS

Equity management assets are included in other assets. These investments are carried at estimated fair value with changes in fair value recognized in equity management income.

GOODWILL AND OTHER AMORTIZABLE ASSETS

Goodwill is amortized on a straight-line basis over periods ranging from 15 to 25 years. Other amortizable assets are amortized using accelerated or straight-line methods over their respective estimated useful lives. On a periodic basis, management reviews goodwill and other amortizable assets and evaluates events or changes in circumstances that may indicate impairment in the carrying amount of such assets. In such instances, impairment, if any, is measured on a discounted future cash flow basis.

DEPRECIATION AND AMORTIZATION

For financial reporting purposes, premises and equipment are depreciated principally using the straight-line method over the estimated useful lives ranging from one to 39 years. Accelerated methods are used for federal income tax purposes. Leasehold improvements are amortized over their estimated useful lives or their respective lease terms, whichever is shorter.

REPURCHASE AND RESALE AGREEMENTS

Repurchase and resale agreements are treated as collateralized financing transactions and are carried at the amounts that the securities will be subsequently reacquired or resold, including accrued interest, as specified in the respective agreements. The Corporation's policy is to take possession of securities purchased under agreements to resell. The market value of securities to be repurchased and resold is monitored, and additional collateral is obtained where appropriate to protect against credit exposure.

TREASURY STOCK

The Corporation records common stock purchased for treasury at cost. At the date of subsequent reissue, the treasury stock account is reduced by the cost of such stock on the first-in, first-out basis.

FINANCIAL DERIVATIVES

The Corporation uses off-balance-sheet financial derivatives as part of the overall asset and liability management process, for mortgage banking risk management and to manage credit risk. Substantially all such instruments are used to manage risk related to changes in interest rates. Financial derivatives primarily consist of interest rate swaps, purchased interest rate caps and floors, forward contracts and credit default swaps.

Interest rate swaps are agreements with a counterparty to exchange periodic interest payments calculated on a notional principal amount. Purchased interest rate caps and floors are agreements where, for a fee, the counterparty agrees to pay the Corporation the amount, if any, by which a specified market interest rate is higher or lower than a defined rate applied to a notional amount.

Interest rate swaps, caps and floors that modify the interest rate characteristics (such as from fixed to variable, variable to fixed, or one variable index to another) of designated interest-bearing assets or liabilities are accounted for under the accrual method. The net amount payable or receivable from the derivative contract is accrued as an adjustment to interest income or interest expense of the designated instrument. Premiums on contracts are deferred and amortized over the life of the agreement as an adjustment to interest income or interest expense of the designated instruments. Unamortized premiums are included in other assets. Changes in fair value of financial derivatives accounted for under the accrual method are not reflected in results of operations. Realized gains and losses, except losses on terminated interest rate caps and floors, are deferred as an adjustment to the carrying amount of the designated instruments and amortized over the shorter of the remaining original life of the agreements or the designated instruments. Losses on terminated interest rate caps and floors are recognized immediately in the results of operations. If the designated instruments are disposed of, the fair value of the associated derivative contracts and any unamortized deferred gains or losses are included in the determination of gain or loss on the disposition of such instruments. Contracts not qualifying for accrual accounting are marked to market with gains or losses included in noninterest income.

Forward contracts provide for the delivery of financial instruments at a specified future date and at a specified price or yield. The Corporation uses forward contracts primarily to manage risk associated with its residential mortgage banking and student lending activities. Realized gains and losses on mandatory and optional delivery forward commitments are recorded in noninterest income in the period settlement occurs. Unrealized gains or losses are considered in the lower of cost or market valuation of loans held for sale.

Credit-related derivatives are entered into to manage credit risk and regulatory capital associated with commercial lending activities. If the credit-related derivative qualifies for hedge accounting treatment, the premium paid to enter the credit-related derivative is recorded in other assets and is deferred and amortized to noninterest expense over the life of the agreement. Changes in the fair value of credit-related derivatives qualifying for hedge accounting treatment are not reflected in the Corporation's financial position and have no impact on results of operations.

If the credit-related derivative does not qualify for hedge accounting treatment or if the Corporation is the seller of credit protection, the credit-related derivative is marked to market with gains or losses included in noninterest income.

To accommodate customer needs, PNC also enters into financial derivative transactions primarily consisting of interest rate swaps, caps, floors and foreign exchange contracts. Interest rate risk exposure from customer positions is managed through transactions with other dealers. These positions are recorded at estimated fair value and changes in value are included in noninterest income.

Additionally, the Corporation enters into other derivative transactions for risk management purposes that do not qualify for accrual accounting. These transactions are recorded at estimated fair value and changes in value are included in noninterest income.

INCOME TAXES

Income taxes are accounted for under the liability method. Deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

STOCK OPTIONS

For stock options granted at exercise prices not less than the fair market value of common stock on the date of grant, no compensation expense is recognized.

EARNINGS PER COMMON SHARE

Basic earnings per common share is calculated by dividing net income adjusted for preferred stock dividends declared by the weighted-average number of shares of common stock outstanding.

Diluted earnings per common share is based on net income adjusted for interest expense, net of tax, on outstanding convertible debentures and dividends declared on nonconvertible preferred stock. The weighted-average number of shares of common stock outstanding is increased by the assumed conversion of outstanding convertible preferred stock and convertible debentures from the beginning of the year or date of issuance, if later, and the number of shares of common stock which would be issued assuming the exercise of stock options. Such adjustments to net income and the weighted-average number of shares of common stock outstanding are made only when such adjustments dilute earnings per common share.

RECENT ACCOUNTING PRONOUNCEMENTS

Statement of Financial Accounting Standards ("SFAS") No. 137, "Accounting for Derivative Instruments and Hedging Activities-- Deferral of the Effective Date of FASB Statement No. 133" (an amendment of SFAS No. 133), issued in June 1999, defers the effective date of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," until fiscal years beginning after June 15, 2000. The Corporation expects to adopt SFAS No. 133, as amended by SFAS No. 137, effective January 1, 2001, the statement's effective date. The impact of adopting the provisions of this statement on PNC's financial position and results of operations is currently not estimable and will depend on the financial position of the Corporation and the nature and purpose of the derivative instruments in place as of the effective date.

SFAS No. 133 was originally required to be adopted in years beginning after June 15, 1999, although early adoption is permitted. This statement requires the Corporation to recognize all financial derivatives on the balance sheet at fair value. Derivatives that do not qualify as hedges must be adjusted to fair value through results of operations. If the derivative is a hedge as defined by the statement, changes in the fair value of derivatives will be either offset against the change in fair value of the hedged assets, liabilities, or firm commitments through results of operations or recognized in other comprehensive income until the hedged item is recognized in results of operations based on the nature of the hedge. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings.

NOTE 2 ACQUISITIONS AND DIVESTITURES

On December 1, 1999, the Corporation completed the acquisition of First Data Investor Services Group, Inc. ("ISG") one of the nation's leading providers of processing services for pooled investment products that include mutual fund and retirement plans. The acquisition of ISG was for $1.1 billion in cash and is being accounted for under the purchase method of accounting. ISG's financial results are included in the Corporation's financial results beginning on the acquisition date. Goodwill of approximately $1 billion was recorded in connection with the acquisition and is being amortized on a straight-line basis over 25 years. Other customer-based intangibles of approximately $147 million are being amortized on a straight-line basis over 10 years.

The following financial information presents combined results of PNC and ISG as if the acquisition had occurred as of January 1, 1999 and 1998:

YEAR ENDED DECEMBER 31 IN MILLIONS, EXCEPT PER SHARE DATA	(UNAUDITED) PROFORMA PNC 1999	 1998
Net interest income	$2,374	$2,500
Provision for credit losses	163	225
Noninterest income	3,088	2,639
Noninterest expense	3,413	3,217
Income before income taxes	1,886	1,697
Income taxes	625	589
Net income	$1,261	$1,108

Diluted earnings per common share	$4.14	$3.58

The proforma financial information includes only those actions to be completed on or prior to the closing date and excludes revenue enhancements, one-time costs and expense savings, which could result from the integration of ISG into PNC's operations.

In March 1999, the Corporation completed the sale of its credit card business, which represented approximately $2.9 billion of outstandings and 3.3 million accounts, including PNC National Bank, Wilmington, Delaware. This transaction resulted in a $193 million pretax gain.

NOTE 3 SALE OF SUBSIDIARY STOCK

PNC recognizes as income the gain from the sale of stock in its subsidiaries. The gain is the difference between PNC's basis in the stock and the proceeds per share received. PNC provides applicable taxes on the gain.

In October 1999, BlackRock, Inc. ("BlackRock"), a majority-owned investment management subsidiary of the Corporation, issued nine million shares of class A common stock at $14.00 per share in an initial public offering. Prior to the public offering PNC and BlackRock's management owned approximately 82% and 18%, respectively, of BlackRock's outstanding common stock. Proceeds from the sale were approximately $115 million and resulted in PNC recording a pretax gain in the amount of $64 million or $59 million after tax. Subsequent to the public offering, PNC and BlackRock's management owned approximately 70% and 16%, respectively.

NOTE 4 CASH FLOWS

For the statement of cash flows, cash and cash equivalents are defined as cash and due from banks.

The following table sets forth information pertaining to acquisitions and divestitures which affect cash flows:

YEAR ENDED DECEMBER 31 - IN MILLIONS	1999	1998
Assets (divested) acquired	$(2,062)	$1,007
Liabilities divested	(208)	(322)
Cash paid	1,407	1,184
Cash and due from banks received	3,261	153

The Corporation did not have acquisition or divestiture activity which affected 1997 cash flows.

NOTE 5 TRADING ACTIVITIES

PNC engages in trading activities as part of risk management strategies and for "market making" in equity securities. Additionally, PNC participates in derivatives and foreign exchange trading as an accommodation to customers.

Net trading income in 1999, 1998, and 1997 totaled $7 million, $87 million and $23 million, respectively, and was included in noninterest income as follows:

IN MILLIONS	1999	1998	1997
Net residential mortgage banking			
Risk management	$(66)	$61	$10
Other income			
Securities trading	48	3	1
Derivatives trading	8	11	2
Foreign exchange	17	12	10
Net trading income	$7	$87	$23

NOTE 6 SECURITIES AVAILABLE FOR SALE

<TABLE>
<CAPTION>

DECEMBER 31 - IN MILLIONS	AMORTIZED COST	UNREALIZED GAINS	UNREALIZED LOSSES	FAIR VALUE
<S>	<C>	<C>	<C>	<C>
1999 PORTFOLIO SECURITIES				
Debt securities				
U.S. Treasury and government agencies	$411		$(11)	$400
Mortgage-backed	3,918	$2	(151)	3,769
Asset-backed	1,051		(24)	1,027
State and municipal	134	2	(5)	131
Other debt	40		(1)	39
Total debt securities	5,554	4	(192)	5,366
Corporate stocks and other	590	9	(5)	594
Total	6,144	13	(197)	5,960
1999 MORTGAGE BANKING RISK MANAGEMENT				
Debt securities				
U.S. Treasury and government agencies	1,791		(204)	1,587
Mortgage-backed	68		(4)	64
Total	1,859		(208)	1,651
Total securities available for sale ..	$8,003	$13	$(405)	$7,611
1998 PORTFOLIO SECURITIES				
Debt securities				
U.S. Treasury and government agencies	$152	$2	$(2)	$152
Mortgage-backed	2,942	5	(11)	2,936
Asset-backed	709	1	(2)	708
State and municipal	122	6		128
Other debt	33		(2)	31
Total debt securities	3,958	14	(17)	3,955
Corporate stocks and other	542	10	(35)	517
Total	4,500	24	(52)	4,472
1998 MORTGAGE BANKING RISK MANAGEMENT				
Debt securities				
U.S. Treasury and government agencies	2,629	8	(35)	2,602
Total	2,629	8	(35)	2,602
Total securities available for sale ..	$7,129	$32	$(87)	$7,074
1997 PORTFOLIO SECURITIES				
Debt securities				
U.S. Treasury and government agencies	$658	$3	$(1)	$660
Mortgage-backed	4,627	4	(45)	4,586
Asset-backed	2,079	5	(1)	2,083
State and municipal	170	7		177
Other debt	34		(1)	33
Total debt securities	7,568	19	(48)	7,539
Corporate stocks and other	501	3	(3)	501
Total	8,069	22	(51)	8,040
1997 MORTGAGE BANKING RISK MANAGEMENT				
Debt securities				
U.S. Treasury and government agencies	444	1		445
Mortgage-backed	45		(8)	37
Total	489	1	(8)	482
Total securities available for sale ..	$8,558	$23	$(59)	$8,522

</TABLE>

The securities available for sale portfolio increased $537 million from December 31, 1998 to $7.6 billion at December 31, 1999. Total securities used in mortgage banking risk management were $1.7 billion at December 31, 1999. Portfolio securities represented 8% of total assets at December 31, 1999. The expected weighted-average life of the portfolio securities increased to 4 years and 7 months at December 31, 1999, compared with 2 years and 8 months at year-end 1998. The expected weighted-average life of total securities available for sale increased to 5 years and 7 months at December 31, 1999, compared with 5 years and 3 months at year-end 1998.

