

THE PNC FINANCIAL SERVICES GROUP, INC.

Quarterly Report on Form 10-Q
For the quarterly period ended March 31, 2000

Page 1 represents a portion of the first quarter 2000 Financial Review which is not required by the Form 10-Q report and is not "filed" as part of the Form 10-Q.

The Quarterly Report on Form 10-Q and cross reference index is on page ____.

CONSOLIDATED FINANCIAL HIGHLIGHTS

<TABLE>
<CAPTION>

1999 Three months ended March 31 - dollars in millions, except per share data Reported	2000	1999 Core Reported

<S>	<C>	<C>
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FINANCIAL PERFORMANCE		
Revenue		
Net interest income (taxable-equivalent basis)	\$565	\$664
\$664		
Noninterest income	789	583
731		
Total revenue	1,354	1,247
1,395		
Net income	308	293
325		
Cash earnings*	337	312
344		
Per common share		
Basic earnings	1.04	.95
1.06		
Diluted earnings	1.03	.94
1.05		
Diluted cash earnings*	1.13	1.01
1.11		
Cash dividends declared	.45	.41
.41		

*Excluding amortization of goodwill

SELECTED RATIOS

Return on		
Average common shareholders' equity	21.71%	20.63%
22.94%		
Average assets	1.66	1.54
1.71		
Net interest margin	3.46	3.86
3.86		
Noninterest income to total revenue	58.27	46.75
52.40		
Efficiency **	57.36	52.06
53.45		

** Excluding amortization, distributions on capital securities and residential mortgage banking risk management activities

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March 31 Dollars in millions, except per share data 1999	March 31 2000	December 31 1999

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PERIOD-END BALANCE SHEET DATA

Assets	\$74,307	\$75,413
\$74,868		
Earning assets	64,065	64,671
66,710		
Loans, net of unearned income	50,653	50,046
52,800		
Securities available for sale	7,666	7,611
9,170		
Loans held for sale	4,648	5,798
3,599		
Deposits	46,701	46,668
45,799		
Borrowed funds	18,094	19,347
19,935		
Shareholders' equity	6,039	5,946
5,931		
Common shareholders' equity	5,726	5,633
5,617		
Book value per common share	19.68	19.23
18.78		

CAPITAL RATIOS

Leverage	6.67%	6.61%
7.28%		
Common shareholders' equity to total assets	7.71	7.47
7.50		

ASSET QUALITY RATIOS

Nonperforming assets to total loans, loans held for sale and foreclosed assets	.64%	.61%
.58%		
Allowance for credit losses to total loans	1.33	1.35
1.27		
Allowance for credit losses to nonaccrual loans	219.54	225.42
230.93		
Net charge-offs to average loans	.25	.23
.56		

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THE PNC FINANCIAL SERVICES GROUP, INC.

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Financial Review

This Financial Review should be read in conjunction with The PNC Financial Services Group, Inc. and subsidiaries' ("Corporation" or "PNC") unaudited Consolidated Financial Statements included herein and the Financial Review and audited Consolidated Financial Statements included in the Corporation's 1999 Annual Report.

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, corporate banking, secured finance, asset management and mortgage banking 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 part of this transition, the Corporation implemented a number of initiatives designed to reshape the traditional bank franchise as well as grow non-traditional, largely fee-based businesses with greater growth potential that are national in scope. These include the sale of the credit card business, exiting certain non-strategic wholesale lending businesses and the continued downsizing of the indirect automobile lending portfolio. PNC also acquired Investor Services Group ("ISG"). The combination of ISG with PFPC, the Corporation's investment servicing subsidiary, created one of the nation's leading full-service processors for pooled investment products.

As a result, PNC's noninterest income increased to 58% of total revenue for the first quarter of 2000. These actions have also resulted in a reduction in the loan to deposit ratio to 108% at March 31, 2000 from 121% prior to the implementation of these initiatives at September 30, 1998.

SUMMARY FINANCIAL RESULTS

Consolidated net income for the first three months of 2000 was \$308 million or \$1.03 per diluted share, a 10% increase compared with core earnings per diluted share for the first quarter of 1999. Return on average common shareholders' equity was 21.71% and return on average assets was 1.66% for the first quarter of 2000 compared with core returns of 20.63% and 1.54%, respectively, a year ago. Cash earnings per diluted share, which exclude goodwill amortization, were \$1.13 for the first quarter of 2000, a 12% increase compared with core cash earnings per diluted share a year ago.

Reported earnings for the first quarter of 1999 were \$325 million or \$1.05 per diluted share. Core earnings per diluted share were \$.94 and core cash earnings per diluted share were \$1.01 in the first quarter of 1999. Core earnings exclude \$290 million of gains on the sales of the credit card business and an equity interest in Electronic Payment Services, Inc. ("EPS") that were partially offset by \$142 million of valuation adjustments associated with exiting certain non-strategic wholesale lending businesses and \$98 million of costs related to efficiency initiatives in 1999.

Taxable-equivalent net interest income was \$565 million for the first quarter of 2000, a \$99 million decrease compared with the first quarter of 1999. The net interest margin was 3.46% for the first quarter of 2000 compared with 3.86% in the first quarter of 1999. The decreases were primarily due to the downsizing of certain credit-related businesses in 1999 and funding costs related to the ISG acquisition.

The provision for credit losses of \$31 million in the first quarter of 2000 was equal to net charge-offs.

Noninterest income was \$789 million for the first quarter of 2000, a \$206 million or 35% increase in the quarter-to-quarter comparison, excluding noncore items in 1999. The increase was primarily driven by strong growth in fee-based businesses, the impact of the ISG acquisition and higher equity management revenue.

Noninterest expense was \$847 million and the efficiency ratio was 57.4% in the first quarter of 2000 compared with \$725 million and 52.1%, respectively, in the first quarter of 1999, excluding noncore items. The quarter-to-quarter increases were primarily related to the ISG acquisition and higher expenses commensurate with fee-based revenue growth.

Total assets were \$74.3 billion at March 31, 2000 compared with \$75.4 billion at December 31, 1999. The decrease was primarily due to lower commercial and residential mortgage loans held for sale.

THE PNC FINANCIAL SERVICES GROUP, INC.

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Financial Review

Shareholders' equity totaled \$6.0 billion, the leverage ratio was 6.67% and Tier I and total risk-based capital ratios were 7.25% and 11.34%, respectively, at March 31, 2000.

Overall asset quality remained relatively stable during the first quarter of 2000. The ratio of nonperforming assets to total loans, loans held for sale and foreclosed assets was .64% at March 31, 2000 compared with .61% at December 31, 1999. Nonperforming assets were \$355 million at March 31, 2000 compared with \$338 million at December 31, 1999. The allowance for credit losses was \$674 million and represented 1.33% of period-end loans and 220% of nonaccrual loans at March 31, 2000. The comparable amounts were 1.35% and 225%, respectively, at December 31, 1999. Net charge-offs were \$31 million or .25% of average loans in the first quarter of 2000 compared with \$30 million or .23%, respectively, in the fourth quarter of 1999.

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

PNC Bank							
Regional Banking	\$129	\$116	\$477	473	20%	19%	
\$37,866	\$37,525						
Corporate Banking	64	54	214	172	22	19	
15,950	15,679						

Total PNC Bank	193	170	691	645	21	19	
53,816	53,204						
PNC Secured Finance							
PNC Real Estate Finance	13	15	46	48	14	15	
5,382	5,634						
PNC Business Credit	13	8	28	18	38	30	
2,084	1,597						

Total PNC Secured Finance	26	23	74	66	20	18	
7,466	7,231						
Asset Management							
PNC Advisors	41	36	204	179	30	26	
3,598	3,249						
BlackRock	19	12	108	88	26	43	
388	400						
PFPC	6	11	165	54	12	44	
1,603	268						

Total Asset Management	66	59	477	321	25	31	
5,589	3,917						
PNC Mortgage	6	11	76	101	6	10	
6,333	7,084						

Total businesses	291	263	1,318	1,133	20	20	
73,204	71,436						
Other	17	30	36	114			
1,473	5,522						

Total consolidated - core	308	293	1,354	1,247	22	21	
74,677	76,958						
Gain on sale of credit card business		125		193			
Gain on sale of equity interest in EPS		63		97			
Wholesale lending repositioning		(92)		(142)			
Costs related to efficiency initiatives		(64)					

Total consolidated - reported	\$308	\$ 325	\$1,354	\$1,395	22	23	
\$74,677	\$76,958						

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* Taxable-equivalent basis

THE PNC FINANCIAL SERVICES GROUP, INC.

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REGIONAL BANKING

Three months ended March 31 -
dollars in millions

	2000	1999

INCOME STATEMENT		
Net interest income	\$344	\$352
Noninterest income	133	121

Total revenue	477	473
Provision for credit losses	12	18
Noninterest expense	264	271

Pretax earnings	201	184
Income taxes	72	68

Earnings	\$129	\$116

AVERAGE BALANCE SHEET

Loans

Consumer		
Home equity	\$5,252	\$5,055

Indirect	1,435	2,287
Education	97	1,348
Other consumer	786	672

Total consumer	7,570	9,362
Commercial	3,725	3,771
Residential mortgage	11,603	11,125
Other	1,320	1,188

Total loans	24,218	25,446
Securities available for sale	5,676	4,822
Loans held for sale	1,429	
Assigned assets and other assets	6,543	7,257

Total assets	\$37,866	\$37,525

Deposits		
Noninterest-bearing demand	\$4,594	\$5,224
Interest-bearing demand	5,274	4,607
Money market	9,482	8,422
Savings	2,077	2,460
Certificates	13,611	13,679

Total net deposits	35,038	34,392
Other liabilities	274	601
Assigned capital	2,554	2,532

Total funds	\$37,866	\$37,525

PERFORMANCE RATIOS

Return on assigned capital	20%	19%
Noninterest income to total revenue	28	26
Efficiency	53	55

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

Regional Banking's strategic focus is 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 45% of total business earnings for the first three months of 2000 compared with 44% for the first three months of 1999. Earnings increased 11% to \$129 million for the first three months of 2000 and performance ratios improved.

Total revenue was \$477 million for the first three months of 2000 compared with \$473 million for the first three months of 1999. The increase was primarily due to a \$12 million or 10% increase in noninterest income that was driven by higher consumer service and brokerage fees, partially offset by the downsizing of the indirect automobile lending portfolio and the comparative impact of branch sales in 1999.

Consumer loans declined primarily due to the continued downsizing of the indirect automobile lending portfolio as well as the decision to sell education loans in repayment that were reclassified to held for sale. Interest-bearing demand and money market deposits increased \$1.7 billion or 13% primarily due to the impact of strategic marketing initiatives, which reflects PNC's focus on deepening customer relationships.

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.

CORPORATE BANKING

Three months ended March 31 -
dollars in millions

	2000	1999

INCOME STATEMENT		
Credit-related revenue	\$99	\$88
Noncredit revenue	115	84

Total revenue	214	172
Provision for credit losses	15	3
Noninterest expense	101	84

Pretax earnings	98	85
Income taxes	34	31

Earnings	\$64	\$54

AVERAGE BALANCE SHEET

Loans		
Middle market	\$5,545	\$5,469
Specialized industries	3,814	4,064
Large corporate	2,684	2,573
Leasing	1,719	1,288
Other	247	430

Total loans	14,009	13,824
Other assets	1,941	1,855

Total assets	\$15,950	\$15,679

Net deposits	\$4,526	\$4,371
Assigned funds and other liabilities	10,228	10,132
Assigned capital	1,196	1,176

Total funds	\$15,950	\$15,679

PERFORMANCE RATIOS

Return on assigned capital	22%	19%
Noncredit revenue to total revenue	54	49
Efficiency	47	48
=====		

Corporate Banking provides specialized credit, equipment leasing, treasury management and capital markets products and services to large and mid-sized corporations, institutions and government entities primarily within PNC's geographic region.

The strategic focus for Corporate Banking is to emphasize higher-margin noncredit products and services, especially treasury management and capital markets, as well as disciplined balance sheet growth primarily driven through the expansion of equipment leasing.

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 and reported in Other.

Corporate Banking contributed 22% of total business earnings for the first three months of 2000 compared with 21% for the first three months of 1999. Earnings increased \$10 million or 19% to \$64 million for the first three months of 2000 and performance ratios improved.

Total revenue of \$214 million for the first three months of 2000 increased \$42 million or 24% compared with the first three months of 1999. Credit-related revenue increased 13% in the quarter-to-quarter comparison driven by higher loans in the middle market, large corporate and leasing segments. Noncredit revenue, which includes noninterest income and the benefit of compensating balances received in lieu of fees, was \$115 million for the first three months of 2000, a \$31 million or 37% increase compared with the first three months of 1999 primarily driven by increases in treasury management and capital markets fees, as well as revenue associated with equity investments. Noncredit revenue comprised 54% of total revenue for the first three months of 2000 reflecting the emphasis on sales of fee-based products.

The provision for credit losses was \$15 million for the first three months of 2000, a \$12 million increase compared with the prior-year quarter due to a higher level of net charge-offs.

The increase in noninterest expense in the quarter-to-quarter comparison was

commensurate with revenue growth.

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 \$85 million for the first three months of 2000, a 20% increase compared with the first three months of 1999. Consolidated revenue from capital markets was \$34 million for the first three months of 2000, a 34% increase compared with the first three months of 1999.

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.

THE PNC FINANCIAL SERVICES GROUP, INC.

Financial Review

PNC REAL ESTATE FINANCE

Three months ended March 31 -
dollars in millions

	2000	1999

INCOME STATEMENT		
Net interest income	\$27	\$30
Noninterest income		
Net commercial mortgage banking	12	9
Other	7	9

Total noninterest income	19	18

Total revenue	46	48
Provision for credit losses		
Noninterest expense	35	29

Pretax earnings	11	19
Income taxes	(2)	4

Earnings	\$13	\$15

AVERAGE BALANCE SHEET

Loans		
Commercial - real estate related	\$2,019	\$2,390
Commercial real estate	2,438	2,530

Total loans	4,457	4,920
Commercial mortgages held for sale	99	62
Other assets	826	652

Total assets	\$5,382	\$5,634

Deposits	\$226	\$199
Assigned funds and other liabilities	4,770	5,035
Assigned capital	386	400

Total funds	\$5,382	\$5,634

PERFORMANCE RATIOS

Return on assigned capital	14%	15%
Noninterest income to total revenue	41	38
Efficiency	61	48
=====		

PNC Real Estate Finance provides credit, capital markets, treasury management and loan servicing products and services to private developers, real estate investment trusts, pension funds and the affordable housing market nationally.

Over the past several years, through customer segmentation and strategic acquisitions, PNC 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.

PNC Real Estate Finance made the decision to exit the cyclical mortgage warehouse lending business and certain non-strategic commercial real estate portfolios at the end of 1999. These activities are excluded from business results in both periods and reported in Other.

PNC Real Estate Finance contributed 4% of total business earnings for the first

three months of 2000 compared with 6% for the first three months of 1999. Earnings were \$13 million for the first three months of 2000 compared with \$15 million for the first three months of 1999.

Total revenue was \$46 million for the first three months of 2000 compared with \$48 million for the first three months of 1999 as increases in treasury management, affordable housing and commercial mortgage servicing fees in 2000 were more than offset by the comparative impact of gains from workout activities in 1999. There were no gains from commercial mortgage-backed securitizations in the first quarter of 2000 or 1999.

Noninterest expense was \$35 million for the first three months of 2000 compared with \$29 million in the same period last year. The increase was primarily due to passive losses on low income housing equity investments, the comparative impact of legal expense recoveries from loan workout activities in 1999 and investments in technology to support the loan servicing platform. The increase in passive losses on low income housing investments was more than offset by related tax credits that resulted in an income tax benefit for the first three months of 2000.

COMMERCIAL MORTGAGE SERVICING PORTFOLIO

In billions	2000	1999

January 1	\$45	\$39
Acquisitions/additions	3	4
Repayments/transfers	(2)	(3)

March 31	\$46	\$40
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At March 31, 2000, the commercial mortgage servicing portfolio was \$46 billion, a 15% increase compared with March 31, 1999.

PNC Real Estate 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.

THE PNC FINANCIAL SERVICES GROUP, INC.

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PNC BUSINESS CREDIT

Three months ended March 31 - dollars in millions	2000	1999

INCOME STATEMENT		
Net interest income	\$24	\$16
Noninterest income	4	2

Total revenue	28	18
Provision for credit losses		
Noninterest expense	7	6

Pretax earnings	21	12
Income taxes	8	4

Earnings	\$13	\$8

AVERAGE BALANCE SHEET

Loans	\$1,999	\$1,565
Other assets	85	32

Total assets	\$2,084	\$1,597

Deposits	\$44	\$41
Assigned funds and other liabilities	1,902	1,447
Assigned capital	138	109

Total funds	\$2,084	\$1,597

PERFORMANCE RATIOS

Return on assigned capital	38%	30%
Noninterest income to total revenue	14	11
Efficiency	21	28

=====

PNC Business Credit provides asset-based lending, capital markets and treasury management products and services to middle market customers on a national basis.

PNC Business Credit's strategic focus is to build scale in this business through the disciplined expansion of existing offices as well as the addition of new marketing locations.

PNC Business Credit contributed 4% of total business earnings for the first three months of 2000 compared with 3% for the first three months of 1999. Earnings increased \$5 million or 63% to \$13 million for the first three months of 2000 compared with the first three months of 1999.

Revenue was \$28 million for the first three months of 2000, a \$10 million or 56% increase compared with the first three months of 1999 primarily due to the impact of higher loan outstandings associated with the strategic expansion of this business.

Noninterest expense was \$7 million and the efficiency ratio improved to 21% for the first three months of 2000 compared with \$6 million and 28%, respectively, in the same period last year. The return on assigned capital improved to 38% for the first three months of 2000 due to strong revenue growth and improved efficiency.

PNC Business Credit 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.

THE PNC FINANCIAL SERVICES GROUP, INC.

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Financial Review

PNC ADVISORS

Three months ended March 31 -
dollars in millions

	2000	1999

INCOME STATEMENT		
Net interest income	\$35	\$33
Noninterest income		
Investment management and trust	100	94
Brokerage	50	36
Other	19	16

Total noninterest income	169	146

Total revenue	204	179
Provision for credit losses	3	1
Noninterest expense	135	120

Pretax earnings	66	58
Income taxes	25	22

Earnings	\$41	\$36

AVERAGE BALANCE SHEET

Loans		
Residential mortgage	\$978	\$1,004
Consumer	954	952
Commercial	658	621
Other	552	255

Total loans	3,142	2,832
Other assets	456	417

Total assets	\$3,598	\$3,249

Deposits	\$2,084	\$2,431
Assigned funds and other liabilities	967	262
Assigned capital	547	556

Total funds	\$3,598	\$3,249

PERFORMANCE RATIOS

Return on assigned capital	30%	26%
Noninterest income to total revenue	83	82
Efficiency	65	66

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 pension funds, 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. PNC Advisors continues to expand Hilliard Lyons, PNC's high-end brokerage company that serves the affluent, throughout the Corporation's geographic region, which includes some of the nation's wealthiest metropolitan areas.

PNC Advisors contributed 14% of total business earnings for the first three months of 2000 and 1999. Earnings of \$41 million for the first three months of 2000 increased \$5 million or 14% compared with the same period last year.

Revenue increased \$25 million or 14% for the first three months of 2000 compared with the first three months of 1999. The increase was primarily driven by higher brokerage revenue resulting from the expansion of PNC Advisors' brokerage distribution network and significant activity in the equity markets. Higher investment management and trust revenue, primarily resulting from new business, also contributed to higher noninterest income. Noninterest expense increased in the quarter-to-quarter comparison commensurate with revenue growth.

ASSETS UNDER MANAGEMENT*

March 31 - in billions	2000	1999
Personal investment management and trust	\$59	\$57
Institutional trust	11	9
Total	\$70	\$66

* Assets under management do not include brokerage assets administered.

At March 31, 2000, PNC Advisors managed \$70 billion of assets, a 6% increase compared with March 31, 1999 primarily due to new business. Brokerage assets administered by PNC Advisors increased \$3 billion in the period-to-period comparison to \$28 billion at March 31, 2000 reflecting increased asset gathering at Hilliard Lyons.

PNC Advisors revenue and financial results are affected by, among other things, the relative investment performance of assets under management, the appreciation or depreciation in the net asset values of assets under management and financial market conditions. Accordingly, future results could differ materially from historic performance.

THE PNC FINANCIAL SERVICES GROUP, INC.

BLACKROCK

Three months ended March 31 - dollars in millions	2000	1999
INCOME STATEMENT		
Investment advisory and administrative fees	\$102	\$83
Other income	6	5
Total revenue	108	88
Operating expense	54	44
Fund administration and servicing costs - affiliates	20	18
Goodwill amortization	2	2
Total expense	76	64
Operating income	32	24
Nonoperating income (expense)	1	(3)
Pretax earnings	33	21
Income taxes	14	9
Earnings	\$19	\$12

PERIOD-END BALANCE SHEET

Goodwill	\$192	\$201
Other assets	196	199

Total assets	\$388	\$400

Borrowings		\$178
Other liabilities	\$88	104
Shareholders' equity	300	118

Total funds	\$388	\$400

PERFORMANCE RATIOS

Return on equity	26%	43%
Operating margin*	36	34
Diluted earnings per share	\$.30	\$.22

* Excludes the impact of 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 contributed 7% of total business earnings for the first three months of 2000 compared with 4% for the first three months of 1999. Earnings of \$19 million for the first three months of 2000 increased 57% compared with the same period last year. Total revenue for the first three months of 2000 increased \$20 million or 23% compared with the first three months of 1999 primarily due to strong growth in investment advisory and administrative fees resulting from new asset management mandates, which represented \$27 billion of the \$32 billion or 23% increase in assets under management. The increase in operating expense in the quarter-to-quarter comparison supported revenue growth.

At March 31, 2000, BlackRock managed \$172 billion of assets for individual and institutional investors.

ASSETS UNDER MANAGEMENT

March 31 - in billions	2000	1999

Separate Accounts		
Fixed income*	\$80	\$64
Liquidity	19	14
Equity	6	2

Total Separate Accounts	105	80
Mutual Funds		
Fixed income	14	14
Liquidity	37	34
Equity	16	12

Total Mutual Funds	67	60

Total assets under management	\$172	\$140

Proprietary mutual funds

BlackRock Funds	\$29	\$25
Provident Institutional Funds	26	23

Total proprietary mutual funds	\$55	\$48
=====		

* Includes alternative investment products.

BlackRock revenue and financial results are impacted by, among other things, the relative investment performance of BlackRock's sponsored investment products and separately managed accounts, the appreciation or depreciation in the net asset values of assets under management and financial market conditions. Accordingly, future results could differ materially from historic performance.

BlackRock, Inc. is a publicly traded company that is 70% owned by PNC. 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.

THE PNC FINANCIAL SERVICES GROUP, INC.