Net securities gains were $22 million in 1999 and included a $41 million gain from the sale of Concord EFS, Inc. ("Concord") stock, partially offset by a $28 million write-down of an equity investment in Friedman, Billings, Ramsey Group, Inc. ("FBR").

Net securities gains in 1998 and 1997 were $16 million and $40 million, respectively. Net securities losses of $118 million in 1999 and net securities gains of $104 million and $9 million, respectively, in 1998 and 1997, related to residential mortgage banking risk management strategies were reported in net residential mortgage banking revenue. Net securities gains of $3 million in 1999 related to commercial mortgage banking activities were included in corporate services revenue.

Information relating to security sales is set forth in the following table:

YEAR ENDED DECEMBER 31 IN MILLIONS	PROCEEDS	GROSS GAINS	GROSS LOSSES	TAXES
1999	$9,640	$69	$162	$(33)
1998	12,779	124	4	42
1997	10,223	59	10	17

The carrying value of securities pledged to secure public and trust deposits, repurchase agreements and for other purposes was $4.2 billion at December 31, 1999.

The following table presents the amortized cost, fair value and weighted-average yield of debt securities at December 31, 1999 by remaining contractual maturity.

CONTRACTUAL MATURITY OF DEBT SECURITIES

DECEMBER 31, 1999 IN MILLIONS	WITHIN 1 YEAR	1 TO 5 YEARS	5 TO 10 YEARS	AFTER 10 YEARS	TOTAL
PORTFOLIO SECURITIES					
U.S. Treasury and government agencies	$18	$356	$36	$1	$411
Mortgage-backed	1	3	286	3,628	3,918
Asset-backed		2	7	1,042	1,051
State and municipal	10	16	36	72	134
Other debt	2	11	11	16	40
Total	$31	$388	$376	$4,759	$5,554
Fair value	$31	$380	$362	$4,593	$5,366
Weighted-average yield	6.06%	6.06%	6.11%	6.26%	6.23%
MORTGAGE BANKING RISK MANAGEMENT					
U.S. Treasury and government agencies			$1,791		$1,791
Mortgage-backed				$68	68
Total			$1,791	$68	$1,859
Fair value			$1,587	$64	$1,651
Weighted-average yield			5.59%	5.52%	5.59%
Total debt securities	$31	$388	$2,167	$4,827	$7,413
Total fair value.......	$31	$380	$1,949	$4,657	$7,017
Weighted-average yield	6.06%	6.06%	5.68%	6.25%	6.07%

Based on current interest rates and expected prepayment speeds, the total weighted-average expected maturity of mortgage-backed and asset-backed securities was 4 years and 11 months and 3 years and 11 months, respectively, at December 31, 1999. Weighted-average yields are based on historical cost with effective yields weighted for the contractual maturity of each security.

NOTE 7 LOANS AND COMMITMENTS TO EXTEND CREDIT

Loans outstanding were as follows:

<TABLE>
<CAPTION>

DECEMBER 31 - IN MILLIONS	1999	1998	1997	1996	1995

<S>	<C>	<C>	<C>	<C>	<C>
Consumer	$9,357	$10,980	$11,205	$12,092	$12,535
Credit card		2,958	3,830	2,776	1,004
Residential mortgage	12,869	12,265	12,785	12,703	11,689
Commercial	21,468	25,182	19,989	18,588	17,446
Commercial real estate	2,730	3,449	3,974	4,098	4,280
Lease financing	3,663	2,978	2,224	1,641	1,236
Other	683	392	650	285	866
Total loans	50,770	58,204	54,657	52,183	49,056
Unearned income	(724)	(554)	(412)	(385)	(403)
Total loans, net of unearned income	$50,046	$57,650	$54,245	$51,798	$48,653

</TABLE>

Loan outstandings and related unfunded commitments are concentrated in PNC's primary geographic markets. At December 31, 1999, no specific industry concentration exceeded 6% of total outstandings and unfunded commitments.

NET UNFUNDED COMMITMENTS

DECEMBER 31 - IN MILLIONS	1999	1998
Consumer	$4,603	$3,664
Credit card		14,794
Residential mortgage	648	2,756
Commercial	23,953	28,842
Commercial real estate	38	1,022
Other	1,649	468
Total	$30,891	$51,546

Commitments to extend credit represent arrangements to lend funds provided there is no violation of specified contractual conditions. Commercial commitments are reported net of participations, assignments and syndications, primarily to financial institutions, totaling $7.2 billion and $5.9 billion at December 31, 1999 and 1998, respectively. Commitments generally have fixed expiration dates, may require payment of a fee, and contain termination clauses in the event the customer's credit quality deteriorates. Based on the Corporation's historical experience, most commitments expire unfunded, and therefore cash requirements are substantially less than the total commitment. Unfunded commitments related to loans designated for exit totaling $4.8 billion at December 31, 1999 are excluded from the above table.

Net outstanding letters of credit totaled $4.6 billion and $4.7 billion at December 31, 1999 and 1998, respectively, and consisted primarily of standby letters of credit, which commit the Corporation to make payments on behalf of customers when certain specified future events occur. Such instruments are typically issued to support industrial revenue bonds, commercial paper, and bid or performance related contracts. At year-end 1999, the largest industry concentration within standby letters of credit was to government entities, which accounted for approximately 9% of the total. Maturities for standby letters of credit ranged from 2000 to 2020.

At December 31, 1999, $9.3 billion of loans were pledged to secure borrowings and for other purposes.

Certain directors and executive officers of the Corporation and its subsidiaries, as well as certain affiliated companies of these directors and officers, were customers of and had loans with subsidiary banks in the ordinary course of business. All such loans were on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other customers and did not involve more than a normal risk of collectibility. The aggregate dollar amounts of these loans were $27 million and $28 million at December 31, 1999 and 1998, respectively. During 1999, new loans of $15 million were funded and repayments totaled $16 million.

NOTE 8 NONPERFORMING ASSETS

The following table sets forth nonperforming assets and related information:

DECEMBER 31 - DOLLARS IN MILLIONS	1999	1998	1997	1996	1995
Nonaccrual loans	$299	$295	$276	$347	$335
Troubled debt restructured loans				2	23
Total nonperforming loans	299	295	276	349	358
Foreclosed and other assets	39	37	57	110	178
Total nonperforming assets*	$338	$332	$333	$459	$536
Nonperforming loans to total loans	.60%	.51%	.51%	.67%	.74%
Nonperforming assets to total loans, loans held for sale and foreclosed assets	.61	.55	.59	.87	1.08
Nonperforming assets to total assets	.45	.43	.44	.63	.73
Interest on nonperforming loans					
Computed on original terms	$28	$25	$31	$35	$36
Recognized	11	6	6	10	10
Past due loans					
Accruing loans past due 90 days or more	$96	$266	$288	$244	$225
As a percentage of total loans	.19%	.46%	.53%	.47%	.46%

*THE ABOVE TABLE EXCLUDES $13 MILLION OF EQUITY MANAGEMENT ASSETS AT DECEMBER 31, 1999 CARRIED AT FAIR VALUE.

NOTE 9 ALLOWANCE FOR CREDIT LOSSES

Changes in the allowance for credit losses were as follows:

IN MILLIONS	1999	1998	1997
January 1	$753	$972	$1,166
Charge-offs	(216)	(524)	(385)
Recoveries	55	77	113
Net charge-offs	(161)	(447)	(272)
Provision for credit losses	163	225	70
Sale of credit card business	(81)		
Acquisitions		3	8
December 31	$674	$753	$972

Impaired loans totaling $241 million and $238 million at December 31, 1999 and 1998, respectively, had a corresponding specific allowance for credit losses of $60 million and $53 million. The average balance of impaired loans was $243 million in 1999, $223 million in 1998, and $271 million in 1997. There was no interest income recognized on impaired loans in 1999. Interest income recognized on impaired loans in 1998 and 1997 was $1 million and $2 million, respectively.

NOTE 10 PREMISES, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Premises, equipment and leasehold improvements, stated at cost less accumulated depreciation and amortization, were as follows:

DECEMBER 31 - IN MILLIONS	1999	1998
Land	$83	$90
Buildings	427	498
Equipment	1,402	1,168
Leasehold improvements	214	198
Total	2,126	1,954
Accumulated depreciation and amortization	(1,198)	(1,030)
Net book value	$928	$924

Depreciation and amortization expense on premises, equipment and leasehold improvements totaled $209 million in 1999, $159 million in 1998 and $148 million in 1997.

Certain facilities and equipment are leased under agreements expiring at various dates until the year 2071. Substantially all such leases are accounted for as operating leases. Rental expense on such leases amounted to $151 million in 1999, $112 million in 1998 and $88 million in 1997.

At December 31, 1999 and 1998, required minimum annual rentals due on noncancelable leases having terms in excess of one year aggregated $796 million and $685 million, respectively. Minimum annual rentals for each of the years 2000 through 2004 are $116 million, $115 million, $106 million, $89 million and $76 million, respectively.

During 1999, PNC made the decision to sell various branches and office buildings. Buildings that were designated for sale, but not sold during 1999 are classified as held for sale. Initial write-downs were recorded in noninterest expense and generally reflected the difference between book value and appraised value less selling costs. Write-downs totaled $35 million and subsequent net gains from disposals totaled $8 million in 1999. It is anticipated that properties remaining in held for sale will be sold during 2000.

NOTE 11 GOODWILL AND OTHER AMORTIZABLE ASSETS

Goodwill and other amortizable assets, net of amortization, consisted of the following:

DECEMBER 31 - IN MILLIONS	1999	1998
Goodwill	$2,239	$1,347
Purchased credit cards		292
Customer-related intangibles	165	20
Mortgage servicing rights		
Residential	1,594	772
Commercial	125	117
Total	$4,123	$2,548

Amortization of goodwill and other amortizable assets was as follows:

YEAR ENDED DECEMBER 31 - IN MILLIONS	1999	1998	1997
Goodwill	$81	$68	$53
Purchased credit cards	6	36	34
Other	6	7	7
Total	93	111	94
Mortgage servicing rights			
Residential	6	309	80
Commercial	20	12	
Total	$119	$432	$174

NOTE 12 RESIDENTIAL MORTGAGE BANKING ACTIVITIES

The following table presents the components of net residential mortgage banking income:

YEAR ENDED DECEMBER 31 - IN MILLIONS	1999	1998	1997
Mortgage servicing	$288	$167	$119
Originations and securitization	172	190	94
MSR amortization, net of servicing hedge	(188)	(145)	(61)
Net residential mortgage banking income	$272	$212	$152

Mortgage loans serviced for others are not included in the accompanying consolidated balance sheets. The outstanding balances of residential mortgage loans serviced for others were $67 billion, $54 billion and $32 billion at December 31, 1999, 1998, and 1997, respectively.

The following table summarizes the changes in capitalized mortgage loan servicing rights:

IN MILLIONS	1999	1998	1997
Balance at beginning of year......	$980	$413	$333
Originations...................	260	226	104
Purchases......................	568	488	37
Sales..........................		(17)	
Amortization...................	(213)	(130)	(61)
Total..........................	1,595	980	413
Less: Valuation allowance......	1	208	29
Net balance at end of year........	$1,594	$772	$384

The fair value of capitalized residential mortgage servicing rights at December 31, 1999 was approximately $1.8 billion. The estimated fair value of the residential servicing rights was determined by stratifying the portfolio by fixed rate versus variable rate, government guaranteed loans versus non-government guaranteed loans and using market interest rates.

The following table summarizes the changes in the valuation allowance for capitalized residential mortgage servicing rights:

IN MILLIONS	1999	1998	1997
Balance at beginning of year	$208	$29	$10
(Reduction of) provision for capitalized residential mortgage servicing rights in excess of fair value	(207)	179	19
Balance at end of year	$1	$208	$29

NOTE 13 DEPOSITS

The aggregate amount of time deposits with a denomination greater than $100,000 was $6.8 billion and $6.0 billion at December 31, 1999 and 1998, respectively. Remaining contractual maturities of time deposits for the years 2000 through 2004 and thereafter are $14 billion, $2.1 billion, $670 million, $181 million and $1.0 billion, respectively.

NOTE 14 BORROWED FUNDS

Approximately 58.1% of bank notes mature in 2000 and have interest rates that range from 3.66% to 6.61%. Obligations to the Federal Home Loan Bank have maturities ranging from 2000 to 2018 and interest rates that range from 1.00% to 7.91%. Senior and subordinated notes consisted of the following:

DECEMBER 31, 1999 DOLLARS IN MILLIONS	OUTSTANDING	STATED RATE	MATURITY
Senior	$621	5.43 - 7.00%	2000 - 2004
Subordinated			
Nonconvertible	2,327	6.13 - 9.88%	2001 - 2009
Total	$2,948		

Borrowed funds have scheduled repayments for the years 2000 through 2004 and thereafter of $10.8 billion, $.7 billion, $3.0 billion, $2.8 billion and $2.0 billion, respectively.

NOTE 15 CAPITAL SECURITIES OF SUBSIDIARY TRUSTS

Mandatorily Redeemable Capital Securities of Subsidiary Trusts ("Capital Securities") include preferred beneficial interests in the assets of PNC Institutional Capital Trust A, Trust B and Trust C. Trust A, formed in December 1996, holds $350 million of 7.95% junior subordinated debentures, due December 15, 2026, and redeemable after December 15, 2006, at a declining redemption price ranging from 103.975% to par on or after December 15, 2016. Trust B, formed in May 1997, holds $300 million of 8.315% junior subordinated debentures due May 15, 2027, and redeemable after May 15, 2007, at a declining redemption price ranging from 104.1575% to par on or after May 15, 2017. Trust C, formed in June 1998, holds $200 million of junior subordinated debentures due June 1, 2028, bearing interest at a floating rate per annum equal to 3-month LIBOR plus 57 basis points. The rate in effect at December 31, 1999 was 6.68%. Trust C Capital Securities are redeemable on or after June 1, 2008, at par. Cash distributions on the Capital Securities are made to the extent interest on the debentures is received by the Trusts. In the event of certain changes or amendments to regulatory requirements or federal tax rules, the Capital Securities are redeemable in whole.

NOTE 16 SHAREHOLDERS' EQUITY

Information related to preferred stock is as follows:

DECEMBER 31 SHARES IN THOUSANDS	LIQUIDATION VALUE PER SHARE	SHARES OUTSTANDING 1999	 1998
Authorized			
$1 par value		17,300	17,352
Issued and outstanding			
Series A	$40	12	13
Series B	40	3	5
Series C	20	255	284
Series D	20	367	388
Series F	50	6,000	6,000
Total		6,637	6,690

Series A through D are cumulative and, except for Series B, are redeemable at the option of the Corporation. Annual dividends on Series A, B and D preferred stock total $1.80 per share and on Series C preferred stock total $1.60 per share. Holders of Series A through D preferred stock are entitled to a number of votes equal to the number of full shares of common stock into which such preferred stock is convertible. Series A through D preferred stock have the following conversion privileges: (i) one share of Series A or Series B is convertible into eight shares of common stock; and (ii) 2.4 shares of Series C or Series D are convertible into four shares of common stock.

The Series F preferred stock is nonconvertible and nonvoting, except in limited circumstances. Noncumulative dividends are payable quarterly through September 30, 2001, at a rate of 6.05% and, thereafter, indexed to certain market indices at rates not less than 6.55% or greater than 12.55%. The Series F preferred stock is redeemable until September 29, 2001, in the event of certain amendments to the Internal Revenue Code, at a declining redemption price from $51.50 to $50.50 per share. After September 29, 2001, the Series F preferred stock may be redeemed at $50 per share.

The Corporation has a dividend reinvestment and stock purchase plan. Holders of preferred stock and common stock may participate in the plan, which provides that additional shares of common stock may be purchased at market value with reinvested dividends and voluntary cash payments. Common shares purchased pursuant to this plan were: 567,266 shares in 1999; 596,179 shares in 1998 and 765,760 shares in 1997.

At December 31, 1999, the Corporation had reserved approximately 16.5 million common shares to be issued in connection with certain stock plans and the conversion of certain debt and equity securities.

NOTE 17 REGULATORY MATTERS

The Corporation is subject to the regulations of certain federal and state agencies and undergoes periodic examinations by such regulatory authorities. Neither the Corporation nor any of its subsidiaries is subject to written regulatory agreements.

Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Corporation must meet specific capital guidelines that involve quantitative measures of assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on PNC's financial position and results of operations. The Corporation's capital amounts and classification are also subject to qualitative judgments by regulatory agencies about components, risk weightings and other factors.

The following table sets forth regulatory capital ratios for PNC and the Corporation's only significant bank subsidiary, PNC Bank, N.A.:

REGULATORY CAPITAL

DECEMBER 31 DOLLARS IN MILLIONS	AMOUNT 1999	 1998	RATIOS 1999	 1998

RISK-BASED CAPITAL				
Tier I				
PNC	$4,731	$5,546	7.05%	7.80%
PNC Bank, N.A.	4,746	5,102	7.69	7.73
Total				
PNC	7,438	7,940	11.08	11.16
PNC Bank, N.A.	6,815	7,038	11.04	10.66
Leverage				
PNC	4,731	5,546	6.61	7.28
PNC Bank, N.A.	4,746	5,102	7.13	7.21

The access to and cost of funding new business initiatives including acquisitions, ability to pay dividends, deposit insurance costs, and the level and nature of regulatory oversight depend, in large part, on a financial institution's capital strength. The minimum regulatory capital ratios are 4% for Tier I risk-based, 8% for total risk-based and 3% for leverage. However, regulators may require higher capital levels when particular circumstances warrant. To qualify as well capitalized, regulators require banks to maintain capital ratios of at least 6% for Tier I, 10% for total risk-based and 5% for leverage. At December 31, 1999, the Corporation and each bank subsidiary met the well capitalized capital ratio requirements.

Dividends that may be paid by subsidiary banks to the parent company are subject to certain legal limitations and also may be impacted by capital needs, regulatory requirements, corporate policies, contractual restrictions and other factors. Without regulatory approval, the amount available for payment of dividends by all subsidiary banks was $489 million at December 31, 1999.

Under federal law, generally no bank subsidiary may extend credit to the parent company or its nonbank subsidiaries on terms and under circumstances which are not substantially the same as comparable extensions of credit to nonaffiliates. No extension of credit may be made to the parent company or a nonbank subsidiary which is in excess of 10% of the capital stock and surplus of such bank subsidiary or in excess of 20% of the capital and surplus of such bank subsidiary as to aggregate extensions of credit to the parent company and its subsidiaries. In certain circumstances, federal regulatory authorities may impose more restrictive limitations. Such extensions of credit, with limited exceptions, must be fully collateralized. The maximum amount available under statutory limitations for transfer from subsidiary banks to the parent company in the form of loans and dividends approximated 18% of consolidated net assets at December 31, 1999.

Federal Reserve Board regulations require depository institutions to maintain cash reserves with the Federal Reserve Bank. During 1999, subsidiary banks maintained reserves which averaged $156 million.

NOTE 18 FINANCIAL DERIVATIVES

FAIR VALUE OF FINANCIAL DERIVATIVES

DECEMBER 31 IN MILLIONS	NOTIONAL VALUE	POSITIVE FAIR VALUE	NOTIONAL VALUE	NEGATIVE FAIR VALUE
1999				
Interest rate				
Swaps	$3,666	$46	$5,402	$(108)
Caps	474	12		
Floors	3,000	1	311	(1)
Total interest rate risk management	7,140	59	5,713	(109)
Mortgage banking risk management	8,747	80	1,165	(1)
Forward contracts	681			
Credit default swaps	60		4,255	(4)
Total	$16,628	$139	$11,133	$(114)
1998				
Interest rate				
Swaps	$6,915	$177	$2,535	$(10)
Caps	722	6		
Floors	1,500		439	(9)

Total interest rate risk management	9,137	183	2,974	(19)
Mortgage banking risk management	9,367	74	906	(10)
Credit default swaps			4,255	(2)
Total	$18,504	$257	$8,135	$(31)

The Corporation uses a variety of off-balance-sheet financial derivatives as part of its overall interest rate risk management process and to manage risk associated with mortgage banking activities. Financial derivatives involve, to varying degrees, interest rate and credit risk in excess of the amount recognized on the balance sheet but less than the notional amount of the contract. For interest rate swaps and purchased interest rate caps and floors, only periodic cash payments and, with respect to such caps and floors, premiums are exchanged. Therefore, cash requirements and exposure to credit risk are significantly less than the notional value. The Corporation manages these risks as part of its asset and liability management process and through credit policies and procedures. The Corporation seeks to minimize the credit risk by entering into transactions with only a select number of high-quality institutions, establishing credit limits, requiring bilateral-netting agreements, and, in certain instances, segregated collateral.

The Corporation uses interest rate swaps and purchased caps and floors to modify the interest rate characteristics of designated interest-bearing assets or liabilities from fixed to variable, variable to fixed, or one variable index to another. At December 31, 1999, $9.8 billion of interest rate swaps, caps and floors were designated to loans. At December 31, 1999, $144 million of financial derivatives were designated to securities available for sale. During 1999, derivative contracts modified the average effective yield on interest-earning assets from 7.38% to 7.42%. At December 31, 1999, $3.3 billion of interest rate swaps were designated to interest-bearing liabilities. During 1999, derivative contracts modified the average rate on interest-bearing liabilities from 4.36% to 4.34%.

PNC uses a combination of on-balance-sheet instruments and financial derivatives to manage risk associated with its mortgage banking activities. The inherent risk affecting the value of MSR is the potential for the related mortgages to prepay, thereby eliminating the underlying servicing fee income stream. Generally, derivatives used to hedge the value of MSR have been marked to market with gains or losses included in noninterest income.

Forward contracts are used to manage risk positions associated with mortgage origination and student lending activities. Substantially all forward contracts mature within 90 days of origination. Forward contracts are traded in over-the-counter markets and do not have standardized terms. Counterparties to the Corporation's forward contracts are primarily U.S. government agencies and brokers and dealers in mortgage-backed securities. In the event the counterparty is unable to meet its contractual obligations, the Corporation may be exposed to selling or purchasing mortgage loans at prevailing market prices. Unrealized gains or losses are considered in the lower of cost or market valuation of loans held for sale.

Credit default swaps are used to manage credit risk and regulatory capital associated with commercial lending activities.

At December 31, 1999 and 1998, the Corporation's exposure to credit losses with respect to financial derivatives was not material.

OTHER DERIVATIVES

The following schedule sets forth information relating to positions associated with customer-related and other derivatives:

IN MILLIONS	AT DECEMBER 31 NOTIONAL VALUE	POSITIVE FAIR VALUE	NEGATIVE FAIR VALUE	NET ASSET (LIABILITY)	AVERAGE FAIR VALUE
1999					
Customer-related					
Interest rate					
Swaps	$17,103	$110	$(116)	$(6)	$(13)
Caps/floors					
Sold	3,440		(25)	(25)	(20)
Purchased	3,337	22		22	18
Foreign exchange	3,310	47	(36)	11	7
Other	2,161	22	(9)	13	3
Total customer-related	29,351	201	(186)	15	(5)

Other	1,238	6		6	4
Total other derivatives	$30,589	$207	$(186)	$21	$(1)
1998					
Customer-related					
Interest rate					
Swaps	$11,040	$69	$(89)	$(20)	$(10)
Caps/floors					
Sold	2,844		(19)	(19)	(9)
Purchased	2,589	20		20	11
Foreign exchange	2,108	33	(27)	6	3
Other	457	7	(8)	(1)	
Total customer-related	19,038	129	(143)	(14)	(5)
Other	709	1		1	1
Total other derivatives	$19,747	$130	$(143)	$(13)	$(4)

NOTE 19 EMPLOYEE BENEFIT PLANS

INCENTIVE SAVINGS PLANS

The Corporation sponsors incentive savings plans covering substantially all employees. Under the plans, employee contributions up to 6% of biweekly compensation, as defined in the plans, subject to Internal Revenue Code limitations, are matched. Contributions to the plans are matched primarily by shares of PNC common stock held by the Corporation's employee stock ownership plan ("ESOP").

The Corporation makes annual contributions to the ESOP that are at least equal to the debt service requirements on the ESOP's borrowings less dividends received by the ESOP. All dividends received by the ESOP are used to pay debt service. Dividends used for debt service totaled $9 million in 1999 and 1998 and $10 million in 1997. To satisfy additional debt service requirements, PNC contributed $9 million in 1999, $7 million in 1998 and $13 million in 1997.