Three months ended March 31 - dollars in millions	2000	1999

INCOME STATEMENT		
Revenue	\$165	\$54
Operating expense	128	35

Operating income	37	19
Debt financing	20	
Amortization	7	1

Pretax earnings	10	18
Income taxes	4	7

Earnings	\$6	\$11

AVERAGE BALANCE SHEET		
Total assets	\$1,603	\$268

Deposits	\$136	\$149
Assigned funds and other liabilities	1,261	18
Assigned capital	206	101

Total funds	\$1,603	\$268

PERFORMANCE RATIOS		
Return on assigned capital	12%	44%
Operating margin	22	35
=====		

PFPC, the Corporation's investment servicing 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 Investor Services Group ("ISG"), one of the nation's leading providers of back-office services to mutual funds and retirement plans. The acquisition added two key related businesses, as well as retirement plan servicing, to PFPC's expanding operations. The integration of ISG into PFPC continues as scheduled.

PFPC contributed 2% of total business earnings for the first three months of 2000 compared with 4% for the first three months of 1999. Earnings decreased \$5 million in the quarter-to-quarter comparison primarily due to the impact of the ISG acquisition. Excluding the net impact of ISG, earnings increased 23% in the quarter-to-quarter comparison.

Revenue increased \$111 million to \$165 million for the first three months of 2000 compared with the first three months of 1999. The acquisition of ISG accounted for \$97 million of the increase in revenue. The remaining increase was driven by new business, existing client growth and market appreciation. Operating expense increased in the quarter-to-quarter comparison and performance ratios were impacted by the ISG acquisition and infrastructure costs associated with business expansion.

SERVICING STATISTICS		
March 31	2000	1999

Accounting/administration (\$ in billions)	\$448	\$266
Custody (\$ in billions)	\$425	\$338
Transfer agency shareholder accounts (in millions)	39	3
=====		

The increases in accounting/administration assets serviced and transfer agency shareholder accounts were primarily due to the ISG acquisition.

PFPC revenue and financial results are affected by, among other things, the number and value of customer accounts serviced and financial market conditions. Accordingly, future results could differ materially from historic performance.

THE PNC FINANCIAL SERVICES GROUP, INC.

dollars in millions	2000	1999
INCOME STATEMENT		
Net mortgage banking revenue		
Residential mortgage servicing	\$99	\$75
Origination and securitization	12	58
MSR amortization, net of servicing hedge	(40)	(57)
Net mortgage banking revenue	71	76
Net interest income	5	25
Total revenue	76	101
Operating expense	65	83
Pretax earnings	11	18
Income taxes	5	7
Earnings	\$6	\$11
AVERAGE BALANCE SHEET		
Residential mortgages held for sale	\$2,115	\$2,948
Securities available for sale	1,883	2,669
Mortgage servicing rights and other assets	2,335	1,467
Total assets	\$6,333	\$7,084
Escrow deposits	\$959	\$1,220
Assigned funds and other liabilities	4,962	5,404
Assigned capital	412	460
Total funds	\$6,333	\$7,084

PERFORMANCE RATIOS		
Return on assigned capital	6%	10%
Net mortgage banking revenue to total revenue	93	75
Efficiency	56	53

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 2% of total business earnings for the first three months of 2000 compared with 4% for the first three months of 1999. Earnings decreased in the comparison due to lower origination and related securitization volume resulting from lower refinancing activity. The decrease in origination and securitization income was partially offset by higher residential mortgage servicing revenue due to the impact of a larger servicing portfolio.

Operating expense decreased \$18 million or 21% in the quarter-to-quarter comparison due to operating expense reduction initiatives associated with lower origination volume.

During the first three months of 2000, PNC Mortgage funded \$2 billion of residential mortgages, with 38% consisting of retail originations. The comparable amounts were \$6 billion and 40%, respectively, for the first three months of 1999. Production volume for the first three months of 2000 consisted of \$1 billion of originated loans and \$1 billion of mortgages acquired through correspondent and contractual flow agreements. The corresponding amounts for the first three months of 1999 were \$2 billion and \$4 billion, respectively.

RESIDENTIAL MORTGAGE SERVICING PORTFOLIO		
In billions	2000	1999
January 1	\$75	\$62
Production volume	2	6
Acquisitions	3	2
Repayments	(2)	(4)
March 31	\$78	\$66

At March 31, 2000, the residential mortgage servicing portfolio totaled \$78 billion. Loans included in this portfolio that were serviced for others totaled \$70 billion and had a weighted-average coupon of 7.61%. Capitalized residential mortgage servicing rights ("MSR") totaled \$1.6 billion at March 31, 2000, and

had an estimated fair value of \$1.8 billion. The master servicing portfolio grew 18% in the quarter-to-quarter comparison to \$36 billion at March 31, 2000.

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.

THE PNC FINANCIAL SERVICES GROUP, INC.

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CONSOLIDATED INCOME STATEMENT REVIEW

<TABLE>
<CAPTION>
NET INTEREST INCOME ANALYSIS
Taxable-equivalent basis

Yields/Rates	Average Balances			Interest Income/Expense			Average
Three months ended March 31 -	-----			-----			-----
dollars in millions	2000	1999	Change	2000	1999	Change	2000
1999 Change							
-----	-----			-----			-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>	<C>						
Interest-earning assets							
Loans held for sale	\$5,434	\$3,383	\$2,051	\$107	\$56	\$51	7.86%
6.68% 118bp							
Securities available for sale	8,011	7,755	256	118	107	11	5.91
5.55 36							
Loans, net of unearned income							
Consumer	9,261	10,955	(1,694)	192	222	(30)	8.33
8.21 12							
Credit card		2,724	(2,724)		100	(100)	
14.91 NM							
Residential mortgage	12,947	12,184	763	229	216	13	7.07
7.09 (2)							
Commercial	21,793	24,574	(2,781)	447	462	(15)	8.12
7.52 60							
Commercial real estate	2,698	3,398	(700)	59	65	(6)	8.60
7.70 90							
Lease financing	2,958	2,443	515	54	44	10	7.33
7.17 16							
Other	688	417	271	14	8	6	8.09
7.69 40							
Total loans, net of unearned income	50,345	56,695	(6,350)	995	1,117	(122)	7.87
7.91 (4)							
Other	1,173	1,005	168	22	16	6	7.60
6.19 141							
Total interest-earning assets/ interest income	64,963	68,838	(3,875)	1,242	1,296	(54)	7.62
7.56 6							
Noninterest-earning assets	9,714	8,120	1,594				
Total assets	\$74,677	\$76,958	\$(2,281)				
=====	=====			=====			
Interest-bearing liabilities							
Deposits							
Demand and money market	\$18,355	\$16,825	\$1,530	138	113	25	3.03
2.73 30							
Savings	2,138	2,535	(397)	9	10	(1)	1.64
1.63 1							
Retail certificates of deposit	14,591	14,652	(61)	191	184	7	5.25
5.08 17							
Other time	637	2,610	(1,973)	10	35	(25)	6.36
5.35 101							
Deposits in foreign offices	1,489	759	730	21	9	12	5.63
4.78 85							
Total interest-bearing deposits	37,210	37,381	(171)	369	351	18	3.98
3.80 18							
Borrowed funds	20,096	21,584	(1,488)	308	281	27	6.08
5.21 87							

Total interest-bearing liabilities/ interest expense	57,306	58,965	(1,659)	677	632	45	4.72
4.31 41	-----						

Noninterest-bearing liabilities, capital securities and shareholders' equity	17,371	17,993	(622)				

Total liabilities, capital securities and shareholders' equity	\$74,677	\$76,958	\$(2,281)				
=====							
Interest rate spread							2.90
3.25 (35)							
Impact of noninterest-bearing sources							.56
.61 (5)							

Net interest income/margin				\$565	\$664	\$(99)	3.46%
3.86% (40)bp							
=====							

</TABLE>

NM - not meaningful

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 \$565 million for the first quarter of 2000, a \$99 million decrease compared with the first quarter of 1999. The net interest margin was 3.46% for the first quarter of 2000 compared with 3.86% in the first quarter of 1999. The decreases were primarily due to the sale of the credit card business in 1999 and the impact of funding cost associated with the ISG acquisition. As a result of the credit card sale and the exit and downsizing of certain credit-related businesses in 1999, loans represented 77% of average earning assets for the first three months of 2000 compared with 82% for the prior-year period. Average loans held for sale increased \$2.1 billion in the quarter-to-quarter comparison, reflecting the decision to exit certain non-strategic wholesale lending businesses during 1999. Securities available for sale represented 10% of average earning assets in the first quarter of 2000 compared with 8% in the first quarter of 1999, excluding securities used to hedge residential mortgage servicing rights.

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 the first three months of 2000 and 1999, respectively, with the remainder primarily comprised of wholesale funding obtained at prevailing market rates. The average loan to deposit ratio declined to 111% for the first three months of 2000 compared with 122% for the first three months of 1999.

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Average demand and money market deposits increased \$1.5 billion or 9% to \$18.4 billion for the first three months of 2000, primarily reflecting the impact of strategic marketing initiatives to grow more valuable transaction accounts, while other time deposits decreased in the quarter-to-quarter comparison. Average borrowed funds for the first three months of 2000 decreased \$1.5 billion compared with the first three months of 1999 as lower bank notes and repurchase agreements more than offset increases in Federal Home Loan Bank borrowings and subordinated debt. The increase in subordinated debt was related to funding the ISG acquisition.

PROVISION FOR CREDIT LOSSES The provision for credit losses was \$31 million for the first three months of 2000 compared with \$78 million for the first three months of 1999. Net charge-offs were \$31 million or .25% of average loans for the first three months of 2000 compared with \$78 million or .56%, respectively, for the first three months of 1999. 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 .15% of average loans for the first three months of 1999.

NONINTEREST INCOME Noninterest income was \$789 million for the first three months of 2000 and represented 58% of total revenue. Noninterest income increased \$206 million or 35% in the quarter-to-quarter comparison, excluding \$290 million of gains on the sales of the credit card business and an equity interest in EPS that were partially offset by \$142 million of valuation adjustments associated with exiting certain non-strategic wholesale lending

businesses in 1999. The increase was primarily driven by strong growth in fee-based businesses, the impact of the ISG acquisition and equity management revenue.

Asset management fees of \$186 million for the first three months of 2000 increased \$25 million or 16% driven by new business and market appreciation. Assets under management were \$220 billion at March 31, 2000, a 21% increase compared with March 31, 1999. Fund servicing fees were \$155 million for the first quarter of 2000, a \$103 million increase compared with the first quarter of 1999 primarily driven by the ISG acquisition, new business and market appreciation.

Brokerage fees of \$71 million for the first three months of 2000 increased \$15 million or 27% reflecting the expansion of Hilliard Lyons' distribution network and the impact of significant activity in the equity markets. Consumer services revenue of \$51 million for the first three months of 2000 remained consistent in the quarter-to-quarter comparison, excluding credit card fees in the first three months of 1999.

Corporate services revenue of \$82 million for the first three months of 2000 increased \$10 million or 14% in the quarter-to-quarter comparison, excluding valuation adjustments related to the exit of certain non-strategic wholesale lending businesses in 1999. The increase included, among other things, double-digit increases in capital markets and treasury management fees.

Net residential mortgage banking revenue of \$54 million for the first three months of 2000 decreased \$6 million compared with the prior-year quarter as an increase in net servicing revenue was more than offset by the impact of lower refinancing activity.

Equity management revenue was \$87 million for the first three months of 2000 compared with \$9 million in the first three months of 1999. The majority of the revenue in the first three months of 2000 resulted from realized gains.

Other noninterest income of \$56 million for the first three months of 2000 increased \$7 million in the quarter-to-quarter comparison, excluding non-core items in the first quarter of 1999.

NONINTEREST EXPENSE Noninterest expense was \$847 million in the first three months of 2000 compared with \$725 million in the first three months of 1999, excluding \$98 million of costs related to efficiency initiatives last year. The efficiency ratio was 57.4% in the first three months of 2000 compared with 52.1% in the prior-year quarter, excluding non-core items. The quarter-to-quarter increases were primarily related to the ISG acquisition and higher expenses commensurate with fee-based revenue growth. Average full-time equivalent employees totaled approximately 26,100 and 25,500 for the first three months of 2000 and 1999, respectively. The increase was primarily due to the net impact of the ISG acquisition, partially offset by the impact of efficiency initiatives in the traditional banking and mortgage banking businesses.

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CONSOLIDATED BALANCE SHEET REVIEW

LOANS Loans outstanding of \$50.7 billion at March 31, 2000 increased \$.6 billion from year-end 1999 primarily due to an increase in commercial and residential mortgage loans. Total outstandings and exposure designated for exit during 1999 totaled \$3.7 billion and \$10.5 billion, respectively. At March 31, 2000, the remaining outstandings and exposure associated with this initiative totaled \$2.1 billion and \$6.2 billion, respectively. Loans that were designated for exit in 1999 and reclassified to held for sale are excluded from the following table.

DETAILS OF LOANS

In millions	March 31 2000	December 31 1999

Consumer		
Home equity	\$6,126	\$6,068
Automobile	1,530	1,691
Other	1,536	1,598

Total consumer	9,192	9,357
Residential mortgage	13,085	12,869
Commercial		
Manufacturing	5,430	5,355
Retail/wholesale	4,417	4,301
Service providers	3,021	3,208
Real estate related	2,815	2,862
Communications	1,341	1,370
Health care	798	772

Financial services	1,291	1,300
Other	2,920	2,300

Total commercial	22,033	21,468
Commercial real estate		
Mortgage	717	761
Real estate project	1,948	1,969

Total commercial real estate	2,665	2,730
Lease financing	3,701	3,663
Other	701	683
Unearned income	(724)	(724)

Total, net of unearned income	\$50,653	\$50,046
=====		

Loan portfolio composition continued to be geographically diversified among numerous industries and types of businesses.

NET UNFUNDED COMMITMENTS

	March 31	December 31
In millions	2000	1999

Consumer	\$4,672	\$4,603
Residential mortgage	1,520	648
Commercial	24,151	23,953
Commercial real estate	397	38
Lease financing	103	136
Other	308	1,513

Total	\$31,151	\$30,891
=====		

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 \$7.0 billion and \$7.2 billion at March 31, 2000 and December 31, 1999, respectively. Unfunded commitments related to loans designated for exit totaling \$4.1 billion at March 31, 2000 and \$4.8 billion at December 31, 1999, are excluded from the above table.

Net outstanding letters of credit totaled \$4.2 billion and \$4.6 billion at March 31, 2000 and December 31, 1999, 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.

SECURITIES AVAILABLE FOR SALE The fair value of the securities available for sale portfolio increased \$55 million from December 31, 1999 to \$7.7 billion at March 31, 2000. Total securities used to hedge residential MSR were \$1.8 billion at March 31, 2000. Portfolio securities represented 8% of total assets at March 31, 2000. The expected weighted-average life of the portfolio securities decreased to 4 years and 3 months at March 31, 2000, compared with 4 years and 7 months at year-end 1999. The expected weighted-average life of total securities available for sale decreased to 5 years and 4 months at March 31, 2000 compared with 5 years and 7 months at year-end 1999.

DETAILS OF SECURITIES AVAILABLE FOR SALE

	Amortized	Fair
In millions	Cost	Value

March 31, 2000		
PORTFOLIO SECURITIES		
Debt securities		
U.S. Treasury and government agencies	\$159	\$153
Mortgage-backed	3,777	3,613
Asset-backed	1,320	1,286
State and municipal	135	132
Other debt	39	38
Corporate stocks and other	673	684

Total	\$6,103	\$5,906
=====		

MORTGAGE BANKING RISK MANAGEMENT

Debt securities		
U.S. Treasury and government agencies	\$1,885	\$1,698
Mortgage-backed	66	62

Total	\$1,951	\$1,760

Total securities available for sale	\$8,054	\$7,666
=====		

December 31, 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
=====		

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FUNDING SOURCES Total funding sources were \$64.8 billion at March 31, 2000, a decrease of \$1.2 billion compared with December 31, 1999, primarily resulting from reduced deposits in foreign offices and Federal Home Loan Bank ("FHLB") borrowings.

DETAILS OF FUNDING SOURCES

In millions	March 31 2000	December 31 1999

Deposits		
Demand, savings and money market	\$29,280	\$28,689
Retail certificates of deposit	14,552	14,153
Other time	645	633
Deposits in foreign offices	2,224	3,193

Total deposits	46,701	46,668
Borrowed funds		
Federal funds purchased	909	1,281
Repurchase agreements	770	1,122
Bank notes and senior debt	7,001	6,975
Federal Home Loan Bank borrowings	6,156	6,656
Subordinated debt	2,425	2,327
Other borrowed funds	833	986

Total borrowed funds	18,094	19,347

Total	\$64,795	\$66,015
=====		

CAPITAL The access to and cost of funding new business initiatives including acquisitions, the ability to engage in expanded activities, the 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 March 31, 2000, the Corporation and each bank subsidiary were considered well capitalized based on regulatory capital ratio requirements.

RISK-BASED CAPITAL

March 31 - dollars in millions	2000	1999

Capital components		
Shareholders' equity		
Common	\$5,726	\$5,617
Preferred	313	314
Trust preferred capital securities	848	848
Goodwill and other	(2,278)	(1,348)
Net unrealized securities losses	251	82

Tier I risk-based capital	4,860	5,513
Subordinated debt	2,080	1,780
Eligible allowance for credit losses	662	672

Total risk-based capital	\$7,602	\$7,965
=====		
Assets		
Risk-weighted assets and off-balance-sheet instruments	\$67,049	\$67,056
Average tangible assets	72,872	75,770
=====		
Capital ratios		
Tier I risk-based	7.25%	8.22%

Total risk-based	11.34	11.88
Leverage	6.67	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 the first quarter of 2000, PNC repurchased 2.7 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. Approximately 8.3 million shares remain under this authorization.

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 other things, diversification, limiting exposure to any single industry or customer, requiring collateral or selling participations to third parties, and purchasing credit-related derivatives.

NONPERFORMING ASSETS

Dollars in millions	March 31 2000	December 31 1999

Nonaccrual loans		
Commercial	\$240	\$219
Residential mortgage	49	56
Commercial real estate		
Real estate project	7	13
Mortgage	6	8
Consumer	3	2
Lease financing	2	1

Total nonaccrual loans	307	299
Foreclosed and other assets		
Residential mortgage	12	12
Commercial real estate	5	5
Other	31	22

Total foreclosed and other assets	48	39

Total nonperforming assets	\$355	\$338
=====		
Nonaccrual loans to total loans	.61%	.60%
Nonperforming assets to total loans, loans held for sale and foreclosed assets	.64	.61
Nonperforming assets to total assets	.48	.45
=====		

The above table excludes \$18 million and \$13 million of equity management assets at March 31, 2000 and December 31, 1999, respectively, carried at fair value.

The amount of nonperforming loans that were current as to principal and interest was \$25 million at March 31, 2000, and \$42 million at December 31, 1999. There were no troubled debt restructured loans outstanding as of either period end.

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Financial Review

CHANGE IN NONPERFORMING ASSETS

In millions	2000	1999

January 1	\$338	\$332
Transferred from accrual	117	74
Returned to performing	(2)	(1)
Principal reductions	(46)	(53)
Sales	(9)	(10)
Charge-offs and other	(43)	(14)

March 31	\$355	\$328
=====		

ACCRUING LOANS PAST DUE 90 DAYS OR MORE

Dollars in millions	Amount		Percent of Loans	
	March 31 2000	December 31 1999	March 31 2000	December 31 1999
Consumer	\$20	\$25	.22%	.27%
Residential mortgage	41	34	.31	.26
Commercial	42	30	.19	.14
Commercial real estate	3	5	.11	.18
Lease financing	4	2	.13	.05
Total	\$110	\$96	.22	.19

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 other things, 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 for the first quarter of 2000 and the evaluation of the allowance for credit losses as of March 31, 2000 reflected changes in loan portfolio composition and changes in asset quality. The unallocated portion of the allowance for credit losses at March 31, 2000 represented 20% of the total allowance and .26% of total loans compared with 20% and .27%, respectively, at December 31, 1999.

ROLLFORWARD OF ALLOWANCE FOR CREDIT LOSSES

In millions	2000	1999
January 1	\$674	\$753
Charge-offs	(45)	(97)
Recoveries	14	19
Net charge-offs	(31)	(78)
Provision for credit losses	31	78
Divestitures		(81)
March 31	\$674	\$672

The allowance as a percent of nonaccrual loans and period-end loans was 220% and 1.33%, respectively, at March 31, 2000. The comparable year-end 1999 amounts were 225% and 1.35%, respectively.

CHARGE-OFFS AND RECOVERIES

Dollars in millions	Three months ended		Percent of	
	Charge-offs	Recoveries	Net Charge-offs	Average Loans
2000				
Consumer	\$12	\$6	\$ 6	.26%
Residential mortgage	2		2	.06
Commercial	29	7	22	.41
Lease financing	2	1	1	.14
Total	\$45	\$14	\$31	.25
1999				
Consumer	\$18	\$7	\$11	.41%
Credit card	60	2	58	8.64
Residential mortgage	4	1	3	.10
Commercial	12	7	5	.08

Commercial real estate	1	1		
Lease financing	2	1	1	.17

Total	\$97	\$19	\$78	.56
=====				

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.

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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 and sell 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. At March 31, 2000, such assets totaled \$13.3 billion with \$4.1 billion pledged as collateral for borrowing, trust and other commitments. Liquidity can also be obtained through secured advances from the FHLB, of which PNC is a member. These borrowings are generally secured by residential mortgages and mortgage-backed securities. At March 31, 2000, approximately \$8.0 billion of residential mortgages were available as collateral for borrowings from the FHLB. Funding can also be obtained through alternative forms of borrowing, including Federal funds purchased, repurchase agreements and short-term and long-term debt issuances.

Liquidity for the parent company and subsidiaries is also generated through the issuance of securities in public or private markets and lines of credit. During the first quarter of 2000, the Corporation issued \$100 million of subordinated debt. At March 31, 2000, the Corporation had unused capacity under effective shelf registration statements of approximately \$1.4 billion of debt and equity securities and \$400 million of trust preferred capital securities. In addition, the Corporation had 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 \$130 million at March 31, 2000. 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 further 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.

Financial Review

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 March 31, 2000, if interest rates were to gradually increase by 100 basis points over the next twelve months, the model indicated that net interest income would decrease by .6%. If interest rates were to gradually decrease by 100 basis points over the next twelve months, the model indicated that net interest income would increase by .8%.

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.

An economic value of equity model is used by the Corporation to value 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 March 31, 2000, if interest rates were to instantaneously increase by 200 basis points, the model indicated that the economic value of existing on-balance-sheet and off-balance-sheet positions would decline by 1.0% of assets. If interest rates were to instantaneously decrease by 200 basis points, the model indicated that the economic value of existing on-balance-sheet and off-balance-sheet positions would increase by .2% of assets.

MARKET RISK Most of PNC's trading activities are designed to provide capital markets services for customers. 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 March 31, 2000.

FINANCIAL DERIVATIVES A variety of off-balance-sheet financial derivatives are used as part of the overall risk management process to manage the 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. 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 residential 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 the first three months of 2000, financial derivatives used in interest rate risk management decreased net interest income by \$5 million compared with a \$16 million increase in the prior-year period.

The following table sets forth changes in the notional value of off-balance-sheet financial derivatives used for risk management during the first three months of 2000.