As the ESOP's borrowings are repaid, shares are allocated to employees who made contributions during the year based on the proportion of annual debt service to total debt service. The Corporation includes all ESOP shares as common shares outstanding in the earnings per share computation. Components of ESOP shares are:

AS OF OR FOR THE YEAR ENDED DECEMBER 31 - IN THOUSANDS	1999	1998
Shares		
Unallocated	712	1,353
Allocated	4,251	3,772
Released for allocation	652	1,014
Retired	(587)	(536)
Total	5,028	5,603

Compensation expense related to the portion of contributions matched with ESOP shares is determined based on the number of ESOP shares allocated. Compensation expense related to these plans was $21 million for 1999.

PENSION PLANS

The Corporation has a noncontributory, defined benefit pension plan covering most employees. Retirement benefits are derived from a cash balance formula that uses certain compensation levels, age and length of service. Pension contributions are based on an actuarially determined amount necessary to fund total benefits payable to plan participants. The Corporation also maintains nonqualified supplemental retirement plans for certain employees. All retirement benefits provided under these plans are unfunded and any payments to plan participants are made by the Corporation.

Plan amendments encompassing covered compensation, determination of benefits, eligibility and interest rates used to calculate certain distributions from the plans were implemented during 1998. The Corporation also offered an enhanced voluntary retirement program to certain employees in the defined benefit plan meeting specific age and service requirements. These special termination benefits increased pension cost by $10 million in 1998.

A reconciliation of the changes in benefit obligation and plan assets for the defined benefit and supplemental plans is as follows:

DECEMBER 31 - IN MILLIONS	1999	1998
Benefit obligation at beginning of year	$866	$812
Service cost	24	28
Interest cost	60	58
Plan amendments		(16)
Special termination benefits		10
Actuarial loss	(39)	82
Benefits paid	(71)	(108)
Benefit obligation at end of year	$840	$866
Fair value of plan assets at beginning of year	$758	$773
Actual return on plan assets	147	88
Employer contribution	105	5
Benefits paid	(71)	(108)
Fair value of plan assets at end of year	$939	$758
Funded status	$99	$(108)
Unrecognized net actuarial (gain) loss	(60)	51
Unrecognized prior service cost	(6)	(6)
Unrecognized net transition asset	(4)	(10)
Net amount recognized	$29	$(73)
Accrued pension cost	$29	$(73)
Additional minimum liability	(22)	(15)
Intangible asset	3	4
Accumulated other comprehensive loss	19	11
Net amount recognized on the balance sheet	$29	$(73)

The nonqualified supplemental retirement plan had an accrued benefit liability of $46 million at December 31, 1999 and $42 million at December 31, 1998.

The nonqualified supplemental retirement plans had an accumulated benefit obligation of $68 million and $67 million at December 31, 1999 and 1998, respectively.

Plan assets primarily consist of listed common stocks, U.S. government and agency securities and collective funds. Plan assets are managed by BlackRock and do not include common stock of the Corporation.

The components of net periodic pension cost were as follows:

YEAR ENDED DECEMBER 31 - IN MILLIONS	1999	1998	1997
Service cost	$24	$28	$29
Interest cost	58	58	58
Expected return on plan assets	(75)	(71)	(66)
Transition amount amortization	(5)	(5)	(5)
Special termination benefits		10	
Amortization of prior service cost	(1)	1	2
Recognized net actuarial loss	2	1	1
Net periodic pension cost	$3	$22	$19

Weighted-average assumptions were as follows:

YEAR ENDED DECEMBER 31	1999	1998	1997
Discount rate	7.75%	6.75%	7.20%
Rate of compensation increase	4.50	4.50	4.50
Expected return on plan assets	9.50	9.50	9.50

POSTRETIREMENT BENEFIT PLANS

The Corporation also provides certain health care and life insurance benefits for retired employees ("postretirement benefits") through various plans. During 1998, additional health care options were offered to certain of the Corporation's retirees aged 65 years and over. A reconciliation of the accrued postretirement benefit obligation is as follows:

DECEMBER 31 - IN MILLIONS	1999	1998
Benefit obligation at beginning of year ...	$187	$213
Service cost	2	2
Interest cost	12	14
Plan amendments		(31)
Actuarial loss	13	6
Participant contributions	3	3
Benefits paid	(19)	(20)
Benefit obligation at end of year	$198	$187
Funded status	$(198)	$(187)
Unrecognized actuarial loss	30	17
Unrecognized prior service cost	(69)	(75)
Net amount recognized on the balance sheet	$(237)	$(245)

The components of postretirement benefit cost were as follows:

YEAR ENDED DECEMBER 31 - IN MILLIONS	1999	1998	1997
Service cost	$2	$2	$2
Interest cost	12	14	16
Amortization of prior service cost	(6)	(6)	(4)
Net postretirement benefit cost	$8	$10	$14

Weighted-average assumptions were as follows:

DECEMBER 31	1999	1998	1997
Discount rate	7.75%	6.75%	7.20%
Expected health care cost trend rate			
Medical pre-65	7.00	5.45	6.50
Medical post-65	8.00	5.45	6.50
Dental	7.00	5.25	6.20

The health care cost trend rate declines until it stabilizes at 5.25% beginning in 2005. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

YEAR ENDED DECEMBER 31, 1999 - IN MILLIONS	INCREASE	DECREASE
Effect on total service and interest cost	$1	$(1)
Effect on postretirement benefit obligation	9	(9)

NOTE 20 STOCK-BASED COMPENSATION PLANS

The Corporation has a senior executive long-term incentive award plan ("Incentive Plan") that provides for the granting of incentive stock options, nonqualified options, stock appreciation rights ("SAR"), performance units and incentive shares. In any given year, the number of shares of common stock available for grant under the Incentive Plan may range from 1.5% to 3% of total issued shares of common stock determined at the end of the preceding calendar year.

STOCK OPTIONS

Options are granted at exercise prices not less than the market value of common stock on the date of grant. Options granted in 1999 are exercisable in one-third increments on the first, second and third anniversaries after the grant date. Options granted in prior years are mainly exercisable twelve months after the grant date. Payment of the option price may be in cash or shares of common stock at market value on the exercise date. The following table presents stock option data related to the Incentive Plan, a similar predecessor plan and other plans assumed in certain mergers:

SHARES IN THOUSANDS	PER OPTION EXERCISE PRICE	WEIGHTED-AVERAGE EXERCISE PRICE	SHARES
January 1, 1997	$11.38 -$37.31	$26.03	9,030
Granted	43.31 - 43.75	43.75	2,912
Exercised	11.38 - 31.13	24.10	(2,969)
SAR exercised		17.13	(4)
Terminated	21.75 - 43.75	41.32	(178)
December 31, 1997	11.38 - 43.75	32.25	8,791
Granted	43.66 - 66.00	55.17	3,449
Exercised	11.38 - 43.75	31.26	(2,449)
Terminated	43.75 - 54.72	52.35	(225)
December 31, 1998	11.38 - 66.00	40.30	9,566
Granted	50.47 - 76.00	51.62	3,585
Exercised	11.38 - 54.72	33.89	(1,856)
Terminated	21.75 - 55.59	51.65	(246)
December 31, 1999	$11.38 -$76.00	$44.79	11,049

At December 31, 1999, the weighted-average remaining contractual life of outstanding options was 7 years and 4 months and options for 7,682,745 shares of common stock were exercisable at a weighted-average price of $42.05 per share. The grant-date fair value of options granted in 1999 was $10.15 per option. Options for 82,000 and 118,000 shares of common stock were granted with an exercise price in excess of the market value on the date of grant in 1999 and 1998, respectively. Shares of common stock available for the granting of options under the Incentive Plan and the predecessor plans were: 10,584,683 at December 31, 1999 and 1998, and 9,012,899 at December 31, 1997.

INCENTIVE SHARE AWARDS

In 1999, there were no incentive share awards granted. In 1998, 241,500 incentive shares of common stock were granted to certain senior executives pursuant to the Incentive Plan. Issuance of such incentive shares is subject to the market price of PNC's common stock equaling or exceeding specified levels for defined periods. The restricted period ends two years after the issue date. During the restricted period, the recipient receives dividends and can vote the shares. If the recipient leaves the Corporation within the restricted period, the shares will be forfeited. There were no forfeitures in 1999 and there were 8,000 shares forfeited in 1998. At December 31, 1999, the shares granted in 1998 had not met the specified levels required for issuance. The requirements for the shares granted in 1997 were met on April 6, 1998. As a result of exceeding performance targets, 112.5% of the remaining 1997 shares, or 343,125 shares of restricted common stock were issued. Compensation expense recognized for incentive share awards was $12 million, $15 million and $6 million in 1999, 1998 and 1997, respectively.

EMPLOYEE STOCK PURCHASE PLAN

The Corporation's employee stock purchase plan ("ESPP") has approximately 3.5 million shares available for issuance. Persons who have been continuously employed for at least one year are eligible to participate. Participants purchase the Corporation's common stock at 85% of the lesser of fair market value on the first or last day of each offering period. No charge to earnings is recorded with respect to the ESPP. Shares issued pursuant to the ESPP were as follows:

YEAR ENDED DECEMBER 31	SHARES	PRICE PER SHARE
1999	406,740	$43.99 AND $47.39
1998	315,097	43.83 and 48.34
1997	367,494	33.15 and 35.49

The following table sets forth pro forma net income and diluted earnings per share as if compensation expense was recognized for stock options and the ESPP.

PRO FORMA NET INCOME AND EPS

YEAR ENDED DECEMBER 31	REPORTED	PRO FORMA
Net income (in millions)		
1999	$1,264	$1,243
1998	1,115	1,099
1997	1,052	1,035
Diluted earnings per share		
1999	$4.15	$4.08
1998	3.60	3.54
1997	3.28	3.23

For purposes of computing pro forma results, PNC estimated the fair value of stock options and ESPP shares using the Black-Scholes option pricing model. Black-Scholes is predominantly used to value traded options which differ from PNC's options.

The model requires the use of numerous assumptions, many of which are highly subjective in nature. Therefore, the pro forma results are estimates of results of operations as if compensation expense had been recognized for all stock-based compensation plans and are not indicative of the impact on future periods. The following assumptions were used in the option pricing model for purposes of estimating pro forma results. The dividend yield represents average yields over the previous three-year period.

YEAR ENDED DECEMBER 31	1999	1998	1997
Risk-free interest rate	5.2%	5.5%	6.2%
Dividend yield	3.6	4.4	4.9
Volatility	22.1	19.9	27.6
Expected life	6 YRS.	6 yrs.	6 yrs.

NOTE 21 INCOME TAXES

The components of income taxes were as follows:

YEAR ENDED DECEMBER 31 - IN MILLIONS	1999	1998	1997
Current			
Federal	$384	$368	$380
State	39	57	53
Total current	423	425	433
Deferred			
Federal	209	167	126
State	(5)	3	7
Total deferred	204	170	133
Total	$627	$595	$566

Significant components of deferred tax assets and liabilities are as follows:

DECEMBER 31 - IN MILLIONS	1999	1998
Deferred tax assets		
Allowance for credit losses	$247	$269
Compensation and benefits	132	163
Net unrealized securities losses	130	5
Other	175	75
Total deferred tax assets	684	512
Deferred tax liabilities		
Leasing	548	418
Depreciation	29	39
Other	199	130
Total deferred tax liabilities	776	587
Net deferred tax liability	$92	$75

A reconciliation between the statutory and effective tax rates follows:

YEAR ENDED DECEMBER 31	1999	1998	1997
Statutory tax rate	35.0%	35.0%	35.0%
Increases (decreases) resulting from			
State taxes	1.2	2.3	2.4
Tax-exempt interest	(.7)	(1.0)	(1.1)
Goodwill	.9	.8	.8
Other	(3.2)	(2.3)	(2.1)
Effective tax rate	33.2%	34.8%	35.0%

NOTE 22 EARNINGS PER SHARE

The following table sets forth basic and diluted earnings per share calculations:

<TABLE>
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YEAR ENDED DECEMBER 31 - IN MILLIONS, EXCEPT SHARE AND PER SHARE DATA	1999	1998	1997
CALCULATION OF BASIC EARNINGS PER COMMON SHARE			
Net income	$1,264	$1,115	$1,052
Less: Preferred dividends declared	19	19	19
Net income applicable to basic earnings per common share	$1,245	$1,096	$1,033
Basic weighted-average common shares outstanding (IN THOUSANDS)	296,886	300,761	310,147
Basic Earnings Per Common Share	$4.19	$3.64	$3.33
CALCULATION OF DILUTED EARNINGS PER COMMON SHARE			
Net income	$1,264	$1,115	$1,052
Add: Interest expense on convertible debentures (net of tax)		1	3
Less: Dividends declared on nonconvertible preferred stock	18	18	18
Net income applicable to diluted earnings per common share	$1,246	$1,098	$1,037
Basic weighted-average common shares outstanding (IN THOUSANDS)	296,886	300,761	310,147
Weighted-average common shares to be issued using average market price and assuming:			
Conversion of preferred stock Series A and B	131	148	163
Conversion of preferred stock Series C and D	1,072	1,145	1,237
Conversion of debentures	24	761	2,449
Exercise of stock options	1,529	1,846	1,914
Incentive share awards	383	486	311
Diluted weighted-average common shares outstanding (IN THOUSANDS)	300,025	305,147	316,221
Diluted Earnings Per Common Share	$4.15	$3.60	$3.28

</TABLE>

NOTE 23 SEGMENT REPORTING

PNC operates seven major businesses engaged in regional banking, wholesale banking and asset management activities: PNC Bank-Regional Banking, PNC Bank-Corporate Banking, PNC Secured Finance, PNC Mortgage, PNC Advisors, BlackRock, and PFPC.