<TABLE>					
<CAPTION>					
FINANCIAL DERIVATIVES ACTIVITY					
Weighted-					
Average 2000 - dollars in millions Maturity	January 1	Additions	Maturities	Terminations	March 31

<S>	<C>	<C>	<C>	<C>	<C>
<C>					
Interest rate risk management					
Interest rate swaps					
Receive fixed	\$7,413	\$350	\$(1,050)		\$6,713
2 yrs. 9 mos.					
Pay fixed	5				5
9 mos.					
Basis swaps	1,650	23			1,673
3 yrs. 3 mos.					
Interest rate caps	474		(43)	\$(9)	422
4 yrs.					
Interest rate floors	3,311		(13)	(7)	3,291
2 yrs. 2 mos.					

Total interest rate risk management	12,853	373	(1,106)	(16)	12,104
Mortgage banking risk management					
Residential					
Forward contracts					
Commitments to purchase loans	304	6,023	(5,708)		619
2 mos.					
Commitments to sell loans	1,194	7,051	(6,628)		1,617
2 mos.					
Options	96	132	(122)		106
2 mos.					
Options - MSR	7,675				7,675
3 yrs. 5 mos.					

Total residential	9,269	13,206	(12,458)		10,017
Commercial - interest rate swaps	643	693	(85)	(445)	806

7 yrs. 1 mo.					

Total mortgage banking risk management	9,912	13,899	(12,543)	(445)	10,823
Student lending activities					
Forward contracts	681	67		(321)	427
2 yrs. 1 mo.					
Credit-related activities					
Credit default swaps	4,315	10			4,325
1 yr. 5 mos.					

Total	\$27,761	\$14,349	\$(13,649)	\$(782)	\$27,679
=====					

</TABLE>

THE PNC FINANCIAL SERVICES GROUP, INC.

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Financial Review

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 March 31, 2000.

FINANCIAL DERIVATIVES

Interest Rates	Notional	Estimated	Weighted-Average
-----	Value	Fair Value	-----
March 31, 2000 - dollars in millions			Paid
Received			

<S>	<C>	<C>	<C>
<C>			
Interest rate risk management			
Asset rate conversion			
Interest rate swaps (1)			
Receive fixed designated to loans	\$5,000	\$(67)	6.96%
5.52%			
Basis swaps designated to other earning assets	249	3	6.44
6.95			
Interest rate caps designated to loans (2)	422	12	NM
NM			
Interest rate floors designated to loans (3)	3,291	(1)	NM
NM			

Total asset rate conversion	8,962	(53)	
Liability rate conversion			
Interest rate swaps (1)			
Receive fixed designated to:			
Interest-bearing deposits	150	(2)	7.01
6.65			
Borrowed funds	1,563	(35)	7.02
6.49			
Pay fixed designated to borrowed funds	5	2	6.09
7.36			
Basis swaps designated to borrowed funds	1,424	6	6.93
7.01			

Total liability rate conversion	3,142	(29)	

Total interest rate risk management	12,104	(82)	
Mortgage banking risk management			
Residential			
Forward contracts			
Commitments to purchase loans	619	5	NM
NM			
Commitments to sell loans	1,617	(6)	NM
NM			

NM	Options	106	2	NM
NM	Options - MSR (3)	7,675	34	NM

	Total residential	10,017	35	
	Commercial			
7.13	Pay fixed interest rate swaps designated to securities (1)	444	26	6.09
6.81	Pay fixed interest rate swaps designated to loans (1)	362	16	6.51

	Total commercial	806	42	

	Total mortgage banking risk management	10,823	77	
	Student lending activities			
NM	Forward contracts	427		NM
	Credit-related activities			
NM	Credit default swaps	4,325	(3)	NM

	Total financial derivatives	\$27,679	\$(8)	

</TABLE>

- (1) The floating rate portion of interest rate contracts is based on money-market indices. As a percent of notional value, 24% were based on 1-month LIBOR, 72% on 3-month LIBOR and the remainder on other short-term indices.
- (2) Interest rate caps with notional values of \$117 million, \$120 million and \$183 million require the counterparty to pay the Corporation the excess, if any, of 3-month LIBOR over a weighted-average strike of 6.14%, 1-month LIBOR over a weighted-average strike of 5.71% and Prime over a weighted-average strike of 8.76%, respectively. At March 31, 2000, 3-month LIBOR was 6.29%, 1-month LIBOR was 6.13% and Prime was 9.00%.
- (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 March 31, 2000, 3-month LIBOR was 6.29%, 10-year CMT was 6.03% and 10-year CMS was 7.28%.

NM - Not meaningful

THE PNC FINANCIAL SERVICES GROUP, INC.

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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.

OTHER DERIVATIVES

<TABLE>
<CAPTION>

In millions	At March 31, 2000				
	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	\$12,770	\$127	\$(133)	\$(6)	\$(7)
Caps/floors					
Sold	4,080		(26)	(26)	(27)
Purchased	3,926	25		25	25
Foreign exchange	4,242	51	(45)	6	6
Other	1,912	10	(11)	(1)	2

Total customer-related	26,930	213	(215)	(2)	(1)

Other	1,421	6	(1)	5	5
Total other derivatives	\$28,351	\$219	\$(216)	\$3	\$4

</TABLE>

* For the three months ended March 31, 2000

THE PNC FINANCIAL SERVICES GROUP, INC.

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CONSOLIDATED STATEMENT OF INCOME

Three months ended March 31 - in millions, except per share data		2000
1999		

INTEREST INCOME		<C>
Loans and fees on loans		\$991
\$1,112		
Securities available for sale		117
106		
Loans held for sale		107
56		
Other		22
16		

Total interest income		1,237
1,290		

INTEREST EXPENSE		
Deposits		369
351		
Borrowed funds		308
281		

Total interest expense		677
632		

Net interest income		560
658		
Provision for credit losses		31
78		

Net interest income less provision for credit losses		529
580		

NONINTEREST INCOME		
Asset management		186
161		
Fund servicing		155
52		
Service charges on deposits		50
50		
Brokerage		71
56		
Consumer services		51
74		
Corporate services		82
(63)		
Net residential mortgage banking		54
60		
Equity management		87
9		
Net securities losses		(3)
Other		56
332		

Total noninterest income		789
731		

NONINTEREST EXPENSE	
Staff expense	444
412	
Net occupancy	57
87	
Equipment	60
88	
Amortization	28
28	
Marketing	15
15	
Distributions on capital securities	16
16	
Other	227
177	

Total noninterest expense	847
823	

Income before income taxes	471
488	
Income taxes	163
163	

Net income	\$308
\$325	

Net income applicable to diluted earnings	\$303
\$321	
EARNINGS PER COMMON SHARE	
Basic	\$1.04
\$1.06	
Diluted	1.03
1.05	
CASH DIVIDENDS DECLARED PER COMMON SHARE	
.41	.45
AVERAGE COMMON SHARES OUTSTANDING	
Basic	291.9
302.3	
Diluted	294.1
305.5	

</TABLE>

See accompanying Notes to Consolidated Financial Statements.

THE PNC FINANCIAL SERVICES GROUP, INC.

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CONSOLIDATED BALANCE SHEET

<TABLE>

<CAPTION>

	March 31
December 31	
In millions, except par value	2000
1999	

<S> <C>

ASSETS	
Cash and due from banks	\$2,190
\$3,097	
Short-term investments	1,032
1,148	
Loans held for sale	4,648
5,798	
Securities available for sale	7,666

7,611	
Loans, net of unearned income of \$724	50,653
50,046	
Allowance for credit losses	(674)
(674)	

Net loans	49,979
49,372	
Goodwill and other amortizable assets	4,155
4,123	
Other	4,637
4,264	

Total assets	\$74,307
\$75,413	
=====	
=====	
LIABILITIES	
Deposits	
Noninterest-bearing	\$8,292
\$8,441	
Interest-bearing	38,409
38,227	

Total deposits	46,701
46,668	
Borrowed funds	
Federal funds purchased	909
1,281	
Repurchase agreements	770
1,122	
Bank notes and senior debt	7,001
6,975	
Federal Home Loan Bank borrowings	6,156
6,656	
Subordinated debt	2,425
2,327	
Other borrowed funds	833
986	

Total borrowed funds	18,094
19,347	
Other	2,625
2,604	

Total liabilities	67,420
68,619	

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	1,285
1,276	
Retained earnings	6,178
6,006	
Deferred benefit expense	(18)
(17)	
Accumulated other comprehensive loss	(264)
(267)	
Common stock held in treasury at cost: 62 and 60 shares	(2,913)
(2,823)	

Total shareholders' equity	6,039
5,946	

Total liabilities, capital securities and shareholders' equity	\$74,307
\$75,413	
=====	
=====	

=====
</TABLE>

See accompanying Notes to Consolidated Financial Statements.

THE PNC FINANCIAL SERVICES GROUP, INC.

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CONSOLIDATED STATEMENT OF CASH FLOWS

<TABLE>	
<CAPTION>	
Three months ended March 31 - in millions	2000
1999	

<S>	<C>
<C>	
OPERATING ACTIVITIES	
Net income	\$308
\$325	
Adjustments to reconcile net income to net cash provided by operating activities	
Provision for credit losses	31
78	
Depreciation, amortization and accretion	131
130	
Deferred income taxes	119
43	
Net securities losses	3
17	
Gain on sale of businesses	
(290)	
Valuation adjustments	17
142	
Change in	
Loans held for sale	1,133
521	
Other	(442)
(165)	

Net cash provided by operating activities	1,300
801	

INVESTING ACTIVITIES	
Net change in loans	(652)
218	
Repayment of securities available for sale	187
403	
Sales	
Securities available for sale	1,427
1,659	
Loans	
38	
Foreclosed assets	8
10	
Purchases	
Securities available for sale	(1,690)
(3,504)	
Net cash received for divestitures	
3,261	
Other	(70)
17	

Net cash (used) provided by investing activities	(790)
2,102	

FINANCING ACTIVITIES	
Net change in	
Noninterest-bearing deposits	(149)
(873)	
Interest-bearing deposits	182
(824)	
Federal funds purchased	(372)
(145)	
Sale/issuance	
Repurchase agreements	35,099

33,667		
	Bank notes and senior debt	1,050
820		
	Federal Home Loan Bank borrowings	1,500
250		
	Subordinated debt	99
254		
	Other borrowed funds	10,399
7,786		
	Common stock	31
16		
	Repayment/maturity	
	Repurchase agreements	(35,451)
(33,020)		
	Bank notes and senior debt	(1,025)
(1,305)		
	Federal Home Loan Bank borrowings	(2,000)
(1,450)		
	Subordinated debt	
(5)		
	Other borrowed funds	(10,528)
(7,860)		
	Acquisition of treasury stock	(116)
(297)		
	Cash dividends paid	(136)
(129)		

	Net cash used by financing activities	(1,417)
(3,115)		

	DECREASE IN CASH AND DUE FROM BANKS	(907)
(212)		
	Cash and due from banks at beginning of year	3,097
2,534		

	Cash and due from banks at end of period	\$2,190
\$2,322		
=====		
	CASH PAID FOR	
	Interest	\$705
\$667		
	Income taxes	90
8		
	NONCASH ITEMS	
	Transfer from loans to loans held for sale	
1,018		
	Transfer from loans to other assets	9
11		
=====		

</TABLE>

See accompanying Notes to Consolidated Financial Statements.

THE PNC FINANCIAL SERVICES GROUP, INC.

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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, corporate banking, secured finance, asset management and mortgage banking businesses that provide products and services nationally and in PNC's primary geographic markets in Pennsylvania, New Jersey, Delaware, Ohio and Kentucky. The Corporation is subject to intense competition from other financial services companies and is subject to the regulations of certain federal and state agencies and undergoes periodic examinations by those authorities.

ACCOUNTING POLICIES

BASIS OF FINANCIAL STATEMENT PRESENTATION The unaudited consolidated interim financial statements include the accounts of The PNC Financial Services Group, Inc. and its subsidiaries, most of which are wholly owned. Such statements have been prepared in accordance with generally accepted accounting principles. All significant intercompany accounts and transactions have been eliminated.

In the opinion of management, the financial statements reflect all adjustments of a normal recurring nature necessary for a fair statement of results for the interim periods presented. Certain prior-period amounts have been reclassified to conform to reporting classifications utilized for the current reporting

period. These classifications did not impact the Corporation's financial condition or results of operations.

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.

The notes included herein should be read in conjunction with the audited consolidated financial statements included in The PNC Financial Services Group, Inc.'s 1999 Annual Report.

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.

CASH FLOWS

The Corporation did not have any acquisition or divestiture activity that affected cash flows during the first three months of 2000. During the first three months of 1999, divestiture activity that affected cash flow consisted of \$3.1 billion of divested assets and cash receipts of \$3.3 billion in cash and due from banks.

TRADING ACTIVITIES

PNC engages in trading activities as part of the Corporation's 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 for the first three months of 2000 totaled \$35 million compared with a net trading loss of \$14 million for the prior-year period that were included in noninterest income as follows:

Three months ended March 31 - in millions	2000	1999
Net residential mortgage banking		
Risk management	\$15	\$(28)
Other income		
Securities trading	12	8
Derivatives trading	3	2
Foreign exchange	5	4
Net trading income (loss)	\$35	\$(14)

</TABLE>

THE PNC FINANCIAL SERVICES GROUP, INC.

SECURITIES AVAILABLE FOR SALE

Fair In millions Value	Amortized Cost	Unrealized	
		Gains	Losses

<S>

<C>

<C>

<C>

<C>

MARCH 31, 2000

PORTFOLIO SECURITIES

Debt securities

U.S. Treasury and government agencies	\$159		\$(6)
\$153			
Mortgage-backed	3,777	\$1	(165)
3,613			
Asset-backed	1,320		(34)
1,286			
State and municipal	135	2	(5)
132			
Other debt	39		(1)
38			

Total debt securities	5,430	3	(211)
5,222			
Corporate stocks and other	673	12	(1)
684			

Total	6,103	15	(212)
5,906			

MORTGAGE BANKING RISK MANAGEMENT

Debt securities

U.S. Treasury and government agencies	1,885		(187)
1,698			
Mortgage-backed	66		(4)
62			

Total	1,951		(191)
1,760			

Total securities available for sale	\$8,054	\$15	\$(403)
\$7,666			

DECEMBER 31, 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			

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			

</TABLE>

The fair value of the securities available for sale portfolio increased \$55 million from December 31, 1999 to \$7.7 billion at March 31, 2000. Total securities used to hedge residential mortgage servicing rights were \$1.8 billion at March 31, 2000. Portfolio securities represented 8% of total assets at March 31, 2000. The expected weighted-average life of the portfolio securities decreased to 4 years and 3 months at March 31, 2000 compared with 4 years and 7 months at year-end 1999. The expected weighted-average life of total securities available for sale decreased to 5 years and 4 months at March 31, 2000 compared with 5 years and 7 months at year-end 1999.

Net securities losses were \$3 million for the first three months of 2000. In comparison, net securities losses for the first three months of 1999 were \$17 million and were reported in net residential mortgage hedging activities. During the first three months of 2000, no securities held for mortgage banking risk management purposes were sold.

THE PNC FINANCIAL SERVICES GROUP, INC.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NONPERFORMING ASSETS

Nonperforming assets were as follows:

<TABLE>
<CAPTION>

In millions	March 31 2000	December 31 1999

<S>	<C>	<C>
Nonaccrual loans	\$307	\$299
Foreclosed and other assets	48	39

Total nonperforming assets	\$355	\$338
=====		

</TABLE>

The above table excludes \$18 million and \$13 million of equity management assets at March 31, 2000 and December 31, 1999, respectively, carried at fair value.

ALLOWANCE FOR CREDIT LOSSES

Changes in the allowance for credit losses were as follows:

<TABLE>
<CAPTION>

In millions	2000	1999

<S>	<C>	<C>
Allowance at January 1	\$674	\$753
Charge-offs		
Consumer	(12)	(18)
Credit card		(60)
Residential mortgage	(2)	(4)
Commercial	(29)	(12)
Commercial real estate		(1)
Lease financing	(2)	(2)

Total charge-offs	(45)	(97)
Recoveries		
Consumer	6	7
Credit card		2
Residential mortgage		1
Commercial	7	7
Commercial real estate		1
Lease financing	1	1

Total recoveries	14	19

Net charge-offs		
Consumer	(6)	(11)
Credit card		(58)
Residential mortgage	(2)	(3)
Commercial	(22)	(5)
Lease financing	(1)	(1)

Total net charge-offs	(31)	(78)
Provision for credit losses	31	78
Divestitures		(81)

Allowance at March 31	\$674	\$672
=====		

</TABLE>

FINANCIAL DERIVATIVES

FAIR VALUE OF FINANCIAL DERIVATIVES The notional and fair values of financial derivatives used for risk management were as follows:

<TABLE>

<CAPTION>

In millions	Positive		Negative	
	Notional Value	Fair Value	Notional Value	Fair Value
<S>	<C>	<C>	<C>	<C>
MARCH 31, 2000				
Interest rate				
Swaps	\$2,939	\$20	\$5,452	\$(113)
Caps	422	12		
Floors	3,000		291	(1)

Total interest rate risk management	6,361	32	5,743	(114)
Mortgage banking risk management				
Forward contract	8,578	86	2,245	(9)
Credit default swaps	427			
	70		4,255	(3)

Total	\$15,436	\$118	\$12,243	\$(126)

DECEMBER 31, 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				
Forward contract	8,747	80	1,165	(1)
Credit default swaps	681			
	60		4,255	(4)

Total	\$16,628	\$139	\$11,133	\$(114)

</TABLE>

THE PNC FINANCIAL SERVICES GROUP, INC.

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OTHER DERIVATIVES The following schedule sets forth information relating to positions associated with customer-related and other derivatives.

<TABLE>

<CAPTION>

In millions	At March 31				
	Notional Value	Positive Fair Value	Negative Fair Value	Net Asset (Liability)	Average Fair Value*
<S>	<C>	<C>	<C>	<C>	<C>
2000					
Customer-related					
Interest rate					
Swaps	\$12,770	\$127	\$(133)	\$(6)	\$(7)
Caps/floors					
Sold	4,080		(26)	(26)	(27)
Purchased	3,926	25		25	25
Foreign exchange	4,242	51	(45)	6	6
Other	1,912	10	(11)	(1)	2

Total customer-related	26,930	213	(215)	(2)	(1)
Other	1,421	6	(1)	5	5

Total other derivatives	\$28,351	\$219	\$(216)	\$3	\$4

</TABLE>

<TABLE>

<CAPTION>

In millions	At December 31				
	Notional Value	Positive Fair Value	Negative Fair Value	Net Asset (Liability)	Average Fair Value
<S>	<C>	<C>	<C>	<C>	<C>
1999					

	<C>	<C>	<C>	<C>	<C>
<S> 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)

</TABLE>

* For the three months ended March 31, 2000

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.

COMPREHENSIVE INCOME

Total comprehensive income was \$311 million and \$279 million for the first three months of 2000 and 1999, respectively.

THE PNC FINANCIAL SERVICES GROUP, INC.

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EARNINGS PER SHARE

The following table sets forth basic and diluted earnings per share calculations.

	2000	1999

<S>	<C>	<C>
CALCULATION OF BASIC EARNINGS PER COMMON SHARE		
Net income	\$308	\$325
Less: Preferred dividends declared	5	5

Net income applicable to basic earnings per common share	\$303	\$320

Basic weighted-average common shares outstanding (in thousands)	291,891	302,303

Basic Earnings Per Common Share	\$1.04	\$1.06
=====		
CALCULATION OF DILUTED EARNINGS PER COMMON SHARE		
Net income	\$308	\$325
Less: Dividends declared on nonconvertible preferred stock Series F	5	4

Net income applicable to diluted earnings per common share	\$303	\$321

Basic weighted-average common shares outstanding (in thousands)	291,891	302,303
Weighted-average common shares to be issued using average market price and assuming:		
Conversion of preferred stock Series A and B	122	138
Conversion of preferred stock Series C and D	1,028	1,099
Conversion of debentures	22	25
Exercise of stock options	699	1,558
Incentive share awards	368	373

Diluted weighted-average common shares outstanding (in thousands)	294,130	305,496

</TABLE>

THE PNC FINANCIAL SERVICES GROUP, INC.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEGMENT REPORTING

PNC operates eight major businesses engaged in regional banking, corporate banking, secured finance, asset management and mortgage banking activities: Regional Banking, Corporate Banking, PNC Real Estate Finance, PNC Business Credit, PNC Advisors, BlackRock, PFPC and PNC Mortgage.

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 business 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 presentation of business results was changed during the first quarter of 2000 to reflect the Corporation's current operating strategy and recent management changes. Middle market and equipment leasing activities (previously included in Regional Banking) are reported in Corporate Banking. In addition, PNC Real Estate Finance and PNC Business Credit are reported separately within PNC Secured Finance. Regional real estate lending activities (previously included in Regional Banking) are reported in PNC Real Estate Finance. Business financial results for the first quarter of 2000 and 1999 are presented consistent with this 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. The allowance for credit losses is allocated to the businesses based on risk inherent in the loan portfolios. 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.

BUSINESS SEGMENT PRODUCTS AND SERVICES

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

Corporate Banking provides specialized credit, equipment leasing, treasury management and capital markets products and services to large and mid-sized corporations, institutions and government entities primarily within PNC's geographic region.

PNC Real Estate Finance provides credit, capital markets, treasury management and loan servicing products and services to private developers, real estate investment trusts, pension funds and the affordable housing market nationally.

PNC Business Credit provides asset-based lending, capital markets and treasury management products and services to middle market customers on a national basis.

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 pension funds, 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 investment servicing 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

Earnings	\$116	\$54	\$15	\$8	\$36	\$12	\$11	\$11
\$62 \$325								
Inter-segment revenue	\$1	\$(1)	\$1		\$2	\$19		\$9
\$(31)								
Average assets	\$37,525	\$15,679	\$5,634	\$1,597	\$3,249	\$400	\$268	\$7,084
\$5,522 \$76,958								

</TABLE>
* Taxable-equivalent basis

THE PNC FINANCIAL SERVICES GROUP, INC.

Statistical Information

CONSOLIDATED AVERAGE BALANCE SHEET AND NET INTEREST ANALYSIS

<TABLE>
<CAPTION>

Quarter 1999	First Quarter 2000			Fourth	
	Average		Average	Average	
Dollars in millions	Balances	Interest	Yields/Rates	Balances	Interest
Average					
Taxable-equivalent basis					
Yields/Rates					
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
ASSETS					
Interest-earning assets					
Loans held for sale	\$5,434	\$107	7.86%	\$4,427	\$86
7.79%					
Securities available for sale					
U.S. Treasury and government agencies and corporations	3,819	50	5.24	3,844	51
5.28					
Other debt	3,578	58	6.45	3,676	59
6.44					
Other	614	10	6.92	691	11
6.45					
Total securities available for sale	8,011	118	5.91	8,211	121
5.90					
Loans, net of unearned income					
Consumer	9,261	192	8.33	9,421	197
8.28					
Credit card					
Residential mortgage	12,947	229	7.07	12,667	222
7.00					
Commercial	21,793	447	8.12	22,318	448
7.85					
Commercial real estate	2,698	59	8.60	3,265	66
7.98					
Lease financing	2,958	54	7.33	2,786	50
7.17					
Other	688	14	8.09	613	13
7.80					
Total loans, net of unearned income	50,345	995	7.87	51,070	996
7.69					
Other	1,173	22	7.60	1,132	18
6.41					
Total interest-earning assets/interest income	64,963	1,242	7.62	64,840	1,221
7.45					
Noninterest-earning assets					

Allowance for credit losses	(683)			(681)	
Cash and due from banks	2,324			2,347	
Other assets	8,073			7,042	

Total assets	\$74,677			\$73,548	

LIABILITIES, CAPITAL SECURITIES AND SHAREHOLDERS' EQUITY					
Interest-bearing liabilities					
Interest-bearing deposits					
Demand and money market	\$18,355	138	3.03	\$18,226	136
2.95					
Savings	2,138	9	1.64	2,212	9
1.63					
Retail certificates of deposit	14,591	191	5.25	14,007	177
5.03					
Other time	637	10	6.36	621	10
6.47					
Deposits in foreign offices	1,489	21	5.63	976	13
5.11					

Total interest-bearing deposits	37,210	369	3.98	36,042	345
3.80					
Borrowed funds					
Bank notes and senior debt	6,976	107	6.10	7,253	108
5.83					
Federal funds purchased	2,279	33	5.67	1,922	26
5.26					
Repurchase agreements	1,272	16	5.04	1,207	14
4.54					
Federal Home Loan Bank borrowings	6,417	96	5.89	6,724	96
5.61					
Other borrowed funds	775	12	6.31	668	10
5.83					
Subordinated debt	2,377	44	7.43	2,255	42
7.48					

Total borrowed funds	20,096	308	6.08	20,029	296
5.81					

Total interest-bearing liabilities/interest expense	57,306	677	4.72	56,071	641
4.52					
Noninterest-bearing liabilities and shareholders' equity					
Demand and other noninterest-bearing deposits	8,004			8,413	
Accrued expenses and other liabilities	2,592			2,312	
Mandatorily redeemable capital securities of subsidiary trusts	848			848	
Shareholders' equity	5,927			5,904	

Total liabilities, capital securities and shareholders' equity	\$74,677			\$73,548	

Interest rate spread			2.90		
2.93					
Impact of noninterest-bearing sources			.56		
.61					

Net interest income/margin		\$565	3.46%		\$580
3.54%					

</TABLE>

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).

Loan fees for each of the three months ended March 31, 2000, December 31, 1999, September 30, 1999, June 30, 1999 and March 31, 1999 were \$29 million, \$29 million, \$30 million, \$30 million, and \$30 million, respectively.

<TABLE>
<CAPTION>

Third Quarter 1999			Second Quarter 1999			First Quarter	
Average Average Balances Yields/Rates	Interest	Average Yields/Rates	Average Balances	Interest	Average Yields/Rates	Average Balances	Interest
\$4,385 6.68%	\$82	7.51%	\$3,727	\$67	7.07%	\$3,383	\$56
4,484 5.10	58	5.20	5,187	66	5.12	4,248	54
3,705 6.11	59	6.33	3,521	55	6.19	2,848	43
614 5.98	11	6.89	729	10	5.70	659	10
8,803 5.55	128	5.79	9,437	131	5.56	7,755	107
10,171 8.21	207	8.08	10,729	218	8.16	10,955	222
14.91						2,724	100
12,451 7.09	216	6.94	12,496	218	6.97	12,184	216
22,631 7.52	444	7.68	22,846	438	7.58	24,574	462
3,389 7.70	67	7.67	3,396	66	7.66	3,398	65
2,543 7.17	44	7.02	2,478	43	6.98	2,443	44
561 7.69	11	7.57	534	9	6.99	417	8
51,746 7.91	989	7.55	52,479	992	7.53	56,695	1,117
1,102 6.19	18	6.26	1,236	19	6.37	1,005	16
66,036 7.56	1,217	7.29	66,879	1,209	7.20	68,838	1,296
(677)			(678)			(744)	
1,959			2,038			2,066	
6,445			6,821			6,798	
\$73,763			\$75,060			\$76,958	
\$18,034 2.73	127	2.80	\$17,686	118	2.66	\$16,825	113
2,345 1.63	10	1.59	2,472	10	1.60	2,535	10
14,114 5.08	174	4.89	14,114	172	4.91	14,652	184
1,022 5.35	15	5.99	1,832	25	5.47	2,610	35
1,066 4.78	14	5.16	682	8	4.83	759	9

36,581	340	3.69	36,786	333	3.63	37,381	351
3.80							
7,823	103	5.28	9,214	117	5.03	9,814	125
5.10							
1,828	24	5.07	1,230	15	4.77	1,663	20
4.81							
1,892	20	4.17	2,629	25	3.62	1,841	16
3.57							
5,876	78	5.21	4,727	59	4.92	5,810	73
5.05							
792	12	5.66	714	10	5.92	570	11
7.13							
2,031	41	7.48	2,030	38	7.50	1,886	36
7.58							

20,242	278	5.40	20,544	264	5.08	21,584	281
5.21							

56,823	618	4.30	57,330	597	4.15	58,965	632
4.31							
8,318			8,684			9,035	
2,042			2,325			2,135	
848			848			848	
5,732			5,873			5,975	

\$73,763			\$75,060			\$76,958	

3.25		2.99			3.05		
.61		.60			.59		

3.86%	\$599	3.59%		\$612	3.64%		\$664

</TABLE>

THE PNC FINANCIAL SERVICES GROUP, INC.

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Quarterly Report on Form 10-Q

Securities and Exchange Commission
Washington, D.C. 20549

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act
of 1934 for the quarterly period ended March 31, 2000.

Commission File Number 1-9718

THE PNC FINANCIAL SERVICES GROUP, INC.
Incorporated in the Commonwealth of Pennsylvania
IRS Employer Identification No. 25-1435979
Address: One PNC Plaza
249 Fifth Avenue
Pittsburgh, Pennsylvania 15222-2707
Telephone: (412) 762-2000

As of April 28, 2000, The PNC Financial Services Group, Inc. had 290,402,857
shares of common stock (\$5 par value) outstanding.

The PNC Financial Services Group, Inc. (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 and (2) has been subject to such filing requirements for the
past 90 days.

The following sections of the Financial Review set forth in the cross-reference
index are incorporated in the Quarterly Report on Form 10-Q.

Cross-Reference Page(s)

PART I FINANCIAL INFORMATION

Item 1	Consolidated Statement of Income for the three months ended March 31, 2000 and 1999	23
	Consolidated Balance Sheet as of March 31, 2000 and December 31, 1999	24
	Consolidated Statement of Cash Flows for the three months ended March 31, 2000 and 1999	25
	Notes to Consolidated Financial Statements	26 - 32
	Consolidated Average Balance Sheet and Net Interest Analysis	33 - 34
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations	2 - 22
Item 3	Quantitative and Qualitative Disclosures About Market Risk	18 - 19

PART II OTHER FINANCIAL INFORMATION

Item 4. Submission of Matters for a Vote of Security Holders

An annual meeting of shareholders of the Corporation was held on April 25, 2000 for the purpose of electing 17 directors.

All 17 nominees were elected and the votes cast for and against/withheld were as follows:

<TABLE>
<CAPTION>

Nominee	Aggregate Votes	
	For	Against/Withheld
<S>	<C>	<C>
Paul W. Chellgren	253,246,931	2,448,330
Robert N. Clay	253,217,580	2,477,681
Thomas A. Corcoran	252,741,135	2,954,127
George A. Davidson, Jr.	253,274,134	2,421,129
David F. Girard-diCarlo	250,936,628	4,758,635
Walter E. Gregg, Jr.	253,172,069	2,523,192
William R. Johnson	252,886,173	2,809,089
Bruce C. Lindsay	253,237,435	2,457,826
W. Craig McClelland	253,167,366	2,527,895
Thomas H. O'Brien	252,970,736	2,724,526
Jane G. Pepper	252,767,909	2,927,354
Jackson H. Randolph	253,176,721	2,518,541
James E. Rohr	253,071,352	2,623,909
Roderic H. Ross	253,161,697	2,533,565
Thomas J. Usher	253,216,014	2,479,247
Milton A. Washington	253,170,453	2,524,808
Helge H. Wehmeier	253,246,008	2,449,253

</TABLE>

THE PNC FINANCIAL SERVICES GROUP, INC.

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With respect to the preceding matter, holders of the Corporation's common and preferred stock voted together as a single class. The following table sets forth as of the February 28, 2000 record date the number of shares of each class or series of stock that were issued and outstanding and entitled to vote, the voting power per share and the aggregate voting power of each class or series:

<TABLE>
<CAPTION>

Title of Class or Series	Voting Rights Per Share	Number of Shares Entitled to Vote	Aggregate Voting Power
<S>	<C>	<C>	<C>
Common Stock	1	292,548,003	292,548,003
\$1.80 Cumulative Convertible Preferred Stock - Series A	8	11,901	95,208
\$1.80 Cumulative Convertible Preferred Stock - Series B	8	3,348	26,784
\$1.60 Cumulative			

Convertible Preferred Stock - Series C	4/2.4	252,206	420,343*
\$1.80 Cumulative Convertible Preferred Stock - Series D	4/2.4	363,467	605,778*

Total possible votes			293,696,116*

</TABLE>

* Represents greatest number of votes possible. Actual aggregate voting power was less since each holder of such preferred stock was entitled to a number of votes equal to the number of full shares of common stock into which such holder's preferred stock was convertible.

Holders of the Corporation's 6,000,000 issued and outstanding shares of Fixed/Adjustable Rate Noncumulative Preferred Stock-Series F were not entitled to vote with respect to the matters presented at the meeting.

ITEM 5. OTHER INFORMATION

The Board of Directors adopted a shareholder rights plan effective as of May 15, 2000 providing for the distribution of one right for each share of common stock outstanding on May 25, 2000. The rights become exercisable only in the event, with certain exceptions, that an acquiring party accumulates 10% or more of the Corporation's voting stock or a party announces an offer to acquire 10% or more of the voting stock. The rights have an exercise price of \$180 per right and expire on May 25, 2010. Upon the occurrence of certain events, holders of the rights will be entitled to purchase either PNC common or common equivalent preferred shares or shares in an acquiring entity at half of market value. The Corporation is entitled to redeem the rights at a value of \$0.01 per right at any time until the acquisition of a 10% position in its voting stock. A copy of the Rights Agreement providing for the issuance of the rights is filed as an exhibit to this Quarterly Report on Form 10-Q. This description should be read together with the Rights Agreement and is qualified in its entirety by reference to that agreement.

Item 6. Exhibits and Reports on Form 8-K

The following exhibit index lists Exhibits filed with this Quarterly Report on Form 10-Q:

- 3.1 Articles of Incorporation of the Corporation, as amended and restated as of May 15, 2000
- 3.2 By-laws of The PNC Financial Services Group, Inc., as amended
- 4.7 Terms of Series G Junior Participating Preferred Stock (included as part of exhibit 3.1)
- 4.8 Rights Agreement between the Corporation and The Chase Manhattan Bank dated May 15, 2000
- 10.5 The PNC Financial Services Group, Inc. 1997 Long-Term Incentive Award Plan, as amended
- 12.1 Computation of Ratio of Earnings to Fixed Charges
- 12.2 Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends
- 27 Financial Data Schedule

Copies of these Exhibits may be obtained electronically at the Securities and Exchange Commission's home page at www.sec.gov. Copies may also 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 at financial.reporting@pncbank.com.

The following Reports on Form 8-K were filed by the Corporation during the quarter ended March 31, 2000:

Form 8-K dated January 13, 2000, filing an earnings release reporting the Corporation's consolidated financial results for the three months and year ended December 31, 1999, and financial information on the Corporation's businesses for the years ended December 31, 1999 and 1998.

Form 8-K dated February 15, 2000, reporting on entering into an underwriting agreement with respect to the public offering of \$100,000,000 of 7.50% Subordinated Notes due 2009, and on the form of the Notes and related guarantee.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on May 15, 2000, on its behalf by the undersigned thereunto duly authorized.

The PNC Financial Services Group, Inc.
 Robert L. Haunschild
 Senior Vice President and
 Chief Financial Officer

CORPORATE INFORMATION

CORPORATE HEADQUARTERS

The PNC Financial Services Group, Inc.
One PNC Plaza
249 Fifth Avenue
Pittsburgh, Pennsylvania 15222-2707
(412) 762-2000

STOCK LISTING

The PNC Financial Services Group, Inc. common stock is listed on the New York Stock Exchange under the symbol PNC.

INTERNET INFORMATION

Information about 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 may also 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 at 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 via e-mail at 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.

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.

<TABLE>
<CAPTION>

	High	Low	Close	Cash Dividends Declared
<S>	<C>	<C>	<C>	<C>
=====				
2000 QUARTER				

First	\$48.500	\$36.000	\$45.063	\$.45
=====				
1999 QUARTER				

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
=====				

</TABLE>

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

THE PNC FINANCIAL SERVICES GROUP, INC.

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AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
THE PNC FINANCIAL SERVICES GROUP, INC.
(as of May 15, 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 provided 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)(1) 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)(1) 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 1, 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.

<TABLE> <CAPTION> Redemption Period -----	Redemption Price Per Share -----
<S>	<C>
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

</TABLE>

(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.

JUNIOR PARTICIPATING PREFERRED STOCK, SERIES G

49. Designation and Amount. The shares of such series shall be designated as "Series G Junior Participating Preferred Stock" (the "Series G Preferred Stock") and the number of shares constituting the Series G Preferred Stock initially shall be 450,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of shares of Series G Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series G Preferred Stock.

50. Dividends and Distributions.

(A) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any similar stock) ranking prior and superior to the Series G Preferred Stock with respect to dividends, the holders of shares of Series G Preferred Stock, in preference to the holders of Common Stock, par value \$5.00 per share (the "Common Stock"), of the Corporation, and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series G Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$0.10 or (b) subject to the provision for adjustment hereinafter set forth, 1,000 times the aggregate per share amount of all cash dividends, and 1,000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series G Preferred Stock. In the event the

Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series G Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series G Preferred Stock as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$0.10 per share on the Series G Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series G Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series G Preferred Stock entitled to

receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series G Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series G Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

51. Voting Rights. The holders of shares of Series G Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series G Preferred Stock shall entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the shareholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a

greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series G Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein, in any other Statement with Respect to Shares pursuant to Section 1522 of the Business Corporation Law or amendment to the Corporation's Amended and Restated Articles of Incorporation creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series G Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of shareholders of the Corporation.

(C) Except as set forth herein, or as otherwise provided by law, holders of Series G Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

52. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series G Preferred Stock as provided in Section 50 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series G Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series G Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series G Preferred Stock, except dividends paid ratably on the Series G Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series G Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (either as to

dividends or upon dissolution, liquidation or winding up) to the Series G Preferred Stock; or

(iv) redeem or purchase or otherwise acquire for consideration any shares of Series G Preferred Stock, or any shares of stock ranking on a parity with the Series G

Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 52, purchase or otherwise acquire such shares at such time and in such manner.

53. Reacquired Shares. Except as otherwise provided by action of the Board of Directors, any shares of Series G Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever (other than by conversion) shall not be retired or cancelled but shall become authorized but unissued shares of Preferred Stock and may be reissued as part of the same or a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein, in the Amended and Restated Articles of Incorporation of the Corporation, or in any other Statement with Respect to Shares pursuant to Section 1522 of the Business Corporation Law creating a series of Preferred Stock or any similar stock or as otherwise required by law.

54. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series G Preferred Stock unless, prior thereto, the holders of shares of Series G Preferred Stock shall have received \$1.00 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of shares of Series G Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1,000 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (2) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series G Preferred Stock, except distributions made ratably on the Series G Preferred Stock and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series G

Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

55. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination, division or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series G Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series G Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

56. No Redemption. The shares of Series G Preferred Stock shall not be redeemable.

57. Rank. The Series G Preferred Stock shall rank, with respect to the payment of dividends and the distribution of assets, junior to all series of any other class of the Corporation's Preferred Stock.

58. Amendment. If any shares of Series G Preferred Stock are then outstanding, the Amended and Restated Articles of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series G Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series G Preferred Stock, voting together as a single class.

COMMON STOCK

59. 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

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

61. 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.

BY-LAWS

OF

THE PNC FINANCIAL SERVICES GROUP, INC.

(Effective April 25, 2000)

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Article I. PRINCIPAL OFFICE

The principal office of the Corporation shall be located at One PNC Plaza, Pittsburgh, Pennsylvania.

Article II. SHAREHOLDERS

1. Annual Meeting

1.1 Time and Place.

An annual meeting of the shareholders for the election of directors and the transaction of such other business as may properly come before the meeting shall be held at 11 a.m. on the fourth Tuesday in April of each year, or on such other date or hour as may be fixed by the Board of Directors.

1.2 Nominations and Other Business.

(a) Nominations for the election of directors and other proposals for action at an annual meeting of shareholders may be made only (i) pursuant to the Corporation's notice of such meeting, (ii) by the presiding officer, (iii) by or at the direction of a majority of the Board of Directors, or (iv) by one or more shareholders in accordance with applicable rules of the Securities and Exchange Commission and the provisions of this Section 1.2.

(b) A nomination for the election of a director or a proposal for action at an annual meeting may be made by a shareholder only if written notice of such nomination or proposal has been received by the Secretary of the Corporation at its principal office not later than (i) 90 days prior to such annual meeting (unless a different date for such notice has been stated in the Corporation's most recent proxy materials distributed to shareholders), or (ii) if the annual meeting is to be held on a date other than the fourth Tuesday in April, the close of business on the tenth day following the first public disclosure of the date of such meeting. The first public disclosure of the date of any annual meeting of shareholders shall be when public disclosure of such meeting date is first made in a filing by the Corporation with the Securities and Exchange Commission, in any notice given to the New York Stock Exchange, or in a news release reported by any national news service.

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(c) Each such notice from a shareholder shall set forth: (i) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the notice is given (A) the name and address of such shareholder and of such beneficial owner, and (B) the class and number of shares of the Corporation which are owned of record and beneficially by such shareholder and such beneficial owner; and (ii) a representation that the shareholder is a beneficial owner of stock of the Corporation entitled to vote at such meeting and intends to be present at the meeting in person or by proxy to make such nomination or proposal.

(d) Each notice of nomination for the election of a director from a shareholder also shall set forth: (i) the name and address of the person to be nominated; (ii) a description of all arrangements or understandings between the shareholder and the nominee and any other person or persons (naming such person or persons) pursuant to which the nomination is to be made by the shareholder; (iii) such other information regarding the nominee as would be required to be included in proxy materials filed under applicable rules of the Securities and Exchange Commission had the nominee been nominated by the Board of Directors; and (iv) the written consent of the nominee to serve as a director of the Corporation if so elected.

(e) Each notice of a proposal for action at an annual meeting from a shareholder also shall set forth a brief description of the proposal, the reasons for making such proposal, and any direct or indirect interest of the shareholder, or any person on whose behalf the shareholder is acting, in making such proposal.

(f) The presiding officer of the meeting may refuse to permit any nomination for the election of a director or proposal to be made at an annual meeting by a shareholder who has not complied with all of the foregoing procedures.

2. Special Meetings

Special meetings of the shareholders may be called, at any time, only by the Board of Directors, the Chairman of the Board, the President, or a Vice Chairman of the Board. Only business brought before the meeting (a) pursuant to the Corporation's notice of such meeting, (b) by the presiding officer, or (c) by or at the direction of a majority of the Board of Directors, shall be conducted at a special meeting of the shareholders.

3. Place of Meetings

Meetings of the shareholders shall be held at the principal office of the Corporation or at such other place as the Board of Directors may designate.

4. Notice of Meetings

Written notice of every meeting of the shareholders shall be given to each shareholder of record entitled to vote at the meeting at least five days prior to the day named for the meeting, unless a greater period of notice is required by law. The notice shall state the day, time and place

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of such meeting and the general nature of the business to be transacted. Notice of a meeting may be waived in writing and attendance at a meeting shall itself constitute a waiver of notice of the meeting.

5. Quorum

The presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast on the particular matter shall constitute a quorum for the purpose of considering such matter. At a duly organized meeting, except as may be otherwise specified in the Articles of Incorporation or provided by law, each matter shall be decided upon receiving the affirmative vote of a majority of the votes cast by all shareholders entitled to vote thereon and, if any shareholders are entitled to vote thereon as a class, upon receiving the affirmative vote of a majority of the votes cast by the shareholders entitled to vote as a class.

6. Record Date

The Board of Directors may fix a record date not more than ninety days prior to the date of any meeting of shareholders, or the date fixed for the payment of any dividend or distribution, or the date for the allotment of rights or the date when any change or conversion or exchange of shares will be made or go into effect. Only such shareholders as shall be shareholders of record at the close of business on the record date shall be entitled to notice of, or to vote at such meeting or to receive such allotment of rights or to exercise such rights, as the case may be.

Article III. DIRECTORS

1. Board of Directors

The business and offices of the Corporation shall be managed by the Board of Directors, which shall consist of not less than five nor more than thirty-six members as shall be established from time to time by the Board of Directors.

2. Term of Office

After elected by the shareholders, directors shall hold office until the next succeeding annual meeting and until their successors shall have been elected and qualified.

3. Vacancy

Vacancies in the Board of Directors, including vacancies resulting from an increase in the number of directors, may be filled by a majority of the remaining directors though less than a quorum, and any director so elected shall serve until the next annual meeting of the shareholders and until a successor shall have been elected and qualified.

4. Organization

As soon as practicable after the annual meeting of shareholders at which they were elected, the Board of Directors shall meet for the purpose of electing officers and the transaction of such other business as may be properly brought before the meeting.

5. Regular Meetings

Regular meetings of the Board of Directors may be held without notice at such times and at such places as the Board of Directors, by resolution, shall establish. When a regular meeting falls on a business holiday, it shall be held on the preceding or next following business day, as the Chief Executive Officer shall select.

6. Special Meetings

Special meetings of the Board of Directors may be called by the Chairman of the Board, the President, a Vice Chairman, or at the written request of any three directors. Notice of special meetings shall be given to each director personally or in writing, or by telephone, not later than during the day immediately preceding the day of such meeting and shall include the general nature of the business to be transacted at the meeting.

7. Quorum

A majority of the directors shall constitute a quorum for the transaction of business, and the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. One or more directors may participate in a meeting of the Board of Directors, or in a meeting of a Committee of the Board of Directors by means of communication facilities enabling all persons participating in the meeting to hear each other.

8. Action Without a Meeting

Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if a written consent or consents setting forth the action so taken is signed by all the directors and filed with the Secretary of the Corporation.

9. Compensation of Directors

Directors shall be compensated for their services and reimbursed for their meeting attendance expenses, in such manner and at such time as the Board of Directors may determine.