Business results presented are based on PNC's management accounting practices and the Corporation's current management structure.

The management accounting process uses various balance sheet and income statement assignments and transfers to measure performance of the businesses. Methodologies change from time to time as management accounting practices are enhanced and businesses change. Securities or borrowings and related net interest income are assigned based on the net asset or liability position of each business. Capital is assigned based on management's assessment of inherent risks and equity levels at independent companies providing similar products and services. Support areas not directly aligned with the businesses are allocated primarily based on the utilization of services.

Total business financial results differ from consolidated financial results primarily due to differences between management accounting practices and generally accepted accounting principles, divested and exited businesses, equity management activities, minority interests, eliminations and unassigned items, the impact of which is reflected in Other.

The following changes were made in the first quarter of 1999 to the presentation of business results: PNC Bank - Regional Banking reflects the combination of PNC Regional Community Bank and PNC National Consumer Bank. Branch-based brokerage activities (previously included in PNC Advisors), the middle market customer segment (previously included in PNC Bank - Corporate Banking) and regional real estate lending and leasing activities in PNC's geographic footprint (previously included in PNC Secured Finance) were also combined with PNC Bank - Regional Banking. Additionally, residential mortgages (previously included in PNC Mortgage) were realigned with PNC Bank - Regional Banking. Certain non-strategic wholesale lending businesses designated for exit (previously included in PNC Bank - Corporate Banking and PNC Secured Finance) as well as equity management activities (previously included in PNC Bank - Corporate Banking) are included in Other. Total outstandings and exposure designated for exit during 1999 in wholesale lending totaled $3.7 billion and $10.5 billion, respectively.

Financial results for 1999, 1998 and 1997 are presented consistent with this structure.

BUSINESS SEGMENT PRODUCTS AND SERVICES

PNC Bank - Regional Banking provides credit, deposit, branch-based brokerage and electronic banking products and services to retail customers as well as credit, leasing, treasury management and capital markets products and services to mid-sized and small businesses primarily within PNC's geographic footprint.

PNC Bank - Corporate Banking provides specialized credit, capital markets and treasury management products and services to corporations, institutions and government entities primarily within PNC's geographic footprint.

PNC Secured Finance, serving corporate clients nationwide, is engaged in commercial real estate finance, business credit, and equipment lease financing.

PNC Mortgage originates, purchases and services residential mortgages and related products. PNC Mortgage also acquires and securitizes residential mortgages as private-label, mortgage-backed securities and performs the master servicing of those securities for investors.

PNC Advisors offers customized investment management, high-end brokerage services, personal trust, estate planning and traditional banking services to affluent and wealthy individuals, and investment management, trust and administrative services to pensions, 401(k) plans and charitable organizations.

BlackRock manages assets for institutions and individuals through a variety of fixed income, liquidity, equity and alternative investment products, including BlackRock's flagship fund families.

PFPC, the Corporation's global fund services subsidiary, provides a wide range of processing services to the investment management community.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

RESULTS OF BUSINESSES

<TABLE>
<CAPTION>

YEAR ENDED DECEMBER 31 IN MILLIONS	PNC BANK REGIONAL BANKING	PNC BANK CORPORATE BANKING	PNC SECURED FINANCE	PNC MORTGAGE	PNC ADVISORS	BLACKROCK	PFPC	OTHER	TOTAL PNC
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1999									
INCOME STATEMENT									
Net interest income*	$1,728	$219	$164	$89	$130	$(8)	$6	$127	$2,455
Noninterest income	579	189	117	332	608	381	251	288	2,745
Total revenue	2,307	408	281	421	738	373	257	415	5,200
Provision for credit losses .	59	9	(8)		7			96	163
Depreciation and amortization	91	13	22	11	14	18	10	123	302
Other noninterest expense ...	1,124	190	125	307	480	252	175	169	2,822
Pretax earnings	1,033	196	142	103	237	103	72	27	1,913
Income taxes	392	69	28	41	90	44	27	(42)	649
Earnings	$641	$127	$114	$62	$147	$59	$45	$69	$1,264
Inter-segment revenue	$30	$(42)	$13	$36	$8	$84		$(129)	
Average assets	$39,513	$8,417	$6,701	$6,906	$3,353	$448	$308	$9,174	$74,820
1998									
INCOME STATEMENT									
Net interest income*	$1,706	$200	$122	$85	$121	$(11)	$8	$368	$2,599
Noninterest income	611	151	56	254	368	339	183	340	2,302
Total revenue	2,317	351	178	339	489	328	191	708	4,901
Provision for credit losses .	65	84	(8)		1			83	225
Depreciation and amortization	104	12	16	11	6	13	6	102	270
Other noninterest expense ...	1,187	171	90	269	290	247	125	291	2,670
Pretax earnings	961	84	80	59	192	68	60	232	1,736
Income taxes	379	28	20	24	73	32	22		

								43	621
Earnings	$582	$56	$60	$35	$119	$36	$38	$189	$1,115
Inter-segment revenue	$18	$(27)	$10	$33	$1	$6		$(41)	
Average assets	$38,848	$7,564	$5,477	$5,350	$2,731	$441	$229	$13,986	$74,626
1997									
INCOME STATEMENT									
Net interest income*	$1,606	$152	$108	$50	$106	$(17)	$7	$512	$2,524
Noninterest income	518	135	45	189	289	206	142	251	1,775
Total revenue	2,124	287	153	239	395	189	149	763	4,299
Provision for credit losses .	59	12	9		3			(13)	70
Depreciation and amortization	103	11	1	9	5	12	4	97	242
Other noninterest expense ...	1,174	173	49	207	249	138	94	256	2,340
Pretax earnings	788	91	94	23	138	39	51	423	1,647
Income taxes	310	28	28	9	53	17	20	130	595
Earnings	$478	$63	$66	$14	$85	$22	$31	$293	$1,052
Inter-segment revenue	$13	$(21)	$10	$34		$2		$(38)	
Average assets	$38,939	$7,043	$3,606	$2,577	$2,575	$336	$164	$15,404	$70,644

*TAXABLE-EQUIVALENT BASIS
</TABLE>

Gains in 1999 from the sales of the credit card business, an equity interest in Electronic Payment Services, Inc., the BlackRock IPO, Concord stock and branches totaling $422 million are included in Other. Also in 1999, valuation adjustments associated with exiting certain non-strategic wholesale lending businesses totaling $195 million, costs related to efficiency initiatives of $98 million, a contribution to the PNC Bank Foundation of $30 million, the write-down of an equity investment in FBR of $28 million and expense associated with the buyout of PNC's mall ATM representative of $12 million are included in Other.

The results of the credit card business through the first quarter of 1999, the corporate trust and escrow business in 1998 and 1997, minority interests, equity management activities, the impact of asset and liability management, eliminations, reclassifications and unassigned items comprise the remainder of Other.

NOTE 24 COMPREHENSIVE INCOME

Effective January 1, 1998, the Corporation adopted SFAS No. 130, "Reporting Comprehensive Income." SFAS No. 130 established new rules for the reporting and display of comprehensive income and its components. SFAS No. 130 requires unrealized gains or losses on securities available for sale and minimum pension liability adjustments to be included in other comprehensive income. Prior to the adoption of SFAS No. 130, unrealized gains or losses were reported separately in shareholders' equity. Prior year financial statements have been reclassified to conform to the requirements of SFAS No. 130. The income tax effects allocated to each component of other comprehensive income (loss) are as follows:

DECEMBER 31 - IN MILLIONS	BEFORE-TAX AMOUNT	TAX BENEFIT (EXPENSE)	NET-OF-TAX AMOUNT
1999			
Unrealized securities losses	$(363)	$127	$(236)
Less: Reclassification adjustment for losses realized in net income	(26)	9	(17)
Net unrealized securities losses	(337)	118	(219)
Minimum pension liability adjustment	(8)	3	(5)
Other comprehensive loss	$(345)	$121	$(224)
1998			
Unrealized securities losses	$(42)	$15	$(27)
Less: Reclassification adjustment for losses realized in net income	(22)	8	(14)
Net unrealized securities losses	(20)	7	(13)
Minimum pension liability adjustment	(11)	4	(7)
Other comprehensive loss	$(31)	$11	$(20)
1997			
Net unrealized securities gains	$68	$(24)	$44
Other comprehensive income	$68	$(24)	$44

The accumulated balances related to each component of other comprehensive loss are as follows:

DECEMBER 31 - IN MILLIONS	1999	1998
Net unrealized securities losses........	$(255)	$(36)
Minimum pension liability adjustment....	(12)	(7)
Accumulated other comprehensive loss....	$(267)	$(43)

NOTE 25 LITIGATION

The Corporation and persons to whom the Corporation may have indemnification obligations, in the normal course of business, are subject to various pending and threatened lawsuits in which claims for monetary damages are asserted. Management, after consultation with legal counsel, does not at the present time anticipate the ultimate aggregate liability, if any, arising out of such lawsuits will have a material adverse effect on the Corporation's financial position. At the present time, management is not in a position to determine whether any such pending or threatened litigation will have a material adverse effect on the Corporation's results of operations in any future reporting period.

NOTE 26 FAIR VALUE OF FINANCIAL INSTRUMENTS

	1999		1998	
DECEMBER 31 - IN MILLIONS	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
ASSETS				
Cash and short-term assets	$4,570	$4,570	$3,946	$3,946
Securities available for sale	7,611	7,611	7,074	7,074
Loans held for sale	5,798	5,798	3,226	3,226
Net loans (EXCLUDES LEASES) ..	46,414	46,767	54,442	56,535
Mortgage servicing rights	1,719	1,897	889	982

LIABILITIES				
Demand, savings and money market deposits	28,689	28,689	29,359	29,359
Time deposits	17,979	17,890	18,137	18,291
Borrowed funds	19,507	19,582	21,094	21,362
OFF-BALANCE-SHEET				
Commitments to extend credit	(5)	(5)	(17)	(17)
Letters of credit	(9)	(9)	(15)	(15)
Financial derivatives used for				
Interest rate risk management	75	(50)	76	164
Mortgage banking risk management	18	79	51	64
Credit-related activities		(4)	(1)	(2)
Customer/other derivatives	21	21	(13)	(13)

Real and personal property, lease financing, loan customer relationships, deposit customer intangibles, retail branch networks, fee-based businesses, such as asset management, mortgage banking and brokerage, trademarks and brand names are excluded from the amounts set forth above. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Corporation.

Fair value is defined as the estimated amount at which a financial instrument could be exchanged in a current

transaction between willing parties, or other than in a forced or liquidation sale. However, it is not management's intention to immediately dispose of a significant portion of such financial instruments, and unrealized gains or losses should not be interpreted as a forecast of future earnings and cash flows. The derived fair values are subjective in nature, involve uncertainties and significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly impact the derived fair value estimates. The following methods and assumptions were used in estimating fair value amounts for financial instruments.

GENERAL

For short-term financial instruments realizable in three months or less, the carrying amount reported in the consolidated balance sheet approximates fair value. Unless otherwise stated, the rates used in discounted cash flow analyses are based on market yield curves.

CASH AND SHORT-TERM ASSETS

The carrying amounts reported in the consolidated balance sheet for cash and short-term investments approximate those assets' fair values primarily due to their short-term nature. For purposes of this disclosure only, short-term assets include due from banks, interest-earning deposits with banks, federal funds sold and resale agreements, trading securities, customer's acceptance liability and accrued interest receivable.