Article IV. OFFICERS

1. Designation

The officers of the Corporation shall be a Chairman of the Board, a President, one or more Vice Chairmen, one or more Vice Presidents of whom one or more may be designated Senior Executive Vice President, Executive Vice President or Senior Vice President, a Secretary, a Treasurer, a Controller, a General Auditor and such other officers, as the Board of Directors, the Chairman, the President, or the Vice Chairman may from time to time designate. The Board of Directors shall designate from among the Chairman of the Board, President, and Vice Chairmen, one of those officers to be the Chief Executive Officer. All officers having the rank of Senior Vice President or higher shall be elected by the Board of Directors and shall hold office during the pleasure of the Board of Directors. All other officers shall be appointed by the Chief Executive Officer, or, in his absence, by such other officer or officers as may be designated by the Board of Directors, and such appointments shall be reported to the Board of Directors.

2. Responsibilities of the Senior Officers

2.1 Chief Executive Officer

The Chief Executive Officer of the Corporation shall preside at all meetings of the shareholders and the Board of Directors, and shall be ex officio a member of all Committees except the Audit Committee, the Nominating Committee, and the Personnel and Compensation Committee; subject to the direction of the Board of Directors, the Chief Executive Officer shall have the

general supervision of the policies, business and operations of the Corporation, and of the other officers, agents and employees of the Corporation and, except as otherwise provided in these By-Laws or by the Board of Directors, shall have all the other powers and duties as are usually incident to the Chief Executive Officer of a corporation. In the absence of the Chief Executive Officer, his rights and duties shall be performed by such other officer or officers as shall be designated by the Board of Directors.

2.2 Chairman, President and Vice Chairman

The Chairman, the President and the Vice Chairman if not designated as the Chief Executive Officer shall have such duties and powers as may be assigned to them from time to time by the Board of Directors or the Chief Executive Officer.

2.3 Vice Presidents

The Executive Vice Presidents, Senior Vice Presidents and the Vice Presidents, if such are elected, shall have the duties and powers as may from time to time be assigned to them by the Board of Directors, or by the Chief Executive Officer in the absence of any assignment by the Board of Directors. Any reference in these By-Laws to a Vice President will apply equally to an Executive Vice President or a Senior Vice President unless the context requires otherwise.

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2.4 Treasurer

The Treasurer shall be responsible for the funding of the Corporation and for all moneys, funds, securities, fidelity and indemnity bonds and other valuables belonging to the Corporation; and shall perform such other duties as may be assigned to him from time to time by the Board of Directors or the Chief Executive Officer.

2.5 Secretary

The Secretary shall: attend the meetings of the shareholders, of the Board of Directors, of the Executive Committee, and of such other committees, and shall keep minutes thereof in suitable minute books; have charge of the corporate records, papers and the corporate seal; have charge of the stock and transfer records of the Corporation and shall keep a record of all shareholders and give notices of all meetings of shareholders, special meetings of the Board of Directors and of its Committees; and have such other duties as the Board of Directors or the Chief Executive Officer shall assign.

2.6 Controller

The Controller, if a Controller is elected, shall cause to be kept proper records of the transactions of the Corporation; shall be responsible for the preparation of financial and tax reports required of the Corporation; and shall perform such other duties as may be assigned to him from time to time by the Board of Directors or the Chief Executive Officer.

2.7 General Auditor

The General Auditor shall have charge of auditing the books, records and accounts and shall report directly to the Board of Directors or the Audit Committee thereof.

2.8 Assistant Officers

Each assistant officer as shall be elected shall assist in the performance of the duties of the officer to whom he is assistant and shall perform such duties in the absence of the officer. He shall perform such additional duties as the Board of Directors, the Chief Executive Officer, or the officer to whom he is assistant, may from time to time assign to him.

3. Incumbency

Any officer elected by the Board of Directors may be removed by the Board of Directors whenever, in its best judgment, the best interest of the Corporation will be served thereby, without prejudice however to any contract rights the person so removed may have with the Corporation or any of its subsidiaries.

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1. Standing Committees

The Standing Committees which shall be appointed from time to time by the Board of Directors shall be the Executive Committee, the Audit Committee, the Credit Committee, the Asset and Liability Committee, the Nominating Committee and the Personnel and Compensation Committee. The Board of Directors may appoint such other Committees as the Board of Directors shall deem advisable.

1.1 Executive Committee

The Executive Committee shall consist of its Chairman and Chief Executive Officer and such other directors, not less than five, all of whom shall from time to time be appointed by the Board of Directors or the Chief Executive Officer. The Committee shall meet at such time or times as may be fixed by the Board of Directors, or upon call of its Chairman or the Chief Executive Officer. In the absence of the Chairman of the Committee, the Chief Executive Officer shall act as Chairman of the Executive Committee, unless the Board of Directors shall appoint some other person. The Executive Committee shall have and exercise in the intervals between the meetings of the Board of Directors all the powers of the Board of Directors so far as may be permitted by law. All acts done and powers conferred by the Executive Committee from time to time shall be deemed to be, and may be certified as being, done and conferred under authority of the Board of Directors. Five directors shall constitute a quorum.

1.2 Audit Committee

The Board of Directors shall appoint annually the Audit Committee consisting of not less than five directors, nor more than eight, none of whom shall be an officer, or a former officer of the Corporation. The Committee shall select a chairman from its membership, and may appoint a secretary who need not be a director. The Committee shall meet on call of its Chairman. The duties and responsibilities of the Committee shall be established by the Board of Directors.

1.3 Corporate Governance Committee

The Board of Directors shall appoint annually the members of the Committee, consisting of not fewer than three directors, none of whom shall be an officer or former officer of the Corporation, and from these directors appoint the Chairman. The Committee may appoint a Secretary, who need not be a director.

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The Committee on Corporate Governance shall be responsible for selecting the persons to be candidates for nomination for election or appointment as directors of the Corporation, making recommendations with respect thereto to the Board of Directors and monitoring and recommending enhancements to the Corporation's corporate governance framework, particularly with respect to the structure, processes and proceedings of the Board of Directors. The Committee shall conduct its affairs in accordance with a charter approved by the Board of Directors.

1.4 Personnel and Compensation Committee

The Board of Directors shall appoint annually the members of the Personnel and Compensation Committee, consisting of not fewer than five directors, none of whom shall be an officer or former officer of the Corporation. Further, upon appointment and at all times during his or her tenure on the Committee, each Committee member shall satisfy such standards of independence as may be prescribed for purposes of any federal securities or tax laws relating to the Committee's duties and responsibilities. The Committee Chairman shall be appointed by the Board of Directors and the Committee may appoint a Secretary, who need not be a director. The duties and responsibilities of the Committee shall be as set forth in a charter approved by the Board of Directors.

1.5 Credit Committee

The Board of Directors shall appoint annually the members of the Credit Committee consisting of not less than five directors, including no more than two officer- directors, and shall select a chairman from its membership, who shall not be an officer. The Committee may appoint a secretary who need not be a director. The duties and responsibilities of the Committee shall be as set forth in a charter approved by the Board of Directors.

1.6 Finance Committee

The Board of Directors shall appoint annually the members of the Finance Committee consisting of not less than five directors, including no more than two officer- directors, and shall select a chairman from its

membership, who shall not be an officer. The Committee may appoint a secretary who need not be a director. The duties and responsibilities of the Committee shall be as set forth in a charter approved by the Board of Directors.

2. Other Committees

The Board of Directors may authorize the appointment of such other Committees as it shall deem advisable.

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3. Minutes

The Executive Committee and the Audit Committee shall keep minutes of their meetings, and such minutes shall be submitted at a regular meeting of the Board of Directors, and any action taken by the Board of Directors with respect thereto shall be entered in the minutes of the Board of Directors. All other Committees shall keep minutes of their meetings which shall be accessible to inspection by the Board of Directors at all times.

4. Procedure

Except as otherwise expressly provided for herein, each Committee may appoint a secretary, adopt its own rules of procedure and, unless the Board of Directors has acted with respect thereto, determine the date, place and hour for its meetings. In the absence of any other provision herein to the contrary, a majority of the members of any Committee shall constitute a quorum, and the action of a majority of the members in attendance at a meeting shall constitute the action of the body. Notice of meetings shall be given to each member personally, or in writing addressed to the address of the director appearing on the books of the Corporation on or before the day preceding the meeting.

5. Attendance

In the absence or disqualification of any member of a Committee, the members thereof present at any meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another director to act at the meeting in place of any absent or disqualified member.

Article VI. STOCK CERTIFICATES

1. Signatures

Certificates of stock of the Corporation shall be signed by the Chairman of the Board, or the President, or any Vice Chairman, or any Vice President and countersigned by the Secretary or the Treasurer or by any Assistant Secretary or Assistant Treasurer, and sealed with the seal of the Corporation, which may be a facsimile. Where any such certificate is signed manually by a transfer agent or a registrar, the signatures of the officers may be facsimiles.

2. Transfers

The shares of stock of the Corporation shall be transferable only on its books upon surrender of the stock certificate for such shares properly endorsed. The Board of Directors shall have power to appoint one or more Transfer Agents and Registrars for the transfer and registration of certificates of stock of any class, and may require that stock certificates shall be countersigned and registered by one or more such Transfer Agents and Registrars.

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3. Lost or Destroyed Certificates

If a stock certificate shall be lost, stolen or destroyed, the shareholder may file with the Corporation an affidavit stating the circumstances of the loss, theft or destruction and may request the issuance of a new certificate. He shall give to the Corporation a bond which shall be in such sum, contain such terms and provisions and have such surety or sureties as the Board of Directors may direct. The Corporation may thereupon issue a new certificate replacing the certificate lost, stolen or destroyed.

Article VII. DIRECTOR LIABILITY LIMITATION AND INDEMNIFICATION

1. Limitation of Director Liability

A director of the Corporation shall, to the maximum extent permitted by the laws of the Commonwealth of Pennsylvania, have no personal liability for monetary damages for any action taken, or any failure to take any action as a director, provided that this Section 1, Article VII shall not eliminate the liability of a director in any case where such elimination is not permitted by

law.

2. Indemnification

Each person who at any time is or shall have been a director or officer of the Corporation, or is serving or shall have served at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, and his heirs, executors and administrators, shall be indemnified by the Corporation in accordance with and to the full extent permitted by the laws of the Commonwealth of Pennsylvania as in effect at the time of such indemnification. The foregoing right of indemnification shall constitute a contract between the Corporation and each of its directors and officers and shall not be deemed exclusive of other rights to which any director, officer, employee, agent or other person may be entitled in any capacity as a matter of law or under any by-law, agreement, vote of shareholders or directors, or otherwise. If authorized by the Board of Directors, the Corporation may purchase and maintain insurance on behalf of any person to the full extent permitted by the laws of the Commonwealth of Pennsylvania.

Article VIII. APPLICATION OF STATUTORY ANTI-TAKEOVER PROVISIONS

The following provisions of Title 15 of the Pennsylvania consolidated statutes shall not be applicable to the Corporation: (1) Subchapter G of Chapter 25; and (2) Subchapter H of Chapter 25.

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Article IX. EXERCISE OF AUTHORITY DURING EMERGENCIES

The Board of Directors or the Executive Committee may from time to time adopt resolutions authorizing certain persons and entities to exercise authority on behalf of this Corporation in time of emergency, and in the time of emergency any such resolutions will be applicable, notwithstanding any provisions as to the contrary contained in these By-Laws.

Article X. CHARITABLE CONTRIBUTIONS

The Board of Directors may authorize contributions to community funds, or to charitable, philanthropic, or benevolent instrumentalities conducive to public welfare in such sums as the Board of Directors may deem expedient and in the interest of the Corporation.

Article XI. AMENDMENTS

These By-Laws may be altered, amended, added to or repealed by a vote of a majority of the Board of Directors at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for that purpose.

THE PNC FINANCIAL SERVICES
 GROUP, INC.
 and
 THE CHASE MANHATTAN BANK
 Rights Agreement
 Dated as of May 15, 2000

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Agreement, dated as of May 15, 2000 ("Agreement"), between The PNC Financial Services Group, Inc., a Pennsylvania corporation (the "Company"), and The Chase Manhattan Bank, as rights agent (the "Rights Agent").

The Board of Directors of the Company has authorized and declared a dividend of one preferred share purchase right (a "Right") for each Common Share (as hereinafter defined) of the Company outstanding on May 25, 2000 (the "Record Date"), each Right representing the right to purchase one one-thousandth of a Preferred Share (as hereinafter defined), upon the terms and subject to the conditions herein set forth, and has further authorized and directed the issuance of one Right with respect to each Common Share that shall become outstanding between the Record Date and the earliest of the Distribution Date, the Redemption Date and the Final Expiration Date (as such terms are hereinafter defined).

Accordingly, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

Section 1. Definitions. For purposes of this Agreement, the following terms have the meanings indicated:

(a) "Acquiring Person" shall mean any Person who or which, together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of 10% or more of the Common Shares of the Company then outstanding, but shall not include the Company, any Subsidiary of the Company, any employee benefit plan, employee stock or deferral plan or director compensation or deferral plan of the Company or any Subsidiary of the Company, or any trust or other entity organized, appointed, established or holding Common Shares for or pursuant to the terms of any such plan. Notwithstanding the foregoing, no Person shall become an "Acquiring

Person" as the result of an acquisition of Common Shares by the Company which, by reducing the number of Common Shares of the Company outstanding, increases the proportionate number of Common Shares of the Company beneficially owned by such Person to 10% or more of the Common Shares of the Company then outstanding;

provided, however, that, if a Person shall become the Beneficial Owner of 10% or more of the Common Shares of the Company then outstanding by reason of share purchases by the Company and shall, after such share purchases by the Company, become the Beneficial Owner of any additional Common Shares of the Company, then such Person shall be deemed to be an "Acquiring Person." Notwithstanding the foregoing, if the Board of Directors of the Company determines in good faith that a Person who would otherwise be an "Acquiring Person," as defined pursuant to the foregoing provisions of this paragraph (a), has become such inadvertently, and such Person divests as promptly as practicable a sufficient number of Common Shares so that such Person would no longer be an "Acquiring Person," as defined pursuant to the foregoing provisions of this paragraph (a), then such Person shall not be deemed to be an "Acquiring Person" for any purposes of this Agreement.

(b) "Affiliate" shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Exchange Act as in effect on the date of this Agreement.

(c) "Associate" shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Exchange Act as in effect on the date of this Agreement.

(d) A Person shall be deemed the "Beneficial Owner" of and shall be deemed to "beneficially own" any securities:

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(i) which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly;

(ii) which such Person or any of such Person's Affiliates or Associates has (A) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities), or upon the exercise of conversion rights, exchange rights, rights (other than the Rights), warrants or options, or otherwise; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange; or (B) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security if the agreement, arrangement or understanding to vote such security (1) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act and (2) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(iii) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of

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securities) for the purpose of acquiring, holding, voting (except to the extent contemplated by the proviso to Section 1(d)(ii)(B) hereof) or disposing of any securities of the Company.

Notwithstanding anything in this definition of Beneficial Ownership to the contrary, the phrase "then outstanding," when used with reference to a Person's Beneficial Ownership of securities of the Company, shall mean the number of such securities then issued and outstanding together with the number of such securities not then actually issued and outstanding which such Person would be deemed to beneficially own hereunder.

(e) "Business Day" shall mean any day other than a Saturday, a Sunday, or a day on which banking institutions in New York or Pennsylvania are authorized or obligated by law or executive order to close.

(f) "Close of Business" on any given date shall mean 5:00 P.M., New York time, on such date; provided, however, that, if such date is

not a Business Day, it shall mean 5:00 P.M., New York time, on the next succeeding Business Day.

(g) "Common Shares" when used with reference to the Company shall mean the shares of common stock, par value \$5.00 per share, of the Company. "Common Shares" when used with reference to any Person other than the Company shall mean the capital stock (or equity interest) with the greatest aggregate voting power of such other Person or, if such other Person is a Subsidiary of another Person, the Person or Persons which ultimately control such first-mentioned Person.

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(h) "Distribution Date" shall have the meaning set forth in Section 3(a) hereof.

(i) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(j) "Exchange Ratio" shall have the meaning set forth in Section 24(a) hereof.

(k) "Final Expiration Date" shall have the meaning set forth in Section 7(a) hereof.

(l) "NASDAQ" shall mean the National Association of Securities Dealers, Inc. Automated Quotation System.

(m) "Person" shall mean any individual, firm, corporation, limited liability company, or other entity, and shall include any successor (by merger or otherwise) of such entity.

(n) "Preferred Shares" shall mean shares of Series G Junior Participating Preferred Stock, par value \$1.00 per share, of the Company having the rights and preferences set forth in the Form of Statement with Respect to Shares attached to this Agreement as Exhibit A.

(o) "Purchase Price" shall have the meaning set forth in Section 4 hereof.

(p) "Record Date" shall have the meaning set forth in the second paragraph hereof.

(q) "Redemption Date" shall have the meaning set forth in Section 7(a) hereof.

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(r) "Redemption Price" shall have the meaning set forth in Section 23(a) hereof.

(s) "Right" shall have the meaning set forth in the second paragraph hereof.

(t) "Right Certificate" shall have the meaning set forth in Section 3(a) hereof.

(u) "Shares Acquisition Date" shall mean the first date of public announcement by the Company or an Acquiring Person that an Acquiring Person has become such.

(v) "Subsidiary" of any Person shall mean any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by such Person.

(w) "Summary of Rights" shall have the meaning set forth in Section 3(b) hereof.

(x) "Trading Day" shall have the meaning set forth in Section 11(d) hereof.

Section 2. Appointment of Rights Agent. The Company hereby appoints the Rights Agent to act as agent for the Company in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Company may from time to time appoint such co-Rights Agents as it may deem necessary or desirable. The Rights Agent shall have no duty to supervise, and in no event shall be liable for, the acts or omissions of any such co-Rights Agent.

Section 3. Issuance of Right Certificates. (a) Until the earlier of (i) the tenth day after the Shares Acquisition Date or (ii) the tenth Business Day (or such later date as may be

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determined by action of the Board of Directors of the Company prior to such time as any Person becomes an Acquiring Person) after the date of the commencement by any Person (other than the Company, any Subsidiary of the Company, any employee benefit plan, employee stock or deferral plan or director compensation or deferral plan of the Company or of any Subsidiary of the Company or any trust or other entity organized, appointed, established or holding Common Shares of the Company for or pursuant to the terms of any such plan) of a tender or exchange offer the consummation of which would result in any Person becoming the Beneficial Owner of Common Shares of the Company aggregating 10% or more of the then outstanding Common Shares of the Company (including any such date which is after the date of this Agreement and prior to the issuance of the Rights; the earlier of such dates being herein referred to as the "Distribution Date"), (x) the Rights will be evidenced (subject to the provisions of Section 3(b) hereof) by the certificates for Common Shares of the Company registered in the names of the holders thereof (which certificates shall also be deemed to be Right Certificates) and not by separate Right Certificates, and (y) the right to receive Right Certificates will be transferable only in connection with the transfer of Common Shares of the Company. As soon as practicable after the Distribution Date, the Company will notify the Rights Agent thereof and prepare and execute, the Rights Agent will countersign, and the Company will send or cause to be sent (and the Rights Agent will, if requested and if provided with a list of record holders of Common Shares of the Company, send) by first-class, insured, postage-prepaid mail, to each record holder of Common Shares of the Company as of the Close of Business on the Distribution Date, at the address of such holder shown on the records of the Company's registrar and transfer agent, a Right Certificate, in substantially the form of Exhibit B hereto (a "Right Certificate"), evidencing one

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Right for each Common Share so held. As of the Distribution Date, the Rights will be evidenced solely by such Right Certificates.

(b) On the Record Date, or as soon as practicable thereafter, the Company will send a copy of a Summary of Rights to Purchase Preferred Shares, in substantially the form of Exhibit C hereto (the "Summary of Rights"), by first-class, postage-prepaid mail, to each record holder of Common Shares as of the Close of Business on the Record Date, at the address of such holder shown on the records of the Company's registrar and transfer agent. With respect to certificates for Common Shares of the Company outstanding as of the Record Date, until the Distribution Date, the Rights will be evidenced by such certificates registered in the names of the holders thereof together with a copy of the Summary of Rights attached thereto. Until the Distribution Date (or the earlier of the Redemption Date or the Final Expiration Date), the surrender for transfer of any certificate for Common Shares of the Company outstanding on the Record Date, with or without a copy of the Summary of Rights attached thereto, shall also constitute the transfer of the Rights associated with the Common Shares of the Company represented thereby.

(c) Certificates for Common Shares which become outstanding (including, without limitation, original issuances of Common Shares and disposition of Common Shares that are reacquired by the Company) after the Record Date but prior to the earliest of the Distribution Date, the Redemption Date or the Final Expiration Date shall have impressed on, printed on, written on or otherwise affixed to them the following legend:

This certificate also evidences and entitles the holder hereof to certain rights as set forth in an Agreement between The PNC Financial Services Group, Inc. and The Chase Manhattan Bank, dated as of May 15, 2000, as it may be amended from time to time (the "Agreement"), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive offices of The PNC Financial Services Group, Inc. Under certain circumstances, as set forth in the Agreement, such Rights (as

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defined in the Agreement) will be evidenced by separate certificates and will no longer be evidenced by this certificate. The PNC Financial Services Group, Inc. will mail to the holder of this certificate a copy

of the Agreement without charge after receipt of a written request therefor addressed to its Corporate Secretary at its principal executive offices. As set forth in the Agreement, Rights beneficially owned by any Person (as defined in the Agreement) who becomes an Acquiring Person (as defined in the Agreement) become null and void.

With respect to such certificates containing the foregoing legend, until the Distribution Date, the Rights associated with the Common Shares of the Company represented by such certificates shall be evidenced by such certificates alone, and the surrender for transfer of any such certificate shall also constitute the transfer of the Rights associated with the Common Shares of the Company represented thereby. In the event that the Company purchases or acquires any Common Shares of the Company after the Record Date but prior to the Distribution Date, any Rights associated with such Common Shares of the Company shall be deemed cancelled and retired so that the Company shall not be entitled to exercise any Rights associated with the Common Shares of the Company which are no longer outstanding. The preceding sentence shall not apply to Rights associated with Common Shares of the Company held by any employee benefit plan, employee stock or deferral plan or director compensation or deferral plan of the Company or any Subsidiary of the Company, or any trust or other entity organized, appointed, established or holding Common Shares for or pursuant to the terms of any such plan.

Section 4. Form of Right Certificates. The Right Certificates (and the forms of election to purchase Preferred Shares and of assignment to be printed on the reverse thereof) shall be substantially the same as Exhibit B hereto, and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Agreement, provided that such marks, legends, summaries and endorsements do not affect the rights, duties or responsibilities

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of the Rights Agent as set forth in this Agreement, or as may be required to comply with any applicable law or with any applicable rule or regulation made pursuant thereto or with any applicable rule or regulation of any applicable stock exchange or the National Association of Securities Dealers, Inc., or to conform to usage. Subject to the provisions of Section 22 hereof, the Right Certificates shall entitle the holders thereof to purchase such number of one one-thousandths of a Preferred Share as shall be set forth therein at the price per one one-thousandth of a Preferred Share set forth therein (the "Purchase Price"), but the number of such one one-thousandths of a Preferred Share and the Purchase Price shall be subject to adjustment as provided herein.