SECURITIES AVAILABLE FOR SALE

The fair value of securities available for sale is based on quoted market prices, where available. If quoted market prices are not available, fair value is estimated using the quoted market prices of comparable instruments.

NET LOANS AND LOANS HELD FOR SALE

Fair values are estimated based on the discounted value of expected net cash flows incorporating assumptions about prepayment rates, credit losses and servicing fees and costs. For credit cards and revolving home equity loans, this fair value does not include any amount for new loans or the related fees that will be generated from the existing customer relationships. In the case of nonaccrual loans, scheduled cash flows exclude interest payments. The carrying value of loans held for sale approximates fair value.

MORTGAGE SERVICING RIGHTS

The fair value of mortgage servicing rights is estimated based on the present value of future cash flows.

DEPOSITS

The carrying amounts of noninterest-bearing demand and interest-bearing money market and savings deposits approximate fair values. For time deposits, including foreign deposits, fair values are estimated based on the discounted value of expected net cash flows taking into account current interest rates.

BORROWED FUNDS

The carrying amounts of federal funds purchased, commercial paper, acceptances outstanding and accrued interest payable are considered fair value because of their short-term nature. For all other borrowed funds, fair values are estimated based on the discounted value of expected net cash flows taking into account current interest rates.

UNFUNDED LOAN COMMITMENTS AND LETTERS OF CREDIT

Fair values for commitments to extend credit and letters of credit are estimated based on the amount of deferred fees and the creditworthiness of the counterparties.

FINANCIAL AND OTHER DERIVATIVES

The fair value of derivatives is estimated based on the discounted value of the expected net cash flows. These fair values represent the estimated amounts the Corporation would receive or pay to terminate the contracts, taking into account current interest rates.

NOTE 27 OTHER FINANCIAL INFORMATION

Summarized financial information of the parent company is as follows:

PARENT COMPANY ONLY
STATEMENT OF INCOME

YEAR ENDED DECEMBER 31 - IN MILLIONS	1999	1998	1997
OPERATING REVENUE			
Dividends from:			
Bank subsidiaries	$1,139	$774	$852
Nonbank subsidiaries	80	21	9
Interest income	9	5	14
Noninterest income	4	1	2
Total operating revenue	1,232	801	877
OPERATING EXPENSE			
Interest expense	86	92	76
Other expense	52	7	11
Total operating expense	138	99	87
Income before income taxes and equity in undistributed net income of subsidiaries	1,094	702	790
Income tax benefits	(47)	(35)	(32)
Income before equity in undistributed net income of subsidiaries	1,141	737	822
Net equity in undistributed net income (excess dividends):			
Bank subsidiaries	(7)	312	144
Nonbank subsidiaries	130	66	86
Net income	$1,264	$1,115	$1,052

PARENT COMPANY ONLY
BALANCE SHEET

DECEMBER 31 - IN MILLIONS	1999	1998
ASSETS		
Cash and due from banks		$1
Short-term investments with subsidiary banks	$16	9
Securities available for sale		27
Investments in:		
Bank subsidiaries	6,016	6,737
Nonbank subsidiaries	734	740
Other assets	154	164
Total assets	$6,920	$7,678
LIABILITIES		
Borrowed funds	$100	$300
Nonbank affiliate borrowings	613	1,006
Accrued expenses and other liabilities	261	329
Total liabilities	974	1,635
SHAREHOLDERS' EQUITY	5,946	6,043
Total liabilities and shareholders' equity	$6,920	$7,678

At December 31, 1999, borrowed funds are scheduled for repayment in 2001.

Commercial paper and all other debt issued by PNC Funding Corp., a wholly-owned subsidiary, is guaranteed by the parent company. In addition, in connection with certain affiliates' mortgage servicing operations, the parent company has committed to maintain such affiliates' net worth above minimum requirements.

During 1999, 1998 and 1997, the parent company received net income tax refunds of $44 million, $42 million and $35 million, respectively. Such refunds represent the parent company's portion of consolidated income taxes. During 1999, 1998 and 1997, the parent company paid interest of $96 million, $95 million and $65 million, respectively.

PARENT COMPANY ONLY
STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31 - IN MILLIONS	1999	1998	1997
OPERATING ACTIVITIES			
Net income	$1,264	$1,115	$1,052
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in undistributed net earnings of subsidiaries	(123)	(378)	(230)
Other	(14)	19	19
Net cash provided by operating activities	1,127	756	841
INVESTING ACTIVITIES			
Net change in short-term investments with subsidiary bank	(7)		1
Net capital returned from (contributed to) subsidiaries	631	(261)	57
Securities available for sale			
Sales	1,592	1,170	3,321
Purchases	(1,565)	(1,129)	(2,787)
Cash paid in acquisitions	(2)	(83)	
Other	(17)	(22)	(8)
Net cash provided (used) by investing activities	632	(325)	584
FINANCING ACTIVITIES			
Borrowings from nonbank subsidiary	687	297	656
Repayments on borrowings from			

nonbank subsidiary	(1,080)	(14)	(222)
Acquisition of treasury stock	(803)	(342)	(1,532)
Cash dividends paid to shareholders	(520)	(495)	(488)
Issuance of stock	141	123	155
Repayments on borrowings	(200)		
Other	15		3
Net cash used by financing activities	(1,760)	(431)	(1,428)
Decrease in cash and due from banks	(1)		(3)
Cash and due from banks at beginning of year	$1	1	4
Cash and due from banks at end of year		$1	$1

NOTE 28 UNUSED LINE OF CREDIT

At December 31, 1999, the Corporation maintained a line of credit in the amount of $500 million, none of which was drawn. This line is available for general corporate purposes and expires in 2002.

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STATISTICAL INFORMATION

SELECTED QUARTERLY FINANCIAL DATA

<TABLE>
<CAPTION>

QUARTER - DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA	1999 FOURTH	1999 THIRD	1999 SECOND	1999 FIRST	1998 FOURTH	1998 THIRD	1998 SECOND	1998 FIRST
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
SUMMARY OF OPERATIONS								
Interest income	$1,215	$1,212	$1,204	$1,290	$1,354	$1,354	$1,314	$1,291
Interest expense	641	618	597	632	695	708	683	654
Net interest income	574	594	607	658	659	646	631	637
Provision for credit losses	30	30	25	78	115	45	35	30
Noninterest income before net securities (losses) gains ...	721	649	622	731	696	528	569	493
Net securities (losses) gains	(22)	2	42		2	1	13	
Noninterest expense	810	724	767	823	797	696	739	708
Income before income taxes	433	491	479	488	445	434	426	405
Income taxes	129	171	164	163	160	153	146	136
Net income	$304	$320	$315	$325	$285	$281	$280	$269
PER COMMON SHARE DATA								
Book value	$19.23	$18.90	$18.40	$18.78	$18.86	$18.21	$17.64	$17.20
Earnings								
Basic	1.02	1.07	1.04	1.06	.93	.92	.92	.88
Diluted	1.01	1.06	1.03	1.05	.92	.91	.90	.87

Cash*	1.09	1.12	1.10	1.11	.98	.97	.96	.91

*EXCLUDES AMORTIZATION OF GOODWILL.

AVERAGE BALANCE SHEET								
Total assets	$73,548	$73,763	$75,060	$76,958	$77,377	$75,290	$73,632	$72,141
Securities available for sale	8,211	8,803	9,437	7,755	7,323	7,073	7,323	7,784
Loans, net of unearned income	51,070	51,746	52,479	56,695	57,366	55,938	55,348	54,083
Deposits	44,455	44,899	45,470	46,416	46,250	44,522	44,169	44,630
Borrowed funds	20,029	20,242	20,544	21,584	22,723	22,642	21,844	19,989
Shareholders' equity	5,904	5,732	5,873	5,975	5,800	5,646	5,476	5,398

</TABLE>

ANALYSIS OF YEAR-TO-YEAR CHANGES IN NET INTEREST INCOME

<TABLE>
<CAPTION>

	1999/1998			1998/1997		
	INCREASE/(DECREASE) IN INCOME/EXPENSE			INCREASE/(DECREASE) IN INCOME/EXPENSE		
	DUE TO CHANGES IN:			DUE TO CHANGES IN:		
TAXABLE-EQUIVALENT BASIS-- IN MILLIONS	VOLUME	RATE	TOTAL	VOLUME	RATE	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INTEREST-EARNING ASSETS						
Loans held for sale	$44	$14	$58	$135	$(6)	$129
Securities available for sale						
U.S. Treasury, government agencies and corporations	(25)	(18)	(43)	(67)	(25)	(92)
Other debt	96	(2)	94	(12)	(5)	(17)
Other	8	(2)	6	(2)	(5)	(7)
Total securities available for sale	67	(10)	57	(83)	(33)	(116)
Loans, net of unearned income						
Consumer	(63)	(33)	(96)	(19)	1	(18)
Credit card	(471)	33	(438)	40	39	79
Residential mortgage	(3)	(31)	(34)	(44)	(27)	(71)
Commercial	25	(27)	(2)	296	4	300
Commercial real estate	7	(19)	(12)	(68)	(14)	(82)
Other	63	2	65	25	2	27
Total loans, net of unearned income	(219)	(298)	(517)	230	5	235
Other	7	(1)	6	5	6	11
Total interest-earning assets	(63)	(333)	$(396)	265	(6)	$259
INTEREST-BEARING LIABILITIES						
Interest-bearing deposits						
Demand and money market	80	(26)	$54	40	8	$48
Savings	(4)	(8)	(12)	(5)	(1)	(6)

Other time	(76)	(60)	(136)	(12)	(7)	(19)
Deposits in foreign offices	(4)	(4)	(8)	(9)		(9)
Total interest-bearing deposits	45	(147)	(102)	31	(17)	14
Borrowed funds						
Federal funds purchased	(45)	(10)	(55)	(17)	(2)	(19)
Repurchase agreements	13	(13)		38	(6)	32
Bank notes and senior debt	(116)	(32)	(148)	86	(4)	82
Other borrowed funds	69	(30)	39	56	(2)	54
Subordinated debt	19	(5)	14	22	(1)	21
Total borrowed funds	(68)	(82)	(150)	187	(17)	170
Total interest-bearing liabilities	(5)	(247)	$(252)	189	(5)	$184
Change in net interest income	(31)	(113)	$(144)	134	(59)	$75

</TABLE>

CHANGES ATTRIBUTABLE TO RATE/VOLUME ARE PRORATED INTO RATE AND VOLUME COMPONENTS.

ALLOWANCE FOR CREDIT LOSSES

The allowance for credit losses is based on periodic evaluations of the credit portfolio by management. These evaluations consider, among other factors, historic losses within specific industries, current economic conditions, loan portfolio trends, specific credit reviews and estimates based on subjective factors.

SUMMARY OF LOAN LOSS EXPERIENCE

<TABLE>
<CAPTION>

YEAR ENDED DECEMBER 31 - DOLLARS IN MILLIONS	1999	1998	1997	1996	1995
Allowance at beginning of year	$753	$972	$1,166	$1,259	$1,352
Charge-offs					
Consumer	63	83	104	100	76
Credit card	60	297	208	66	31
Residential mortgage	8	7	9	9	10
Commercial	72	122	48	52	84
Commercial real estate					
Commercial mortgage	1	6	8	10	23
Real estate project	3	2	4	8	14
Other	9	7	4	2	2

Total charge-offs	216	524	385	247	240
Recoveries					
Consumer	25	34	36	34	33
Credit card	2	17	25	7	6
Residential mortgage	1	1	1	2	2
Commercial	22	20	38	28	49
Commercial real estate					
Commercial mortgage	1	2	10	6	9
Real estate project	3	1	2	4	6
Other	1	2	1	2	2
Total recoveries	55	77	113	83	107
Net charge-offs	161	447	272	164	133
Provision for credit losses	163	225	70		6
(Divestitures)/acquisitions	(81)	3	8	71	34
Allowance at end of year	$674	$753	$972	$1,166	$1,259
Allowance as a percent of period-end					
Loans	1.35%	1.31%	1.79%	2.25%	2.59%
Nonperforming loans	225.42	255.25	351.79	334.40	351.68
As a percent of average loans					
Net charge-offs	.30	.80	.51	.33	.29
Provision for credit losses	.31	.40	.13		.01
Allowance for credit losses	1.27	1.35	1.84	2.37	2.76
Allowance as a multiple of net charge-offs .	4.19x	1.68x	3.57x	7.11x	9.47x

</TABLE>

The following table presents the allocation of allowance for credit losses and the categories of loans as a percentage of total loans. For purposes of this presentation, the unallocated portion of the allowance for credit losses has been assigned to loan categories based on the relative specific and pool allocation amounts.

ALLOCATION OF ALLOWANCE FOR CREDIT LOSSES

<TABLE>
<CAPTION>

DECEMBER 31 DOLLARS IN MILLIONS	1999 ALLOWANCE	1999 LOANS TO TOTAL LOANS	1998 ALLOWANCE	1998 LOANS TO TOTAL LOANS	1997 ALLOWANCE	1997 LOANS TO TOTAL LOANS	1996 ALLOWANCE	1996 LOANS TO TOTAL LOANS	1995 ALLOWANCE	1995 LOANS TO TOTAL LOANS
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Consumer	$58	18.6%	$74	19.0%	$107	20.7%	$139	23.3%	$158	25.8%
Credit card			136	5.1	258	7.0	141	5.4	45	2.1
Residential mortgage ...	11	25.7	8	21.3	42	23.6	80	24.5		

									112	24.0
Commercial	510	42.9	446	43.7	406	36.9	606	35.9	585	34.5
Commercial real estate..	63	5.5	59	6.0	141	7.3	173	7.9	332	10.1
Other	32	7.3	30	4.9	18	4.5	27	3.0	27	3.5
Total	$674	100.0%	$753	100.0%	$972	100.0%	$1,166	100.0%	$1,259	100.0%

</TABLE>

STATISTICAL INFORMATION

AVERAGE CONSOLIDATED BALANCE SHEET AND NET INTEREST ANALYSIS

<TABLE>
<CAPTION>

YEAR ENDED DECEMBER 31 TAXABLE-EQUIVALENT BASIS, DOLLARS IN MILLIONS	1999 AVERAGE BALANCES	INTEREST	AVERAGE YIELDS/RATES	1998 AVERAGE BALANCES	INTEREST	AVERAGE YIELDS/ RATES
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS						
Interest-earning assets						
Loans held for sale....................................	$3,986	$291	7.30%	$3,371	$233	6.91%
Securities available for sale						
U.S. Treasury, government agencies and corporations................................	4,440	229	5.16	4,910	272	5.54
Other debt...	3,441	216	6.28	1,913	122	6.38
Other..	673	42	6.24	551	36	6.53
Total securities available for sale..............	8,554	487	5.70	7,374	430	5.83
Loans, net of unearned income						
Consumer...	10,314	844	8.18	11,073	940	8.49
Credit card..	672	100	14.88	3,849	538	13.98
Residential mortgage...............................	12,451	871	7.00	12,496	905	7.24
Commercial	23,084	1,792	7.76	22,773	1,794	7.88
Commercial real estate.............................	3,362	265	7.88	3,279	277	8.45
Other..	3,096	222	7.17	2,223	157	7.06
Total loans, net of unearned income..............	52,979	4,094	7.73	55,693	4,611	8.28
Other..	1,117	71	6.36	1,001	65	6.49
Total interest-earning assets/interest income..........................	66,636	4,943	7.42	67,439	5,339	7.92
Noninterest-earning assets						
Allowance for credit losses...........................	(695)			(863)		
Cash and due from banks...............................	2,103			2,227		
Other assets..	6,776			5,823		
Total assets......................................	$74,820			$74,626		

LIABILITIES, CAPITAL SECURITIES AND SHAREHOLDERS' EQUITY

Interest-bearing liabilities						
Interest-bearing deposits						
Demand and money market	$17,698	493	2.79	$14,820	439	2.96
Savings	2,390	39	1.63	2,620	51	1.95
Other time	15,734	793	5.04	17,206	929	5.40
Deposits in foreign offices	872	44	5.05	935	52	5.56
Total interest-bearing deposits	36,694	1,369	3.73	35,581	1,471	4.13
Borrowed funds						
Federal funds purchased	1,662	84	5.05	2,526	139	5.50
Repurchase agreements	1,890	75	3.97	1,592	75	4.71
Bank notes and senior debt	8,517	457	5.37	10,657	605	5.68
Other borrowed funds	6,474	349	5.39	5,235	310	5.92
Subordinated debt	2,051	154	7.51	1,799	140	7.78
Total borrowed funds	20,594	1,119	5.43	21,809	1,269	5.82
Total interest-bearing liabilities/interest expense	57,288	2,488	4.34	57,390	2,740	4.77
Noninterest-bearing liabilities and shareholders' equity						
Demand and other noninterest-bearing deposits	8,610			9,315		
Accrued expenses and other liabilities	2,204			1,578		
Mandatorily redeemable capital securities of subsidiary trusts	848			762		
Shareholders' equity	5,870			5,581		
Total liabilities, capital securities and shareholders' equity	$74,820			$74,626		
Interest rate spread			3.08			3.15
Impact of noninterest-bearing sources			.60			.70
Net interest income/margin		$2,455	3.68%		$2,599	3.85%

</TABLE>

LOAN FEES FOR EACH OF THE FIVE YEARS ENDED DECEMBER 31, 1999, 1998, 1997, 1996 AND 1995 WERE $120 MILLION, $107 MILLION, $89 MILLION, $93 MILLION AND $82 MILLION, RESPECTIVELY.

NONACCRUAL LOANS ARE INCLUDED IN LOANS, NET OF UNEARNED INCOME. THE IMPACT OF FINANCIAL DERIVATIVES USED IN INTEREST RATE RISK MANAGEMENT IS INCLUDED IN THE INTEREST INCOME/EXPENSE AND AVERAGE YIELDS/RATES OF THE RELATED ASSETS AND LIABILITIES. AVERAGE BALANCES OF SECURITIES AVAILABLE FOR SALE ARE BASED ON AMORTIZED HISTORICAL COST (EXCLUDING SFAS NO. 115 ADJUSTMENTS TO FAIR VALUE).

<TABLE>
<CAPTION>

1997			1996			1995	
AVERAGE		AVERAGE	AVERAGE		AVERAGE	AVERAGE	AVERAGE

BALANCES	INTEREST	YIELDS/RATES	BALANCES	INTEREST	YIELDS/RATES	BALANCES	INTEREST	YIELDS/RATES
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
$1,417	$104	7.31%	$1,095	$78	7.09%	$725	$54	7.50%
6,101	364	5.97	10,225	635	6.21	17,706	982	5.55
2,094	139	6.62	2,719	184	6.78	3,757	259	6.90
579	43	7.45	606	48	7.91	677	58	8.46
8, 774	546	6.22	13,550	867	6.40	22,140	1,2999	5.87
11,291	958	8.48	12,192	1,028	8.43	11,142	958	8.60
3,558	459	12.92	1,165	163	13.94	871	120	13.76
13,105	976	7.45	12,049	898	7.45	10,812	808	7.47
19,014	1,494	7.86	17,727	1,388	7.83	16,562	1,347	8.13
4,068	359	8.82	4,186	373	8.92	4,304	410	9.54
1,871	130	6.94	1,797	119	6.63	1,933	130	8.27
52,907	4,376	8.27	49,116	3,969	8.08	45,624	3,773	6.64
919	54	5.88	964	59	6.12	1,046	70	
64,017	5,080	7.93	64,725	4,973	7.68	69,535	5,196	7.47
(1,077)			(1,197)			(1,319)		
2,920			3,163			3,044		
4,784			4,116			3,871		
$70,644			$70,807			$75,131		
$13,477	391	2.90	$12,619	332	2.63	$12,254	357	2.91
2,852	57	1.97	3,445	69	2.02	3,732	90	2.40
17,441	948	5.44	18,307	981	5.36	17,758	984	5.54
1,094	61	5.58	846	46	5.44	1,974	121	6.13
34,864	1,457	4.18	35,217	1,428	4.06	35,718	1,552	4.34
2,834	158	5.57	3,157	171	5.41	5,200	315	6.06
812	43	5.36	2,030	110	5.41	6,514	398	6.11
9,130	523	5.72	8,139	454	5.57	6,326	384	6.07
4,304	256	5.96	3,630	223	6.14	4,138	282	6.81
1,514	119	7.87	1,358	108	7.98	998	76	7.64
18,594	1,099	5.91	18,314	1,066	5.82	23,176	1,455	6.28

53,458	2,556	4.78	53,531	2,494	4.66	58,894	3,007	5.10
9,670			9,900			9,112		
1,501			1,529			1,341		
537			19					
5,478			5,828			5,784		
$70,644			$70,807			$75,131		
		3.15			3.02			2.37
		.79			.81			.78
	$2,524	3.94%		$2,479	3.83%		$2,189	3.15%

</TABLE>

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SHORT-TERM BORROWINGS

Federal funds purchased include overnight borrowings and term federal funds, which are payable on demand. Repurchase agreements generally have maturities of 18 months or less. Presented below are total bank notes of the Corporation, of which approximately 58.1% mature in 2000. Other short-term borrowings consist primarily of U.S. Treasury, tax and loan borrowings which are payable on demand and commercial paper which is issued in maturities not to exceed nine months. At December 31, 1999, 1998 and 1997, $3.1 billion, $3.4 billion and $997 million, respectively, notional value of interest rate swaps were designated to borrowed funds. The effect of these swaps is included in the rates set forth in the table.

SHORT-TERM BORROWINGS

<TABLE>
<CAPTION>

	1999		1998		1997	
DOLLARS IN MILLIONS	AMOUNT	RATE	AMOUNT	RATE	AMOUNT	RATE
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Federal funds purchased						
Year-end balance	$1,281	4.05%	$390	5.17%	$3,632	6.30%
Average during year	1,662	5.05	2,526	5.50	2,834	5.57
Maximum month-end balance during year ...	2,671		3,139		4,459	
Repurchase agreements						
Year-end balance	1,122	4.77	1,669	3.47	714	6.03
Average during year	1,890	3.97	1,592	4.71	812	5.36
Maximum month-end balance during year	2,785		2,015		946	
Bank notes						
Year-end balance	6,354	6.25	10,234	5.32	9,656	5.75
Average during year	8,224	5.29	10,505	5.65	9,068	5.61
Maximum month-end balance during year	9,775		12,008		10,391	
Other						
Year-end balance	956	5.64	513	4.16	946	5.81
Average during year	654	6.00	1,047	5.84	1,671	5.65
Maximum month-end balance during year	1,192		2,069		2,574	

</TABLE>

LOAN MATURITIES AND INTEREST SENSITIVITY

DECEMBER 31, 1999 IN MILLIONS	1 YEAR OR LESS	1 THROUGH 5 YEARS	AFTER 5 YEARS	GROSS LOANS

Commercial	$7,937	$10,304	$3,227	$21,468
Real estate project .	889	930	150	1,969
Total	$8,826	$11,234	$3,377	$23,437
Loans with				
Predetermined rate	$834	$1,453	$875	$3,162
Floating rate	7,992	9,781	2,502	20,275
Total	$8,826	$11,234	$3,377	$23,437

At December 31, 1999, $9.7 billion of interest rate swaps, caps and floors designated to commercial and commercial real estate loans altered the interest rate characteristics of such loans, the impact of which is not reflected in the above table.