Section 5. Countersignature and Registration. The Right Certificates shall be executed on behalf of the Company by its Chairman of the Board, any of its Vice Chairmen, its President or any of its Vice Presidents, either manually or by facsimile signature, shall have affixed thereto the Company's seal or a facsimile thereof, and shall also be signed by the Corporate Secretary or the Treasurer or by any Assistant Corporate Secretary or Assistant Treasurer of the Company, either manually or by facsimile signature. The Right Certificates shall be manually countersigned by a duly authorized officer of the Rights Agent and shall not be valid for any purpose unless countersigned. In case any officer of the Company who shall have signed any of the Right Certificates shall cease to be such officer of the Company before countersignature by the Rights Agent and issuance and delivery by the Company, such Right Certificates, nevertheless, may be countersigned by the Rights Agent and issued and delivered by the Company with the same force and effect as though the individual who signed such Right Certificates had not ceased to be such officer of the Company; and any Right Certificate may be signed on behalf of the Company by any individual who, at the actual date of the execution of such Right Certificate,

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shall be a proper officer of the Company to sign such Right Certificate, although at the date of the execution of this Agreement any such individual was not such an officer.

Following the Distribution Date and receipt by the Rights Agent of all information reasonably required by the Rights Agent to do so, the Rights Agent will keep or cause to be kept, at its office designated for such purpose, books for registration and transfer of the Right Certificates issued hereunder. Such books shall show the names and addresses of the respective holders of the Right Certificates, the number of Rights evidenced on its face by each of the Right Certificates and the date of each of the Right Certificates.

Section 6. Transfer, Split Up, Combination and Exchange of Right Certificates; Mutilated, Destroyed, Lost or Stolen Right Certificates. Subject to the provisions of Section 14 hereof, at any time after the Close of Business on the Distribution Date, and at or prior to the Close of Business on the earlier of the Redemption Date or the Final Expiration Date, any Right Certificate or Right Certificates (other than Right Certificates representing Rights that have become void pursuant to Section 11(a)(ii) hereof or that have been exchanged pursuant to Section 24 hereof) may be transferred, split up, combined or exchanged for another Right Certificate or Right Certificates entitling the registered holder to purchase a like number of one one-thousandths of a Preferred Share as the Right Certificate or Right Certificates surrendered then entitled such holder to purchase. Any registered holder desiring to transfer, split up, combine or exchange any Right Certificate or Right Certificates shall make such request in writing delivered to the Rights Agent, and shall surrender the Right Certificate or Right Certificates to be transferred, split up, combined or exchanged at the office of the Rights Agent designated for such purpose. Thereupon the Rights Agent shall countersign and deliver to the Person entitled thereto a Right Certificate or Right Certificates, as the case may be, as so requested. The Company

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may require prior payment by such holder of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer, split up, combination or exchange of Right Certificates. The Rights Agent shall have no duty or obligation under this Section 6 or any other similar provision of this Agreement unless and until it is reasonably satisfied that all such taxes and/or governmental charges have been paid in full.

Upon receipt by the Company and the Rights Agent of evidence reasonably satisfactory to them of the loss, theft, destruction or mutilation of a Right Certificate, and, in case of loss, theft or destruction, of indemnity or security satisfactory to them, and, at the Company's request, reimbursement to the Company and the Rights Agent of all reasonable expenses incidental thereto, and upon surrender to the Rights Agent and cancellation of the Right Certificate if mutilated, the Company will make and deliver a new Right Certificate of like tenor to the Rights Agent for delivery to the registered holder in lieu of the Right Certificate so lost, stolen, destroyed or mutilated.

Section 7. Exercise of Rights; Purchase Price; Expiration Date of Rights. (a) The registered holder of any Right Certificate may exercise the Rights evidenced thereby (except as otherwise provided herein), in whole or in part, at any time after the Distribution Date, upon surrender of the Right Certificate, with the form of election to purchase on the reverse side thereof duly executed, to the Rights Agent at the office of the Rights Agent designated for such purpose, together with payment of the Purchase Price for each one one-thousandth of a Preferred Share as to which the Rights are exercised, at or prior to the earliest of (i) the Close of Business on May 15, 2010 (the "Final Expiration Date"), (ii) the time at which the Rights are redeemed as provided in Section 23 hereof (the "Redemption Date"), or (iii) the time at which such Rights are exchanged as provided in Section 24 hereof.

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(b) The Purchase Price for each one one-thousandth of a Preferred Share purchasable pursuant to the exercise of a Right shall initially be \$180, and shall be subject to adjustment from time to time as provided in Section 11 or 13 hereof, and shall be payable in lawful money of the United States of America in accordance with paragraph (c) below.

(c) Upon receipt of a Right Certificate representing exercisable Rights, with the form of election to purchase duly executed, accompanied by payment of the Purchase Price for the shares to be purchased and an amount equal to any applicable tax or governmental charge required to be paid by the holder of such Right Certificate in accordance with Section 9 hereof by wire transfer, certified check, cashier's check or money order payable to the order of the Company, the Rights Agent shall thereupon promptly (i) (A) requisition from any transfer agent of the Preferred Shares certificates for the number of Preferred Shares to be purchased and the Company hereby irrevocably authorizes any such transfer agent to comply with all such requests, or (B) requisition from the depositary agent depositary receipts representing such number of one one-thousandths of a Preferred Share as are to be purchased (in which case certificates for the Preferred Shares represented by such receipts shall be deposited by the transfer agent of the Preferred Shares with such depositary agent) and the Company hereby directs such depositary agent to comply with such request; (ii) when necessary to comply with this Agreement, requisition from the Company the amount of cash to be paid in lieu of issuance of fractional shares in accordance with Section 14 hereof; (iii) promptly after receipt of such certificates or depositary receipts, cause the same to be

delivered to or upon the order of the registered holder of such Right Certificate, registered in such name or names as may be designated by such holder; and (iv) when necessary to comply with this Agreement, after receipt, promptly deliver such cash to or upon the order of the registered holder of such Right Certificate.

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(d) In case the registered holder of any Right Certificate shall exercise less than all the Rights evidenced thereby, a new Right Certificate evidencing Rights equivalent to the Rights remaining unexercised shall be issued by the Rights Agent to the registered holder of such Right Certificate or to such holder's duly authorized assigns, subject to the provisions of Section 6 and Section 14 hereof.

Section 8. Cancellation and Destruction of Right Certificates. All Right Certificates surrendered for the purpose of exercise, transfer, split up, combination or exchange shall, if surrendered to the Company or to any of its agents, be delivered to the Rights Agent for cancellation or in cancelled form, or, if surrendered to the Rights Agent, shall be cancelled by it, and no Right Certificates shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Agreement. The Company shall deliver to the Rights Agent for cancellation and retirement, and the Rights Agent shall so cancel and retire, any other Right Certificate purchased or acquired by the Company (other than in a fiduciary capacity) otherwise than upon the exercise thereof. The Rights Agent shall deliver all cancelled Right Certificates to the Company, or shall, at the written request of the Company, destroy such cancelled Right Certificates, and, in such case, shall as promptly as practicable thereafter deliver a certificate of destruction thereof to the Company.

Section 9. Availability of Preferred Shares. The Company covenants and agrees that it will cause to be reserved and kept available out of its authorized and unissued Preferred Shares or any Preferred Shares held in its treasury the number of Preferred Shares that will be sufficient to permit the exercise in full of all outstanding Rights in accordance with Section 7 hereof. The Company covenants and agrees that it will take all such action as may be necessary to ensure that all Preferred Shares delivered upon exercise of Rights shall, at the time of delivery

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of the certificates for such Preferred Shares (subject to payment of the Purchase Price and any required tax or governmental charge), be duly and validly authorized and issued and fully paid and nonassessable shares.

The Company further covenants and agrees that it will pay when due and payable any and all taxes and governmental charges which may be payable in respect of the issuance or delivery of the Right Certificates or of any Preferred Shares upon the exercise of Rights. The Company shall not, however, be required to pay any tax or governmental charge which may be payable in respect of any transfer or delivery of Right Certificates to a Person other than, or the issuance or delivery of certificates or depositary receipts for the Preferred Shares in a name other than that of, the registered holder of the Right Certificate evidencing Rights surrendered for exercise or to issue or to deliver any certificates or depositary receipts for Preferred Shares upon the exercise of any Rights until any such tax or governmental charge shall have been paid (any such tax or governmental charge being payable by the holder of such Right Certificate at the time of surrender) or until it has been established to the Company's reasonable satisfaction that no such tax or governmental charge is due.

Section 10. Preferred Shares Record Date. Each Person in whose name any certificate for Preferred Shares is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Preferred Shares represented thereby on, and such certificate shall be dated, the date upon which the Right Certificate evidencing such Rights was duly surrendered and payment of the Purchase Price (and any applicable taxes or governmental charges) was made; provided, however, that, if the date of such surrender and payment is a date upon which the Preferred Shares transfer books of the Company's registrar and transfer agent are closed, such Person shall be deemed to have become the record holder of such shares

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on, and such certificate shall be dated, the next succeeding Business Day on which the Preferred Shares transfer books of the Company's registrar and

transfer agent are open. Prior to the exercise of the Rights evidenced thereby, the holder of a Right Certificate shall not be entitled to any rights of a holder of Preferred Shares for which the Rights shall be exercisable, including, without limitation, the right to vote or to receive dividends or other distributions, and shall not be entitled to receive any notice of any proceedings of the Company, except as provided herein.

Section 11. Adjustment of Purchase Price, Number of Shares or Number of Rights. The Purchase Price, the number of Preferred Shares covered by each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 11.

(a) (i) In the event the Company shall at any time after the date of this Agreement (A) declare a dividend on the Preferred Shares payable in Preferred Shares, (B) subdivide the outstanding Preferred Shares, (C) combine the outstanding Preferred Shares into a smaller number of Preferred Shares or (D) issue any shares of its capital stock in a reclassification of the Preferred Shares (including any such reclassification in connection with a consolidation, a division or a merger in which the Company is the continuing or surviving corporation), except as otherwise provided in this Section 11(a), the Purchase Price in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification, and the number and kind of shares of capital stock issuable on such date, shall be proportionately adjusted so that the holder of any Right exercised after such time shall be entitled to receive the aggregate number and kind of shares of capital stock which, if such Right had been exercised immediately prior to such date and at a time when the Preferred Shares transfer books of the Company's registrar and transfer agent were open, such holder would have owned upon

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such exercise and been entitled to receive by virtue of such dividend, subdivision, combination or reclassification; provided, however, that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital stock of the Company issuable upon exercise of one Right.

(ii) Subject to Section 24 hereof, in the event any Person becomes an Acquiring Person, each holder of a Right shall thereafter have a right to receive, upon exercise thereof at a price equal to the then current Purchase Price multiplied by the number of one one-thousandths of a Preferred Share for which a Right is then exercisable, in accordance with the terms of this Agreement and in lieu of Preferred Shares, such number of Common Shares of the Company as shall equal the result obtained by (A) multiplying the then current Purchase Price by the number of one one-thousandths of a Preferred Share for which a Right is then exercisable and dividing that product by (B) 50% of the then current per share market price of the Common Shares of the Company (determined pursuant to Section 11(d) hereof) on the date of the occurrence of such event. In the event that any Person shall become an Acquiring Person and the Rights shall then be outstanding, the Company shall not take any action which would eliminate or diminish the benefits intended to be afforded by the Rights.

From and after the occurrence of such event, any Rights that are or were acquired or beneficially owned by any Acquiring Person (or any Associate or Affiliate of such Acquiring Person) shall be void, and any holder of such Rights shall thereafter have no right to exercise such Rights under any provision of this Agreement. No Right Certificate shall be issued pursuant to Section 3 hereof that represents Rights beneficially owned by an Acquiring Person whose Rights would be void pursuant to the preceding sentence or any Associate or Affiliate thereof; no Right Certificate shall be issued at any time upon the transfer of any Rights to an Acquiring

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Person whose Rights would be void pursuant to the preceding sentence or any Associate or Affiliate thereof or to any nominee of such Acquiring Person, Associate or Affiliate; and any Right Certificate delivered to the Rights Agent for transfer to an Acquiring Person whose Rights would be void pursuant to the preceding sentence or any Associate or Affiliate thereof shall be cancelled.

(iii) In the event that there shall not be sufficient Common Shares issued but not outstanding or authorized but unissued to permit the exercise in full of the Rights in accordance with subparagraph (ii) above, the Company shall take all such action as may be necessary to authorize additional Common Shares for issuance upon exercise of the Rights. In the event the Company shall, after good faith effort, be unable to take all such action as may be necessary to authorize such additional Common Shares, the Company shall substitute, for each Common Share that would otherwise be issuable upon exercise

of a Right, a number of Preferred Shares or fraction thereof (or, if sufficient Preferred Shares are not available, of equivalent preferred shares, as defined in Section 11(b) below, or fraction thereof), such that the current per share market price of one Preferred Share (or equivalent preferred shares) multiplied by such number or fraction is equal to the current per share market price of one Common Share as of the date of issuance of such Preferred Shares (or equivalent preferred shares) or fraction thereof.

(b) In case the Company shall fix a record date for the issuance of rights, options or warrants to all holders of Preferred Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Preferred Shares (or shares having the same rights, privileges and preferences as the Preferred Shares ("equivalent preferred shares")) or securities convertible into Preferred Shares or equivalent preferred shares at a price per Preferred Share or equivalent preferred share (or having a conversion price per share, if a security convertible into Preferred Shares or equivalent preferred shares) less than the then current

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per share market price (as defined in Section 11(d)) of the Preferred Shares on such record date, the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the number of Preferred Shares outstanding on such record date plus the number of Preferred Shares which the aggregate offering price of the total number of Preferred Shares and/or equivalent preferred shares so to be offered (and/or the aggregate initial conversion price of the convertible securities so to be offered) would purchase at such current market price and the denominator of which shall be the number of Preferred Shares outstanding on such record date plus the number of additional Preferred Shares and/or equivalent preferred shares to be offered for subscription or purchase (or into which the convertible securities so to be offered are initially convertible); provided, however, that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital stock of the Company issuable upon exercise of one Right. In case such subscription price may be paid in a consideration part or all of which shall be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and holders of the Rights. Preferred Shares owned by or held for the account of the Company (other than in a fiduciary, agency, custodial or other representative capacity) shall not be deemed outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed; and, in the event that such rights, options or warrants are not so issued, the Purchase Price shall be adjusted to be the Purchase Price which would then be in effect if such record date had not been fixed.

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(c) In case the Company shall fix a record date for the making of a distribution to all holders of the Preferred Shares (including any such distribution made in connection with a consolidation, merger or division in which the Company is the continuing or surviving corporation) of evidences of indebtedness or assets (other than a regular quarterly cash dividend or a dividend payable in Preferred Shares) or subscription rights or warrants (excluding those referred to in Section 11(b) hereof), the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the then-current per share market price of the Preferred Shares on such record date, less the fair market value (as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and holders of the Rights) of the portion of the assets or evidences of indebtedness so to be distributed or of such subscription rights or warrants applicable to one Preferred Share and the denominator of which shall be such then-current per share market price of the Preferred Shares on such record date; provided, however, that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital stock of the Company to be issued upon exercise of one Right. Such adjustments shall be made successively whenever such a record date is fixed; and, in the event that such distribution is not so made, the Purchase Price shall again be adjusted to be the Purchase Price which would then be in effect if such record date had not been fixed.

(d) (i) For the purpose of any computation hereunder, the "current per share market price" of any security (a "Security" for the purpose of this Section 11(d)(i)) on any date shall be deemed to be the average of the

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consecutive Trading Days immediately prior to such date; provided, however, that, in the event that the current per share market price of the Security is determined during a period following the announcement by the issuer of such Security of (A) a dividend or distribution on such Security payable in shares of such Security or Securities convertible into such shares, or (B) any subdivision, combination or reclassification of such Security and prior to the expiration of 30 Trading Days after the ex-dividend date for such dividend or distribution, or the record date for such subdivision, combination or reclassification, then, and in each such case, the current per share market price shall be appropriately adjusted to reflect the current market price per share equivalent of such Security. The closing price for each day shall be the last sale price, regular way, reported at or prior to 4:00 P.M. New York City time or, in case no such sale takes place on such day, the average of the bid and asked prices, regular way, reported as of 4:00 P.M. New York City time, in either case, as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Security is not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Security is listed or admitted to trading or, if the Security is not listed or admitted to trading on any national securities exchange, the last quoted price reported at or prior to 4:00 P.M. New York City time or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported as of 4:00 P.M. New York City time by NASDAQ or such other system then in use, or, if on any such date the Security is not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Security selected by the Board of Directors of the Company. The term "Trading Day" shall mean a day on which the principal national

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securities exchange on which the Security is listed or admitted to trading is open for the transaction of business, or, if the Security is not listed or admitted to trading on any national securities exchange, a Business Day.

(ii) For the purpose of any computation hereunder, the "current per share market price" of the Preferred Shares shall be determined in accordance with the method set forth in Section 11(d)(i). If the Preferred Shares are not publicly traded, the "current per share market price" of the Preferred Shares shall be conclusively deemed to be the current per share market price of the Common Shares as determined pursuant to Section 11(d)(i) hereof (appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof), multiplied by one thousand. If neither the Common Shares nor the Preferred Shares are publicly held or so listed or traded, "current per share market price" shall mean the fair value per share as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent.

(e) No adjustment in the Purchase Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Purchase Price; provided, however, that any adjustments that by reason of this Section 11(e) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 11 shall be made to the nearest cent or to the nearest one ten-millionth of a Preferred Share or one ten-thousandth of any other share or security, as the case may be. Notwithstanding the first sentence of this Section 11(e), any adjustment required by this Section 11 shall be made no later than the earlier of (i) three years from the date of the transaction which requires such adjustment or (ii) the date of the expiration of the right to exercise any Rights.

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(f) If, as a result of an adjustment made pursuant to Section 11(a) hereof, the holder of any Right thereafter exercised shall become entitled to receive any shares of capital stock of the Company other than Preferred Shares, thereafter the number of such other shares so receivable upon exercise of any Right shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Preferred Shares contained in Section 11(a) through (c) hereof, inclusive, and

the provisions of Sections 7, 9, 10 and 13 hereof with respect to the Preferred Shares shall apply on like terms to any such other shares.

(g) All Rights originally issued by the Company subsequent to any adjustment made to the Purchase Price hereunder shall evidence the right to purchase, at the adjusted Purchase Price, the number of one one-thousandths of a Preferred Share purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(h) Unless the Company shall have exercised its election as provided in Section 11(i) hereof, upon each adjustment of the Purchase Price as a result of the calculations made in Sections 11(b) and (c) hereof, each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the adjusted Purchase Price, that number of one one-thousandths of a Preferred Share (calculated to the nearest one ten-millionth of a Preferred Share) obtained by (A) multiplying (x) the number of one one-thousandths of a share covered by a Right immediately prior to this adjustment by (y) the Purchase Price in effect immediately prior to such adjustment of the Purchase Price and (B) dividing the product so obtained by the Purchase Price in effect immediately after such adjustment of the Purchase Price.

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(i) The Company may elect, on or after the date of any adjustment of the Purchase Price, to adjust the number of Rights in substitution for any adjustment in the number of one one-thousandths of a Preferred Share purchasable upon the exercise of a Right. Each of the Rights outstanding after such adjustment of the number of Rights shall be exercisable for the number of one one-thousandths of a Preferred Share for which a Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the number of Rights shall become that number of Rights (calculated to the nearest one 100-thousandth) obtained by dividing the Purchase Price in effect immediately prior to adjustment of the Purchase Price by the Purchase Price in effect immediately after adjustment of the Purchase Price. The Company shall promptly notify the Rights Agent and make a public announcement of its election to adjust the number of Rights, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the Purchase Price is adjusted or any day thereafter, but, if the Right Certificates have been issued, shall be at least 10 days later than the date of the public announcement. If Right Certificates have been issued, upon each adjustment of the number of Rights pursuant to this Section 11(i), the Company shall, as promptly as practicable, cause to be distributed to holders of record of Right Certificates on such record date Right Certificates evidencing, subject to Section 14 hereof, the additional Rights to which such holders shall be entitled as a result of such adjustment, or, at the option of the Company, shall cause to be distributed to such holders of record in substitution and replacement for the Right Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Company, new Right Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Right Certificates so to be distributed shall be issued, executed and countersigned in the manner provided

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for herein, and shall be registered in the names of the holders of record of Right Certificates on the record date specified in the public announcement.

(j) Irrespective of any adjustment or change in the Purchase Price or in the number of one one-thousandths of a Preferred Share issuable upon the exercise of the Rights, the Right Certificates theretofore and thereafter issued may continue to express the Purchase Price and the number of one one-thousandths of a Preferred Share which were expressed in the initial Right Certificates issued hereunder.

(k) Before taking any action that would cause an adjustment reducing the Purchase Price below one one-thousandth of the then par value, if any, of the Preferred Shares issuable upon exercise of the Rights, the Company shall take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and nonassessable Preferred Shares at such adjusted Purchase Price.

(l) In any case in which this Section 11 shall require that an adjustment in the Purchase Price be made effective as of a record date for a specified event, the Company may elect to defer (and shall promptly notify the Rights Agent of any such election) until the occurrence of such event the issuing to the holder of any Right exercised after such record date of the Preferred Shares and other capital stock or securities of the Company, if any,

issuable upon such exercise over and above the Preferred Shares and other capital stock or securities of the Company, if any, issuable upon such exercise on the basis of the Purchase Price in effect prior to such adjustment; provided, however, that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares upon the occurrence of the event requiring such adjustment.

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(m) Anything in this Section 11 to the contrary notwithstanding, the Company shall be entitled to make such reductions in the Purchase Price, in addition to those adjustments expressly required by this Section 11, as and to the extent that it, in its sole discretion, shall determine to be advisable in order that any consolidation or subdivision of the Preferred Shares, issuance wholly for cash of any Preferred Shares at less than the current per share market price, issuance wholly for cash of Preferred Shares or securities which by their terms are convertible into or exchangeable for Preferred Shares, dividends on Preferred Shares payable in Preferred Shares or issuance of rights, options or warrants referred to in Section 11(b) hereof, hereafter made by the Company to holders of the Preferred Shares shall not be taxable to such shareholders.

(n) In the event that, at any time after the date of this Agreement and prior to the Distribution Date, the Company shall (i) declare or pay any dividend on the Common Shares payable in Common Shares, or (ii) effect a subdivision, combination or consolidation of the Common Shares (by reclassification or otherwise than by payment of dividends in Common Shares) into a greater or lesser number of Common Shares, then, in any such case, (A) the number of one one-thousandths of a Preferred Share purchasable after such event upon proper exercise of each Right shall be determined by multiplying the number of one one-thousandths of a Preferred Share so purchasable immediately prior to such event by a fraction, the numerator of which is the number of Common Shares outstanding immediately before such event and the denominator of which is the number of Common Shares outstanding immediately after such event, and (B) each Common Share outstanding immediately after such event shall have issued with respect to it that number of Rights which each Common Share outstanding immediately prior to such event had issued with respect to it. The adjustments provided for in this Section 11(n) shall

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be made successively whenever such a dividend is declared or paid or such a subdivision, combination or consolidation is effected.