TIME DEPOSITS OF $100,000 OR MORE

Time deposits in foreign offices totaled $3.2 billion, substantially all of which are in denominations of $100,000 or more. The following table sets forth maturities of domestic time deposits of $100,000 or more:

DECEMBER 31, 1999 - IN MILLIONS	CERTIFICATES OF DEPOSIT
Three months or less	$1,512
Over three through six months	614
Over six through twelve months	497
Over twelve months	1,017
Total	$3,640

EXECUTIVE MANAGEMENT

OFFICE OF THE CHAIRMAN

THOMAS H. O'BRIEN (1)
Chairman and
Chief Executive Officer
37 years of service

JAMES E. ROHR (1)
President and
Chief Operating Officer
27 years of service

WALTER E. GREGG, JR. (1)
Vice Chairman
25 years of service

BUSINESS CEOS

J. RICHARD CARNALL
Chairman and
Chief Executive Officer
PFPC
30 years of service

LAURENCE D. FINK
Chairman and
Chief Executive Officer
BlackRock
5 years of service

JOSEPH C. GUYAUX (1)
Chief Executive Officer
PNC Bank
Regional Community Banking
Executive Vice President*
27 years of service

RALPH S. MICHAEL, III (1)
Chief Executive Officer
PNC Bank-Corporate Banking
Executive Vice President*
20 years of service

SAIYID T. NAQVI
President and
Chief Executive Officer
PNC Mortgage
14 years of service

BRUCE E. ROBBINS (1)
Chief Executive Officer
PNC Secured Finance
Executive Vice President*
26 years of service

THOMAS K. WHITFORD (1)
Chief Executive Officer
PNC Advisors
Executive Vice President*
16 years of service

CORPORATE OFFICERS*

EVA T. BLUM
Senior Vice President
and Director
Comprehensive Risk
Management and Compliance
22 years of service

ROBERT L. HAUNSCHILD (1)
Senior Vice President and
Chief Financial Officer
9 years of service

DENISE THORNE JOHNSON
Senior Vice President and
Chief Marketing Officer
2 years of service

RANDALL C. KING
Senior Vice President and
Treasurer
17 years of service

THOMAS S. KUNZ
Senior Vice President
Director of e-Commerce
16 years of service

THOMAS E. PAISLEY, III (1)
Senior Vice President and
Chairman
Corporate Credit Policy Committee
28 years of service

SAMUEL R. PATTERSON (1)
Controller
13 years of service

HELEN P. PUDLIN (1)
Senior Vice President and
General Counsel
10 years of service

WILLIAM E. ROSNER
Senior Vice President
Corporate Human Resources
5 years of service

Timothy G. Shack
Executive Vice President and
Chief Information Officer
23 years of service

REGIONAL PRESIDENTS

DENNIS P. BRENCKLE

President
Central PA Region
PNC Bank, N.A.
30 years of service

PETER K. CLASSEN
President
Northeast PA and
New Jersey Regions
PNC Bank, N.A.
14 years of service

JOHN C. HALLER
President
Ohio/N. Kentucky Region
PNC Bank, N.A.
24 years of service

MICHAEL N. HARRELD
President
Kentucky/Indiana Region
PNC Bank, N.A.
31 years of service

SY HOLZER
President
Pittsburgh Region
PNC Bank, N.A.
29 years of service

CALVERT A. MORGAN, JR.
Chairman, President and
Chief Executive Officer
PNC Bank, Delaware
29 years of service

MARLENE D. MOSCO
President
Northwest PA Region
PNC Bank, N.A.
32 years of service

RICHARD L. SMOOT
President and
Chief Executive Officer
Philadelphia/S. Jersey Region
PNC Bank, N.A.
13 years of service

WILLIAM H. TURNER
Chairman
New Jersey Region
PNC Bank, N.A.
3 years of service

1 EXECUTIVE OFFICER

* OF THE PNC FINANCIAL
SERVICES GROUP, INC.

CORPORATE INFORMATION

CORPORATE HEADQUARTERS
The PNC Financial Services Group, Inc.
One PNC Plaza
249 Fifth Avenue
Pittsburgh, Pennsylvania 15222-2707

STOCK LISTING
The PNC Financial Services Group, Inc. common stock is listed on the New York Stock Exchange ("NYSE") under the symbol PNC. At the close of business on February 17, 2000, there were 60,543 common shareholders of record.

INTERNET INFORMATION
Information on The PNC Financial Services Group, Inc.'s financial results and its products and services is available on the Internet at www.pnc.com.

FINANCIAL INFORMATION
The Annual Report on Form 10-K is filed with the Securities and Exchange

Commission ("SEC"). Copies of this document and other filings, including Exhibits thereto, may be obtained electronically at the SEC's home page at www.sec.gov. Copies also may be obtained without charge by writing to Lynn Fox Evans, Director of Financial Reporting, at corporate headquarters, by calling (412) 762-1553 or via e-mail to financial.reporting@pncbank.com.

INQUIRIES
For financial services call 1-888-PNC-2265. Individual shareholders should contact Shareholder Relations at (800) 982-7652.

Analysts and institutional investors should contact William H. Callihan, Vice President, Investor Relations, at (412) 762-8257 or investor.relations@pncbank.com.

News media representatives and others seeking general information should contact R. Jeep Bryant, Director of Corporate Communications, at (412) 762-8221 or via e-mail at corporate.communications@pncbank.com.

TRUST PROXY VOTING
Reports of 1999 nonroutine proxy voting by the trust divisions of The PNC Financial Services Group, Inc. are available by writing to Thomas R. Moore, Corporate Secretary, at corporate headquarters.

ANNUAL SHAREHOLDERS MEETING

All shareholders are invited to attend the PNC Financial Services Group, Inc. Annual Meeting on Tuesday, April 25, 2000, at 11 a.m., eastern standard time, on the 15th floor of One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania.

COMMON STOCK PRICES/DIVIDENDS DECLARED
The table below sets forth by quarter the range of high and low sale and quarter-end closing prices for The PNC Financial Services Group, Inc. common stock and the cash dividends declared per common share.

1999 QUARTER	HIGH	LOW	CLOSE	CASH DIVIDENDS DECLARED
First	$59.750	$47.000	$55.563	$ .41
Second	60.125	54.375	57.625	.41
Third	58.063	49.688	52.688	.41
Fourth	62.000	43.000	44.500	.45
Total				$1.68

1998 QUARTER	HIGH	LOW	CLOSE	CASH DIVIDENDS DECLARED
First	$61.625	$49.500	$59.938	$ .39
Second	66.750	53.813	53.875	.39
Third	60.000	41.625	45.000	.39
Fourth	54.625	38.750	54.000	.41
Total				$1.58

DIVIDEND POLICY
Holders of The PNC Financial Services Group, Inc. common stock are entitled to receive dividends when declared by the Board of Directors out of funds legally available. The Board presently intends to continue the policy of paying quarterly cash dividends. However, future dividends will depend on earnings, the financial condition of The PNC Financial Services Group, Inc. and other factors including applicable government regulations and policies and contractual restrictions.

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN
The PNC Financial Services Group, Inc. dividend reinvestment and stock purchase plan enables holders of common and preferred stock to purchase additional shares of common stock conveniently and without paying brokerage commissions or service charges. A prospectus and enrollment card may be obtained by writing to Shareholder Relations at corporate headquarters.

REGISTRAR AND TRANSFER AGENT
The Chase Manhattan Bank
P.O. Box 590
Ridgefield Park, New Jersey 07660
(800) 982-7652

EXHIBIT 21

THE PNC FINANCIAL SERVICES GROUP, INC.
SCHEDULE OF CERTAIN SUBSIDIARIES
(AS OF FEBRUARY 29, 2000)

NAME (1)	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION
PNC Bancorp, Inc.	Delaware
PNC Bank, National Association	United States
PNC Commercial Management, Inc.	Delaware
BlackRock, Inc.	Delaware
PNC Mortgage Corp. of America	Ohio
PNC Bank, Delaware	Delaware
PNC Bank, FSB	United States
PNC Advisors, National Association	United States
PNC Holding, LLC	Delaware
PFPC Worldwide Inc.	Delaware
PNC Funding Corp	Pennsylvania

(1) Subsidiaries omitted from this schedule do not in the aggregate constitute a "significant subsidiary" within the meaning of Rule 1-02 (w) of Regulation S-X.

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference, in the Registration Statements listed below, of our report dated January 20, 2000, with respect to the consolidated financial statements of The PNC Financial Services Group, Inc. and subsidiaries incorporated by reference in this Annual Report on Form 10-K of The PNC Financial Services Group, Inc. (the "Corporation") for the year ended December 31, 1999.

Form S-3 relating to the Corporation's Dividend Reinvestment and Stock Purchase Plan (No. 333-19003)

Form S-8 relating to the PNC Bank Corp. Supplemental Incentive Savings Plan and PNC Bank Corp. and Affiliates Deferred Compensation Plan (No. 333-18069)

Form S-8 relating to the PNC Retirement Savings Plan (No. 333-03901)

Form S-8 relating to the Corporation's 1997 Long-Term Incentive Award Plan (No. 33-54960)

Form S-8 relating to the 1987 Senior Executive Long-Term Award Plan of PNC Bank Corp. (as amended, the PNC Bank Corp. 1992 Long-Term Incentive Award Plan) (No. 33-28828)

Form S-8 relating to the Corporation's Incentive Savings Plan (No. 33-25140)

Form S-8 relating to the Stock Option Plan of PNC Bank Corp. (No. 2-92181)

Form S-8 relating to the Corporation's Employee Stock Purchase Plan (No. 333-25867)

Form S-3 relating to the shelf registration of $600 million of Capital securities of PNC Capital Trust C, PNC Capital Trust D, PNC Capital Trust E and PNC Capital Trust F, unconditionally guaranteed, to the extent described therein, by PNC Bank Corp. (No. 333-50651, 333-50651-01, 333-50651-02, 333-50651-03, and 333-50651-04)

Form S-3 relating to the shelf registration of $1.5 billion of debt securities of PNC Funding Corp., unconditionally guaranteed by the Corporation, and/or common stock and/or preferred stock and/or depositary shares of the Corporation (No. 333-88479)

Pittsburgh, Pennsylvania
March 23, 2000

EXHIBIT 24

POWER OF ATTORNEY

PNC BANK CORP.
ANNUAL REPORT ON FORM 10-K FOR YEAR ENDED DECEMBER 31, 1999

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned Directors and/or Officers of PNC Bank Corp. (the "Corporation"), a Pennsylvania corporation, hereby names, constitutes and appoints Walter E. Gregg, Jr., Thomas R. Moore and Karen M. Barrett, or each of them, with full power of substitution, such person's true and lawful attorney-in-fact and agent to execute in such person's name, place and stead, in any and all capacities, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1999.

And such persons hereby ratify and confirm all that any said attorney or attorney-in-fact, or any substitute, shall lawfully do or cause to be done by virtue hereof.

Witness the due execution hereof by the following persons in the capacities indicated as of this 17th day of February, 2000.

<TABLE>
<CAPTION>

Name/Signature	Capacity
<S>	<C>
/s/ Thomas H. O'Brien Thomas H. O'Brien	Chairman, Chief Executive Officer and Director
/s/ Paul W. Chellgren Paul W. Chellgren	Director
/s/ Robert N. Clay Robert N. Clay	Director
/s/ George A. Davidson, Jr. George A. Davidson, Jr.	Director
/s/ Walter E. Gregg, Jr. Walter E. Gregg, Jr.	Vice Chairman and Director
/s/ Robert L. Haunschild Robert L. Haunschild	Senior Vice President and Chief Financial Officer
/s/ Bruce C. Lindsay Bruce C. Lindsay	Director
/s/ W. Craig McClelland W. Craig McClelland	Director
/s/ Samuel R. Patterson Samuel R. Patterson	Controller
/s/ Jane G. Pepper Jane G. Pepper	Director
/s/ Jackson H. Randolph Jackson H. Randolph	Director

</TABLE>

<TABLE>

<S>	<C>
/s/ James E. Rohr James E. Rohr	President, Chief Operating Officer and Director

/s/ Roderic H. Ross Roderic H. Ross	Director
/s/ Richard P. Simmons Richard P. Simmons	Director
/s/ Thomas J. Usher Thomas J. Usher	Director
/s/ Milton A. Washington Milton A. Washington	Director
/s/ Helge H. Wehmeier Helge H. Wehmeier	Director

</TABLE>

POWER OF ATTORNEY

PNC BANK CORP.
ANNUAL REPORT ON FORM 10-K FOR YEAR ENDED DECEMBER 31, 1999

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Director of PNC Bank Corp. (the "Corporation"), a Pennsylvania corporation, hereby names, constitutes and appoints Walter E. Gregg, Jr., Thomas R. Moore and Karen M. Barrett, or each of them, with full power of substitution, such person's true and lawful attorney-in-fact and agent to execute in such person's name, place and stead, in any and all capacities, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1999.

And such person hereby ratifies and confirms all that any said attorney or attorney-in-fact, or any substitute, shall lawfully do or cause to be done by virtue hereof.

Witness the due execution hereof by the following person in the capacity indicated as of this 17th day of February, 2000.

Name/Signature	Capacity
/s/ David F. Girard-diCarlo David F. Girard-diCarlo	Director

POWER OF ATTORNEY

PNC BANK CORP.
ANNUAL REPORT ON FORM 10-K FOR YEAR ENDED DECEMBER 31, 1999

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Director of PNC Bank Corp. (the "Corporation"), a Pennsylvania corporation, hereby names, constitutes and appoints Walter E. Gregg, Jr., Thomas R. Moore and Karen M. Barrett, or each of them, with full power of substitution, such person's true and lawful attorney-in-fact and agent to execute in such person's name, place and stead, in any and all capacities, the Corporation's Annual Report on Form 10-K for the year ended December 31, 1999.

And such person hereby ratifies and confirms all that any said attorney or attorney-in-fact, or any substitute, shall lawfully do or cause to be done by virtue hereof.

Witness the due execution hereof by the following person in the capacity indicated as of this 17th day of February, 2000.

Name/Signature	Capacity
/s/ William R. Johnson	Director

- --------------------------------------
William R. Johnson

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This schedule contains summary financial information extracted from the
consolidated financial information incorporated by reference to the 1999 Annual
Report on Form 10-K and is qualified in its entirety by reference to such
financial information.
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