Section 12. Certificate of Adjusted Purchase Price or Number of Shares. Whenever an adjustment is made as provided in Section 11 or 13 hereof, the Company shall promptly (a) prepare a certificate setting forth such adjustment and a brief, reasonably detailed, statement of the facts and computations accounting for such adjustment, (b) file with the Rights Agent and with each transfer agent for the Common Shares or the Preferred Shares and the Securities and Exchange Commission a copy of such certificate and (c) if such adjustment occurs at any time after the Distribution Date, mail a brief summary thereof to each holder of a Right Certificate in accordance with Section 25 hereof. The Rights Agent shall be fully protected in relying on any such certificate and on any adjustment contained therein, and shall have no duty with respect to and shall not be deemed to have knowledge of any such adjustment unless and until it shall have received such a certificate.

Section 13. Consolidation, Merger or Sale or Transfer of Assets or Earning Power. In the event, directly or indirectly, at any time after a Person has become an Acquiring Person, (a) the Company shall consolidate with, or merge with and into, any other Person, or the Company shall divide into two or more corporations (Persons) and the Company shall not survive the division, (b) any Person shall consolidate with the Company, or merge with and into the Company, or the Company shall divide, and the Company shall be the continuing or surviving corporation of such merger or division and, in connection with such merger or division, all or part of the Common Shares shall be changed into or exchanged for or shall receive as a distribution thereon stock or other securities of any other Person (or the Company) or cash or any other property, or (c) the Company shall sell or otherwise transfer (or one or more of its Subsidiaries

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shall sell or otherwise transfer), in one or more transactions, assets or earning power aggregating 50% or more of the assets or earning power of the

Company and its Subsidiaries (taken as a whole) to any other Person other than the Company or one or more of its wholly-owned Subsidiaries, then, and in each such case, proper provision shall be made so that (i) each holder of a Right (except as otherwise provided herein) shall thereafter have the right to receive, upon the exercise thereof at a price equal to the then current Purchase Price multiplied by the number of one one-thousandths of a Preferred Share for which a Right is then exercisable, in accordance with the terms of this Agreement and in lieu of Preferred Shares, such number of Common Shares of such other Person (including the Company as successor thereto or as the surviving corporation) as shall equal the result obtained by (A) multiplying the then current Purchase Price by the number of one one-thousandths of a Preferred Share for which a Right is then exercisable and dividing that product by (B) 50% of the then current per share market price of the Common Shares of such other Person (determined pursuant to Section 11(d) hereof) on the date of consummation of such consolidation, merger, division, sale or transfer; (ii) the issuer of such Common Shares shall thereafter be liable for, and shall assume, by virtue of such consolidation, merger, division, sale or transfer, all the obligations and duties of the Company pursuant to this Agreement; (iii) the term "Company" shall thereafter be deemed to refer to such issuer; and (iv) such issuer shall take such steps (including, but not limited to, the reservation of a sufficient number of its Common Shares in accordance with Section 9 hereof) in connection with such consummation as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to the Common Shares of the Company thereafter deliverable upon the exercise of the Rights. The Company shall not consummate any such consolidation, merger, sale or transfer unless, prior thereto, the Company and such issuer shall

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have executed and delivered to the Rights Agent a supplemental agreement so providing. The Company shall not enter into any transaction of the kind referred to in this Section 13 if at the time of such transaction there are any rights, warrants, instruments or securities outstanding or any agreements or arrangements which, as a result of the consummation of such transaction, would eliminate or substantially diminish the benefits intended to be afforded by the Rights. The provisions of this Section 13 shall similarly apply to successive mergers or consolidations or divisions or sales or other transfers.

Section 14. Fractional Rights and Fractional Shares. (a) The Company shall not be required to issue fractions of Rights or to distribute Right Certificates which evidence fractional Rights. In lieu of such fractional Rights, there shall be paid to the registered holders of the Right Certificates with regard to which such fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a whole Right. For the purposes of this Section 14(a), the current market value of a whole Right shall be the closing price of the Rights for the Trading Day immediately prior to the date on which such fractional Rights would have been otherwise issuable. The closing price for any day shall be the last sale price, regular way, reported at or prior to 4:00 P.M. New York City time or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, reported as of 4:00 P.M. New York City time, in either case, as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Rights are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Rights are listed or admitted to trading or, if the Rights are not listed or admitted to trading on any national securities

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exchange, the last quoted price reported at or prior to 4:00 P.M. New York City time or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported as of 4:00 P.M. New York City time by NASDAQ or such other system then in use or, if on any such date the Rights are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Rights selected by the Board of Directors of the Company. If on any such date no such market maker is making a market in the Rights, the fair value of the Rights on such date as determined in good faith by the Board of Directors of the Company shall be used.

(b) The Company shall not be required to issue fractions of Preferred Shares (other than fractions which are integral multiples of one one-thousandth of a Preferred Share) upon exercise of the Rights or to distribute certificates which evidence fractional Preferred Shares (other than fractions which are integral multiples of one one-thousandth of a Preferred Share). Fractions of Preferred Shares in integral multiples of one one-thousandth of a Preferred Share may, at the election of the Company, be

evidenced by depositary receipts, pursuant to an appropriate agreement between the Company and a depositary selected by it; provided that such agreement shall provide that the holders of such depositary receipts shall have all the rights, privileges and preferences to which they are entitled as beneficial owners of the Preferred Shares represented by such depositary receipts. In lieu of fractional Preferred Shares that are not integral multiples of one one-thousandth of a Preferred Share, the Company shall pay to the registered holders of Right Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of one Preferred Share. For the purposes of this Section 14(b), the current market value of a Preferred Share shall be the

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closing price of a Preferred Share (as determined pursuant to the second sentence of Section 11(d) (i) hereof) for the Trading Day immediately prior to the date of such exercise.

(c) The holder of a Right, by the acceptance of the Right, expressly waives such holder's right to receive any fractional Rights or any fractional shares upon exercise of a Right (except as provided above).

(d) The Rights Agent shall have no duty or obligation with respect to this Section 14 or Section 24(d) unless and until it has received reasonably specific instructions (and sufficient cash, if required) from the Company with respect to its duties and obligations under such Sections.

Section 15. Rights of Action. All rights of action in respect of this Agreement, excepting the rights of action given to the Rights Agent under Section 18 hereof, are vested in the respective registered holders of the Right Certificates (and, prior to the Distribution Date, the registered holders of the Common Shares); and any registered holder of any Right Certificate (or, prior to the Distribution Date, of the Common Shares), without the consent of the Rights Agent or of the holder of any other Right Certificate (or, prior to the Distribution Date, of the Common Shares), may, in such holder's own behalf and for such holder's own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce, or otherwise act in respect of, such holder's right to exercise the Rights evidenced by such Right Certificate in the manner provided in such Right Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement, and will be entitled to specific performance of the obligations under,

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and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

Section 16. Agreement of Right Holders. Every holder of a Right, by accepting the same, consents and agrees with the Company and the Rights Agent and with every other holder of a Right that:

(a) prior to the Distribution Date, the Rights will be transferable only in connection with the transfer of the Common Shares;

(b) after the Distribution Date, the Right Certificates are transferable only on the registry books of the Rights Agent if surrendered at the office of the Rights Agent designated for such purpose, duly endorsed or accompanied by a proper instrument of transfer;

(c) the Company and the Rights Agent may deem and treat the person in whose name the Right Certificate (or, prior to the Distribution Date, the associated Common Shares certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on the Right Certificate or the associated Common Shares certificate made by anyone other than the Company or the Rights Agent) for all purposes whatsoever, and neither the Company nor the Rights Agent shall be affected by any notice to the contrary; and

(d) notwithstanding anything in this Agreement to the contrary, neither the Company nor the Rights Agent shall have any liability to any holder of a Right or other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree, judgment or ruling (whether

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interlocutory or final) issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation; provided, however, that the Company must use its best efforts to have any such order, decree, judgment or ruling lifted or otherwise overturned as soon as possible.

Section 17. Right Certificate Holder Not Deemed a Shareholder. No holder, as such, of any Right Certificate shall be entitled to vote, receive dividends or be deemed for any purpose the holder of the Preferred Shares or any other securities of the Company which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Right Certificate be construed to confer upon the holder of any Right Certificate, as such, any of the rights of a shareholder of the Company or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in Section 25 hereof), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by such Right Certificate shall have been exercised in accordance with the provisions hereof.

Section 18. Concerning the Rights Agent. The Company agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder, and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the preparation, delivery, administration, execution and amendment of this Agreement and the exercise and performance of its duties hereunder. The Company also agrees to indemnify the Rights Agent for, and to hold it harmless against, any loss, liability, damage, judgment, fine, penalty, claim, demand, settlement, cost or expense incurred without

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gross negligence, bad faith or willful misconduct on the part of the Rights Agent (as finally determined by a court of competent jurisdiction), for any action taken, suffered or omitted by the Rights Agent in connection with the acceptance and administration of this Agreement or the exercise or performance of its duties hereunder, including, without limitation, the reasonable costs and expenses of defending against any claim of liability in the premises. The indemnity provided herein shall survive the termination of this Agreement and the termination and the expiration of the Rights. The reasonable costs and expenses incurred by the Rights Agent in enforcing this right of indemnification shall be paid by the Company.

The Rights Agent shall be authorized to rely on, shall be protected and shall incur no liability for, or in respect of any action taken, suffered or omitted by it in connection with, its acceptance and administration of this Agreement or the exercise or performance of its duties hereunder in reliance upon any Right Certificate or certificate for the Preferred Shares or Common Shares or for other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper person or persons, or otherwise upon the advice of counsel as set forth in Section 20 hereof.

Section 19. Merger or Consolidation or Change of Name of Rights Agent. Any Person into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any Person resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent shall be a party, or any Person succeeding to the corporate trust powers of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any

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further act on the part of any of the parties hereto; provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 21 hereof. In case at the time such successor Rights Agent shall succeed to the agency created by this Agreement, any of the Right Certificates shall have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Right Certificates so countersigned; and, in case at that time any of the Right Certificates shall not have been countersigned, any successor Rights Agent may countersign such Right Certificates either in the name of the

predecessor Rights Agent or in the name of the successor Rights Agent; and, in all such cases, such Right Certificates shall have the full force provided in the Right Certificates and in this Agreement.

In case at any time the name of the Rights Agent shall be changed and at such time any of the Right Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Right Certificates so countersigned; and, in case at that time any of the Right Certificates shall not have been countersigned, the Rights Agent may countersign such Right Certificates either in its prior name or in its changed name; and, in all such cases, such Right Certificates shall have the full force provided in the Right Certificates and in this Agreement.

Section 20. Duties of Rights Agent. The Rights Agent undertakes the duties and obligations, and only the duties and obligations imposed by this Agreement (and no implied duties and obligations) upon the following terms and conditions, by all of which the Company and the holders of Right Certificates, by their acceptance thereof, shall be bound:

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(a) The Rights Agent may consult with legal counsel (who may be legal counsel for the Company), and the oral or written opinion of such counsel shall be full and complete authorization and protection to the Rights Agent, and the Rights Agent shall incur no liability for or in respect of any action taken, suffered or omitted by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Agreement the Rights Agent shall deem it necessary or desirable that any fact or matter be proved or established by the Company prior to taking, suffering or omitting any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by any one of the Chairman of the Board, any Vice Chairman, the Chief Executive Officer, the President, any Vice President, the Treasurer or the Corporate Secretary of the Company and delivered to the Rights Agent; and such certificate shall be full authorization and protection to the Rights Agent, and the Rights Agent shall incur no liability for or in respect of any action taken, suffered or omitted in good faith by it under the provisions of this Agreement in reliance upon such certificate.

(c) The Rights Agent shall be liable hereunder to the Company and any other Person only for its own gross negligence, bad faith or willful misconduct (as finally determined by a court of competent jurisdiction). Anything in this Agreement to the contrary notwithstanding, in no event shall the Rights Agent be liable for special, punitive, indirect, incidental or consequential loss or damage of any kind whatsoever (including, but not limited to, lost profits), even if the Rights Agent has been advised of the possibility of such loss or damage.

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(d) The Rights Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the Right Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Rights Agent shall not have any liability for, nor shall it be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any Right Certificate (except its countersignature thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Right Certificate; nor shall it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 11(a)(ii) hereof) or any adjustment in the terms of the Rights (including the manner, method or amount thereof) provided for in Section 3, 11, 13, 23 or 24 hereof, or the ascertaining of the existence of facts that would require any such change or adjustment (except with respect to the exercise of Rights evidenced by Right Certificates after actual notice that such change or adjustment is required); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Preferred Shares to be issued pursuant to this Agreement or any Right Certificate or as to whether any Preferred Shares will, when issued, be validly authorized and issued, fully paid and nonassessable.

(f) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.

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(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any one of the Chairman of the Board, any Vice Chairman, the Chief Executive Officer, the President, any Vice President, the Corporate Secretary or the Treasurer of the Company, and to apply to such officers for advice or instructions in connection with its duties, and such advice or instructions, if in writing, shall be full authorization and protection to the Rights Agent and the Rights Agent shall incur no liability for or in respect of any action taken, suffered or omitted by it in good faith in accordance with the written advice or instructions of any such officer or for any delay in acting while waiting for such advice or instructions.

(h) The Rights Agent and any shareholder, director, officer, Affiliate or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Company or for any other Person.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company resulting from any such act, default, neglect or misconduct, absent gross negligence or willful misconduct in the selection and continued employment thereof.

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(j) No provision of this Agreement shall require the Rights Agent to expend or risk its own funds in the performance of any of its duties hereunder or in the exercise of its rights if it believes that repayment of such funds or adequate indemnification against such risk or liability is not assured it; provided, however, that the Rights Agent shall first provide written notice to the Company of its intention to act, or to fail to act, in reliance upon this Section 20(j).

Section 21. Change of Rights Agent. The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Agreement upon 30 days' notice in writing mailed to the Company and to each transfer agent of the Common Shares or Preferred Shares by registered or certified mail, and to the holders of the Right Certificates by first-class mail. The Company may remove the Rights Agent or any successor Rights Agent upon 30 days' notice in writing, mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Common Shares or Preferred Shares by registered or certified mail, and to the holders of the Right Certificates by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company shall fail to make such appointment within a period of 30 days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Right Certificate (which holder shall, with such notice, submit such holder's Right Certificate for inspection by the Company), then the registered holder of any Right Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be (a) a Person organized and doing business under the laws of the United States or any state of the United States, in good standing under such laws, subject to supervision or examination

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by federal or state authority and having at the time of its appointment as Rights Agent a combined capital and surplus of at least \$50 million or (b) an Affiliate of a Person described in clause (a) of this sentence, in good standing under the laws of the jurisdiction in which it is organized. After appointment, and its written acceptance of such appointment, the successor Rights Agent shall

be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property, records, files, data or other materials at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares or Preferred Shares, and mail a notice thereof in writing to the registered holders of the Right Certificates. Failure to give any notice provided for in this Section 21, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

Section 22. Issuance of New Right Certificates.

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Company may, at its option, issue new Right Certificates evidencing Rights in such form as may be approved by the Board of Directors of the Company to reflect any adjustment or change in the Purchase Price and the number or kind or class of shares or other securities or property purchasable under the Right Certificates made in accordance with the provisions of this Agreement.

Section 23. Redemption. (a) The Board of Directors of the Company may, at its option, at any time prior to such time as any Person becomes an Acquiring Person, redeem all,

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but not less than all, the then outstanding Rights at a redemption price of \$.01 per Right, appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof (such redemption price being hereinafter referred to as the "Redemption Price"). The redemption of the Rights by the Board of Directors of the Company may be made effective at such time, on such basis and with such conditions as the Board of Directors of the Company, in its sole discretion, may establish.

(b) Immediately upon the action of the Board of Directors of the Company ordering the redemption of the Rights pursuant to paragraph (a) of this Section 23, and without any further action and without any notice, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price. The Company shall promptly notify the Rights Agent and give public notice of any such redemption; provided, however, that the failure to give, or any defect in, any such notice shall not affect the validity of such redemption. Within 10 days after such action of the Board of Directors of the Company ordering the redemption of the Rights, the Company shall mail a notice of redemption to all the holders of the then outstanding Rights at their last addresses as they appear upon the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the transfer agent for the Common Shares. Any notice that is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. Neither the Company nor any of its Affiliates or Associates may, except insofar as they may be acting in a fiduciary capacity or in connection with a trust or other entity established for or pursuant to the terms of an employee or director plan, redeem, acquire or purchase for value any Rights at any time in any manner other than that specifically set forth in this Section 23 or in

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Section 24 hereof, and other than in connection with the purchase of Common Shares prior to the Distribution Date.

Section 24. Exchange. (a) The Board of Directors of the Company may, at its option, at any time after any Person becomes an Acquiring Person, exchange all or part of the then outstanding and exercisable Rights (which shall not include Rights that have become void pursuant to the provisions of Section 11(a)(ii) hereof) for Common Shares at an exchange ratio of one Common Share per Right, appropriately adjusted to reflect any adjustment in the number of Rights pursuant to Section 11(i) (such exchange ratio being hereinafter referred to as the "Exchange Ratio"). Notwithstanding the foregoing, the Board of Directors of the Company shall not be empowered to effect such exchange at any time after any Person (other than the Company, any Subsidiary of the Company, any employee benefit plan, employee stock or deferral plan or director compensation or deferral plan of the Company or any such Subsidiary, or any trust or other entity organized, appointed, established or holding Common Shares for or pursuant to the terms of any such plan), together with all Affiliates and Associates of such Person, becomes the Beneficial Owner of 50% or

more of the Common Shares then outstanding.

(b) Immediately upon the action of the Board of Directors of the Company ordering the exchange of any Rights pursuant to paragraph (a) of this Section 24 and without any further action and without any notice, the right to exercise such Rights shall terminate and the only right thereafter of a holder of such Rights shall be to receive that number of Common Shares equal to the number of such Rights held by such holder multiplied by the Exchange Ratio. The Company shall promptly give public notice of any such exchange; provided, however, that the failure to give, or any defect in, such notice shall not affect the validity of such exchange. The Company promptly shall mail a notice of any such exchange to all of the holders of such

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Rights at their last addresses as they appear upon the registry books of the Rights Agent. Any notice that is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of exchange will state the method by which the exchange of the Common Shares for Rights will be effected, and, in the event of any partial exchange, the number of Rights which will be exchanged. Any partial exchange shall be effected pro rata based on the number of Rights (other than Rights which have become void pursuant to the provisions of Section 11(a) (ii) hereof) held by each holder of Rights.

(c) In the event that there shall not be sufficient Common Shares issued but not outstanding or authorized but unissued to permit any exchange of Rights as contemplated in accordance with this Section 24, the Company shall take all such action as may be necessary to authorize additional Common Shares for issuance upon exchange of the Rights. In the event the Company shall, after good faith effort, be unable to take all such action as may be necessary to authorize such additional Common Shares, the Company shall substitute, for each Common Share that would otherwise be issuable upon exchange of a Right, a number of Preferred Shares (or, if sufficient Preferred Shares are not available, of equivalent preferred shares, as defined in Section 11(b) above) or fraction thereof such that the current per share market price of one Preferred Share (or equivalent preferred share) multiplied by such number or fraction is equal to the current per share market price of one Common Share as of the date of issuance of such Preferred Shares (or equivalent preferred share) or fraction thereof.

(d) The Company shall not be required to issue fractions of Common Shares or to distribute certificates which evidence fractional Common Shares, Preferred Shares or equivalent preferred shares. In lieu of such fractional Common Shares, Preferred Shares or equivalent preferred shares, the Company shall pay to the registered holders of the Right Certificates

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with regard to which such fractional Common Shares, Preferred Shares or equivalent preferred shares would otherwise be issuable an amount in cash equal to the same fraction of the current market value of a whole Common Share, Preferred Share or equivalent preferred share. For the purposes of this paragraph (d), the current market value of a whole Common Share, Preferred Share or equivalent preferred share shall be the closing price of a Common Share, Preferred Share or equivalent preferred share (as determined pursuant to the second sentence of Section 11(d) (i) hereof) for the Trading Day immediately prior to the date of exchange pursuant to this Section 24.

Section 25. Notice of Certain Events. (a) In case the Company shall, at any time after the Distribution Date, propose (i) to pay any dividend payable in stock of any class to the holders of the Preferred Shares or to make any other distribution to the holders of the Preferred Shares (other than a regular quarterly cash dividend), (ii) to offer to the holders of the Preferred Shares rights or warrants to subscribe for or to purchase any additional Preferred Shares or shares of stock of any class or any other securities, rights or options, (iii) to effect any reclassification of the Preferred Shares (other than a reclassification involving only the subdivision of outstanding Preferred Shares), (iv) to effect any consolidation or merger into or with, or to effect any sale or other transfer (or to permit one or more of its Subsidiaries to effect any sale or other transfer), in one or more transactions, of 50% or more of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to, any other Person or to divide into two or more Persons, (v) to effect the liquidation, dissolution or winding up of the Company, or (vi) to declare or pay any dividend on the Common Shares payable in Common Shares or to effect a subdivision, combination or consolidation of the Common Shares (by reclassification or otherwise than by payment of dividends in Common Shares), then, in each such case, the Company

shall give to the Rights Agent and each holder of a Right Certificate, in accordance with Section 26 hereof, a notice of such proposed action, which shall specify the record date for the purposes of such stock dividend, or distribution of rights or warrants, or the date on which such reclassification, consolidation, merger, division, sale, transfer, liquidation, dissolution, or winding up is to take place and the date of participation therein by the holders of the Common Shares and/or Preferred Shares, if any such date is to be fixed, and such notice shall be so given in the case of any action covered by clause (i) or (ii) above at least 10 days prior to the record date for determining holders of the Preferred Shares for purposes of such action, and, in the case of any such other action, at least 10 days prior to the date of the taking of such proposed action or the date of participation therein by the holders of the Common Shares and/or Preferred Shares, whichever shall be the earlier.

(b) In case the event set forth in Section 11(a)(ii) hereof shall occur, then the Company shall, as soon as practicable thereafter, give to the Rights Agent and each holder of a Right Certificate, in accordance with Section 26 hereof, a notice of the occurrence of such event, which notice shall describe such event and the consequences of such event to holders of Rights under Section 11(a)(ii) hereof.

Section 26. Notices. Notices or demands authorized by this Agreement to be given or made by the Rights Agent or by the holder of any Right Certificate to or on the Company shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Rights Agent) as follows:

The PNC Financial Services Group, Inc.
One PNC Plaza
249 Fifth Avenue
Pittsburgh, Pennsylvania 15222-2707
Attention: Corporate Secretary

Subject to the provisions of Section 21 hereof, any notice or demand authorized by this Agreement to be given or made by the Company or by the holder of any Right Certificate to or on the Rights Agent shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Company) as follows:

The Chase Manhattan Bank
c/o CMSS
111 Founders Plaza
11th Floor
East Hartford, CT 06108
Attention: Relationship Manager

Notices or demands authorized by this Agreement to be given or made by the Company or the Rights Agent to the holder of any Right Certificate shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as shown on the registry books of the Company.

Section 27. Supplements and Amendments. The Company may from time to time supplement or amend this Agreement without the approval of any holders of Right Certificates in order to cure any ambiguity, to correct or supplement any provision contained herein that may be defective or inconsistent with any other provisions herein, or to make any other provisions with respect to the Rights which the Company may deem necessary or desirable, any such supplement or amendment to be evidenced by a writing signed by the Company and the Rights Agent; provided, however, that, from and after such time as any Person becomes an Acquiring Person, this Agreement shall not be amended in any manner which would adversely affect the interests of the Rights Agent or the holders of Rights.

Section 28. Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 29. Benefits of this Agreement. Nothing in this

Agreement shall be construed to give to any Person other than the Company, the Rights Agent and the registered holders of the Right Certificates (and, prior to the Distribution Date, the Common Shares) any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company, the Rights Agent and the registered holders of the Right Certificates (and, prior to the Distribution Date, the Common Shares).

Section 30. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 31. Governing Law. This Agreement and each Right Certificate issued hereunder shall be deemed to be a contract made under the laws of the Commonwealth of Pennsylvania and for all purposes shall be governed by and construed in accordance with the laws of such state applicable to contracts to be made and performed entirely within such state; provided, however, that all provisions regarding the rights, duties, and obligations of the Rights Agent shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State.

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Section 32. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 33. Descriptive Headings. Descriptive headings of the several Sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and attested, all as of the day and year first above written.

Attest: THE PNC FINANCIAL SERVICES
GROUP, INC.

By /s/ Thomas R. Moore

Name: Thomas R. Moore
Title: Corporate Secretary

By /s/ R. Haunschild

Name: R. Haunschild
Title: Senior Vice President
and Chief Financial
Officer

Attest: THE CHASE MANHATTAN BANK

By /s/ Theodore Driggin

Name: Theodore Driggin
Title: Financial Director

By /s/ Eric R. Leason

Name: Eric R. Leason
Title: Vice President

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Exhibit A

establishing the

SERIES G JUNIOR PARTICIPATING PREFERRED STOCK

of

THE PNC FINANCIAL SERVICES GROUP, INC.

(Pursuant to Section 1522 of the Pennsylvania Business Corporation Law - to be attached to "Statement with Respect to Shares" or incorporated into amended and restated Articles of Incorporation of the Corporation)

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors of this Corporation (hereinafter called the "Board of Directors" or the "Board") in accordance with the provisions of the Amended and Restated Articles of Incorporation of the Corporation and Section 1522 of the Pennsylvania Business Corporation Law, the Board of Directors hereby creates a series of Preferred Stock, par value \$1.00 per share, of the Corporation (the "Preferred Stock"), and hereby states the designation and number of shares, and fixes the relative rights, preferences, and limitations thereof as follows:

SERIES G JUNIOR PARTICIPATING PREFERRED STOCK:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series G Junior Participating Preferred Stock" (the "Series G Preferred Stock") and the number of shares constituting the Series G Preferred Stock initially shall be 450,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of shares of Series G Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series G Preferred Stock.

Section 2. Dividends and Distributions.

(A) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any similar stock) ranking prior and superior to the Series G Preferred Stock with respect to dividends, the holders of shares of Series G Preferred Stock, in preference to the holders of Common Stock, par value \$5.00 per share (the "Common Stock"), of the

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Corporation, and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series G Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$0.10 or (b) subject to the provision for adjustment hereinafter set forth, 1,000 times the aggregate per share amount of all cash dividends, and 1,000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series G Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series G Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution

on the Series G Preferred Stock as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$0.10 per share on the Series G Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series G Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series G Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series G Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a

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share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series G Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series G Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series G Preferred Stock shall entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the shareholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series G Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein, in any other Statement with respect to Shares pursuant to Section 1522 of the Business Corporation Law or amendment to the Corporation's Amended and Restated Articles of Incorporation creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series G Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of shareholders of the Corporation.

(C) Except as set forth herein, or as otherwise provided by law, holders of Series G Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series G Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series G Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other

distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series G Preferred Stock;

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(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series G Preferred Stock, except dividends paid ratably on the Series G Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series G Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series G Preferred Stock; or

(iv) redeem or purchase or otherwise acquire for consideration any shares of Series G Preferred Stock, or any shares of stock ranking on a parity with the Series G Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Except as otherwise provided by action of the Board of Directors, any shares of Series G Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever (other than by conversion) shall not be retired or cancelled but shall become authorized but unissued shares of Preferred Stock and may be reissued as part of the same or a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein, in the Amended and Restated Articles of Incorporation of the Corporation, or in any other Statement with Respect to Shares pursuant to Section 1522 of the Business Corporation Law creating a series of Preferred Stock or any similar stock or as otherwise required by law.

Section 6. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series G Preferred Stock unless, prior thereto, the holders of shares of Series G Preferred Stock shall have received \$1.00 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of shares of Series G Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to

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1,000 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (2) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series G Preferred Stock, except distributions made ratably on the Series G Preferred Stock and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which

holders of shares of Series G Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination, division or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series G Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series G Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series G Preferred Stock shall not be redeemable.

Section 9. Rank. The Series G Preferred Stock shall rank, with respect to the payment of dividends and the distribution of assets, junior to all series of any other class of the Corporation's Preferred Stock.

Section 10. Amendment. If any shares of Series G Preferred Stock are then outstanding, the Amended and Restated Articles of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series G Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series G Preferred Stock, voting together as a single class.

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Exhibit B

Form of Right Certificate

Certificate No. R-

Rights

NOT EXERCISABLE AFTER May 15, 2010 OR EARLIER IF REDEMPTION OR EXCHANGE OCCURS. THE RIGHTS ARE SUBJECT TO REDEMPTION AT \$0.01 PER RIGHT AND TO EXCHANGE ON THE TERMS SET FORTH IN THE AGREEMENT.

Right Certificate

THE PNC FINANCIAL SERVICES GROUP, INC.

This certifies that, _____ or registered assigns, is the registered owner of the number of Rights set forth above, each of which entitles the owner thereof, subject to the terms, provisions and conditions of the Agreement, dated as of May 15, 2000 (the "Agreement"), between The PNC Financial Services Group, Inc., a Pennsylvania corporation (the "Company"), and The Chase Manhattan Bank (the "Rights Agent"), to purchase from the Company at any time after the Distribution Date (as such term is defined in the Agreement) and prior to 5:00 P.M., New York time, on May 15, 2010 office of the Rights Agent designated for such purpose, or at the office of its successor as Rights Agent, one one-thousandth of a fully paid non-assessable share of Series G Junior Participating Preferred Stock, par value \$1.00 per share, of the Company (the "Preferred Shares"), at a purchase price of \$180 per one one-thousandth of a Preferred Share (the "Purchase Price"), upon presentation and surrender of this Right Certificate with the Form of Election to Purchase duly executed. The number of Rights evidenced by this Right Certificate (and the number of one one-thousandths of a Preferred Share which may be purchased upon exercise hereof) set forth above, and the Purchase Price set forth above, are the number and Purchase Price as of May 15, 2000, based on the Preferred Shares as constituted at such date. As provided in the Agreement, the Purchase Price and

the number of one one-thousandths of a Preferred Share which may be purchased upon the exercise of the Rights evidenced by this Right Certificate are subject to modification and adjustment upon the happening of certain events.

This Right Certificate is subject to all of the terms, provisions and conditions of the Agreement, which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities hereunder of the Rights Agent, the Company and the holders of the Right Certificates. Copies of the Agreement are on file at the principal executive offices of the Company and the offices of the Rights Agent.

This Right Certificate, with or without other Right Certificates, upon surrender at the office of the Rights Agent designated for such purpose, may be exchanged for another Right Certificate or Right Certificates of like tenor and date evidencing Rights entitling the holder to purchase a like aggregate number of Preferred Shares as the Rights evidenced by the Right

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Certificate or Right Certificates surrendered shall have entitled such holder to purchase. If this Right Certificate shall be exercised in part, the holder shall be entitled to receive upon surrender hereof another Right Certificate or Right Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Agreement, the Rights evidenced by this Right Certificate (i) may be redeemed by the Company at a redemption price of \$0.01 per Right or (ii) may be exchanged in whole or in part for Preferred Shares, equivalent preferred shares or shares of the Company's Common Stock, par value \$5.00 per share.

No fractional Preferred Shares will be issued upon the exercise of any Right or Rights evidenced hereby (other than fractions which are integral multiples of one one-thousandth of a Preferred Share, which may, at the election of the Company, be evidenced by depositary receipts), but, in lieu thereof, a cash payment will be made, as provided in the Agreement.

No holder of this Right Certificate shall be entitled to vote or receive dividends or be deemed for any purpose the holder of the Preferred Shares or of any other securities of the Company which may at any time be issuable on the exercise hereof, nor shall anything contained in the Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a shareholder of the Company or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in the Agreement), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by this Right Certificate shall have been exercised as provided in the Agreement.

This Right Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

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WITNESS the facsimile signature of the duly authorized officers of the Company and its corporate seal. Dated as of _____, ____.

THE PNC FINANCIAL SERVICES GROUP, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Countersigned:

THE CHASE MANHATTAN BANK

By _____

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Form of Reverse Side of Right Certificate

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Right Certificate.)

FOR VALUE RECEIVED _____ hereby

sells, assigns and transfers unto _____

(Please print name and address of transferee)

this Right Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____ Attorney, to transfer the within Right Certificate on the books of the within-named Company, with full power of substitution.

Dated: _____

Signature

Signature Guaranteed:

Signatures must be guaranteed by a member firm of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office or correspondent in the United States.

The undersigned hereby certifies that the Rights evidenced by this Right Certificate are not beneficially owned by an Acquiring Person or an Affiliate or Associate thereof (as defined in the Agreement).

Signature

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Form of Reverse Side of Right Certificate -- continued

FORM OF ELECTION TO PURCHASE

(To be executed if holder desires to exercise Rights represented by the Right Certificate.)

To: THE PNC FINANCIAL SERVICES GROUP, INC.

The undersigned hereby irrevocably elects to exercise _____ Rights represented by this Right Certificate to purchase the Preferred Shares issuable upon the exercise of such Rights and requests that certificates for such Preferred Shares be issued in the name of:

Please insert social security
or other identifying number

(Please print name and address)

If such number of Rights shall not be all the Rights evidenced by this Right Certificate, a new Right Certificate for the balance remaining of such Rights shall be registered in the name of and delivered to:

Please insert social security
or other identifying number

(Please print name and address)

Dated: _____

Signature

Signature Guaranteed:

Signatures must be guaranteed by a member firm of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office or correspondent in the United States.

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The undersigned hereby certifies that the Rights evidenced by this Right Certificate are not beneficially owned by an Acquiring Person or an Affiliate or Associate thereof (as defined in the Agreement).

Signature

NOTICE

The signature in the Form of Assignment or Form of Election to Purchase, as the case may be, must conform to the name as written upon the face of this Right Certificate in every particular, without alteration or enlargement or any change whatsoever.

In the event the certification set forth above in the Form of Assignment or the Form of Election to Purchase, as the case may be, is not completed, the Company and the Rights Agent will deem the beneficial owner of the Rights evidenced by this Right Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Agreement) and such Assignment or Election to Purchase will not be honored.

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Exhibit C

SUMMARY OF RIGHTS
TO PURCHASE SHARES

Introduction.

The Board of Directors of The PNC Financial Services Group, Inc. adopted a Shareholder Rights Plan effective May 15, 2000 providing for the issuance of share purchase rights (the "Rights") in order to protect shareholders from coercive or otherwise unfair tactics to acquire control of the Company. In general terms, the Rights Plan works by imposing a significant penalty upon any person or group that acquires 10% or more of our outstanding common stock without the approval of our Board. The Rights Plan would not interfere with any merger or other business combination approved by our Board.

You do not need to take any action to receive the Rights, which will attach to each share of our common stock automatically upon issuance pursuant to the terms of the Rights Agreement. Nor do you need to maintain a copy of this "Summary of Rights" for your records. We will keep all shareholders informed of any subsequent developments relevant to the Rights Plan.

We provide the following summary description for those interested in the basic features of the Rights Plan. This description is only a summary, is

not complete, and should be read together with the entire Rights Agreement, which has been filed with the Securities and Exchange Commission as an exhibit to the Company's quarterly report on Form 10-Q for the period ended March 31, 2000. A copy of the Rights Agreement is also available free of charge from our Company by calling (412) 762-1553.

The Rights. Our Board authorized the issuance of a Right with respect to each share of common stock outstanding on May 25, 2000. The Rights will initially trade with, and will be inseparable from, the common stock. The Rights are evidenced only by the certificates that represent shares of our common stock.

New Rights automatically accompany any new shares of common stock we issue after May 25, 2000 until the Distribution Date described below. For example, holders of our convertible preferred stock, convertible debentures and stock options will receive the Rights when they convert or exercise.

Exercisability. The Rights are not exercisable immediately, and prior to exercise they do not give their holders any dividend, voting, or liquidation rights. The Rights only become exercisable:

- o 10 days after the public announcement that a person or group has become an "Acquiring Person" by obtaining beneficial ownership of 10% or more of our outstanding common stock, or, if earlier,
- o 10 business days (or a later date determined by our Board before any person or group becomes an Acquiring Person) after a person or group begins a tender or exchange

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offer which, if completed, would result in that person or group becoming an Acquiring Person.

We refer to the date when the Rights become exercisable as the "Distribution Date." Until that date, the common stock certificates will also evidence the Rights, and any transfer of shares of our common stock will also constitute a transfer of Rights. After that date, the Rights would separate from the common stock and be evidenced by Rights certificates that we would mail to all eligible holders of common stock. Any Rights held by an Acquiring Person would be void and could not be exercised.

Consequences of a Person or Group Becoming an Acquiring Person.

Once a person or group becomes an Acquiring Person, the Rights have certain "Flip-In" and "Flip-Over" features:

- o Flip-In. If a person or group becomes an Acquiring Person, all holders of Rights except the Acquiring Person may, for \$180 per Right, purchase shares of our common stock (or equivalent preferred stock) with a market value of \$360, based on the market price of the common stock prior to the acquisition.
- o Flip-Over. If our Company is later acquired in a merger or similar transaction after the Distribution Date, all holders of Rights except the Acquiring Person may, for \$180 per Right, purchase shares of the acquiring corporation with a market value of \$360, based on the market price of the acquiring corporation's stock prior to such merger.

Exercise Price and Other Rights Features. Once the Rights become exercisable, the Rights holder can purchase one one-thousandth of a share of our Series G Junior Participating Preferred Stock ("Preferred Shares") from our Company for \$180 for each Right held. This portion of a Preferred Share has approximately the same dividend, voting and liquidation rights as one share of our common stock and should have approximately the same value.

Redemption. Our Board may redeem the Rights for \$0.01 per Right at any time before any person or group becomes an Acquiring Person. If our Board redeems any Rights, it must redeem all of the Rights. Once the Rights are redeemed, the only right of the holders of Rights will be to receive the redemption price of \$0.01 per Right. The redemption price will be adjusted if we have a stock split or stock dividends relating to our common stock.

Exchange. After a person or group becomes an Acquiring Person, but before an Acquiring Person owns 50% or more of our outstanding common stock, our Board may extinguish the Rights by exchanging one share of common stock (or equivalent preferred stock) for each Right, other than Rights held by the Acquiring Person.

Anti-Dilution Provisions. Our Board may adjust the purchase price of the Preferred Shares, the number of Preferred Shares issuable and the number of

outstanding Rights to prevent dilution that may occur from a stock dividend, a stock split, or a reclassification of the Preferred

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Shares or common stock. Adjustments to the purchase price of less than 1% will be deferred until the earlier of three years after the transaction requiring the adjustment or the date the right to exercise the Rights expires.

Amendments. The terms of the Rights Agreement may be amended by our Board without the consent of the holders of the Rights. After a person or group becomes an Acquiring Person, our Board may not amend the Rights Agreement in a way that adversely affects the holders of the Rights.

Expiration. The Rights will expire on May 25, 2010.

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THE PNC FINANCIAL SERVICES GROUP, INC.
1997 LONG-TERM INCENTIVE AWARD PLAN

(As amended as of March 27, 2000)

1. DEFINITIONS

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

1.1. "Agreement" means a written agreement implementing a grant of an Option, Right or Performance Unit or an award of Incentive Shares.

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

1.3. "Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

1.4. "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 and "outside directors" as defined in Treas. Reg. Section 1.162-27(e)(3) or any similar successor regulation. Unless otherwise determined by the Board, the Personnel and Compensation Committee of the Board shall be the Committee.

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

1.6. "Corporation" means The PNC Financial Services Group, Inc.

1.7. "Date of Exercise" means the date on which the Corporation receives notice of the exercise of an Option, Right or Performance Unit in accordance with the terms of Article 9.

1.8. "Date of Grant" means the date on which an Option, Right or Performance Unit is granted or Incentive Shares are awarded by the Committee or such later date as may be specified by the Committee in authorizing the grant or award.

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 the 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.

1.11. "Grantee" means a Senior Executive to whom Incentive Shares have been awarded pursuant to Article 12.

1.12. "Incentive Shares" means Shares awarded pursuant to the provisions of Article 12.

1.13. "Incentive Stock Option" means an Option granted under the Plan that qualifies as an incentive stock option under Section 422 of the Code and that the Corporation designates as such in the Agreement granting the Option.

1.14. "Nonstatutory Stock Option" means an Option granted under the Plan that is not an Incentive Stock Option.

1.15. "Option" means an option to purchase Shares granted under the Plan in accordance with the terms of Article 6.

1.16. "Option Period" means the period during which an Option may be exercised.

1.17. "Option Price" means the price per Share at which an Option may be exercised. The Option Price shall be determined by the Committee, but unless otherwise determined by the Committee pursuant to Section 3.7, in no event shall the Option Price be less than the Fair Market Value per Share determined as of the Date of Grant.

1.18. "Optionee" means a Senior Executive to whom an Option, Right or Performance Unit has been granted.

1.19. "Performance Period" means the period or periods during which each performance criterion of a Performance Unit will be measured against the performance standards established by the Committee and specified in the

Agreement relating thereto.

1.20. "Performance Unit" means a performance unit granted under the Plan in accordance with the terms of Article 8.

1.21. "Performance Unit Exercise Period" means the period during which a Performance Unit may be exercised.

1.22. "Plan" means The PNC Financial Services Group, Inc. 1992 Long-Term Incentive Award Plan, as amended, restated, and renamed The PNC Financial Services Group, Inc. 1997 Long-Term Incentive Award Plan.

1.23. "Related Option" means an Option granted in connection with a specified Right or Performance Unit.

1.24. "Related Performance Unit" means a Performance Unit granted in connection with a specified Option.

1.25. "Related Right" means a Right granted in connection with a specified Option.

1.26. "Right" means a stock appreciation right granted under the Plan in accordance with the terms of Article 7.

1.27. "Right Period" means the period during which a Right may be exercised.

1.28. "Senior Executive" means any officer or key employee of the Corporation or a Subsidiary who is designated as a "Senior Executive" by the Committee.

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

1.30. "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, except that with respect to Nonstatutory Stock Options, Rights, Performance Units and Incentive Shares granted or awarded after March 27, 2000, such term shall mean a corporation, bank, partnership, business trust, limited liability company or other form of business organization which is a consolidated subsidiary of the Corporation under generally accepted accounting principles.

2. PURPOSE

The Plan is intended to assist in attracting, retaining, and motivating Senior Executives 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, provided that Section 162(m)(4)(C) of the Code does not require action by the Committee as a whole. 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 Senior Executives to whom Options, Performance Units or Rights shall be granted and to whom Incentive Shares shall be awarded, the number of Shares to be subject to each Option, Right, Performance Unit grant or Incentive Share award, and the terms upon which Options, Rights or Performance Units may be acquired, exercised, or forfeited and the terms and conditions of Incentive Share awards;

3.2. to determine all other terms and provisions of each Agreement, which need not be identical;

3.3. without limiting the generality of the foregoing, to provide in its discretion in an Agreement:

(i) for an agreement by the Optionee or Grantee to render services to the Corporation or a Subsidiary upon such terms and conditions as may be specified in the Agreement, provided that the Committee shall not have the power under the Plan to commit the Corporation or any Subsidiary to employ or otherwise retain any Optionee or Grantee;

(ii) for restrictions on the transfer, sale or other disposition of Shares issued to the Optionee upon the exercise of an Option, Right or Performance Unit, or for conditions with respect to the issuance of Incentive Shares;

(iii) for an agreement by the Optionee or Grantee to resell to the Corporation, under specified conditions, Shares issued upon the exercise of an Option, Right or Performance Unit or awarded as Incentive Shares;

(iv) for the payment of the Option Price upon the exercise of an Option otherwise than in cash, including without limitation by delivery of Shares valued at Fair Market Value on the Date of Exercise of the Option or a combination of cash and Shares; by means of any attestation procedure approved or ratified by the Committee; or by delivery of a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Corporation the amount of sale or loan proceeds to pay the exercise price;

(v) for the deferral of receipt of amounts that otherwise would be distributed upon exercise of a Performance Unit, the terms and conditions of any such deferral and any interest or dividend equivalent or other payment that shall accrue with respect to deferred distributions, subject to the provisions of Article 11;

(vi) for the forfeiture by any Optionee or Grantee of any Option, Right, Performance Unit, or Incentive Shares upon such terms and conditions as the Committee may deem advisable from time to time; and

(vii) for the effect of a "change in control," as defined in the Agreement, of the Corporation on the rights of an Optionee or Grantee with respect to any Options, Rights, Performance Units or Incentive Shares.

3.4. to construe and interpret the Agreements and the Plan;

3.5. to require, whether or not provided for in the pertinent Agreement, of any person exercising an Option, Right or Performance Unit or acquiring Incentive Shares, at the time of such exercise or acquisition, the making of any representations or agreements which the Committee may deem necessary or advisable in order to comply with applicable securities, tax, or other laws;

3.6. to provide for satisfaction of an Optionee's or Grantee's tax liabilities arising in connection with the Plan through, without limitation, retention by the Corporation of shares of Common Stock otherwise issuable on the exercise of a Nonstatutory Stock Option, Right or Performance Unit or pursuant to an award of Incentive Shares or through delivery of Common Stock to the Corporation by the Optionee or Grantee under such terms and conditions as the Committee deems appropriate, including but not limited to any attestation procedure approved or ratified by the Committee;

3.7. to provide with respect to any Option, including those outstanding on February 20, 1997, that, if the Optionee, while a Senior Executive, exercises the Option or satisfies any related tax withholding obligation in whole or in part by surrendering already-owned shares of Common Stock, the Optionee will, subject to this Section 3.7 and such other terms and conditions as may be imposed by the Committee, receive an additional option ("Reload Option"). The Reload Option will be to purchase, at Fair Market Value as of the date the original Option was exercised, a number of shares of Common Stock equal to the number of whole shares surrendered by the Optionee to exercise the original Option or to satisfy any related tax withholding obligation. The Reload Option will be exercisable only between its Date of Grant and the date of the expiration of the original Option. A Reload Option shall be subject to such additional terms and conditions as the Committee shall approve, which terms may provide that the Committee may cancel the Optionee's right to receive the Reload Option and that the Reload Option will be granted only if the Committee has not canceled such right prior to the exercise of the original Option.

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

3.9. to delegate to officers or managers of the Corporation or any Subsidiary the authority to perform administrative functions under the Plan, provided that Section 162(m)(4)(C) of the Code does not require action by the Committee as a whole with respect to such function.

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

4. ELIGIBILITY

Options, Rights, Performance Units and Incentive Shares may be granted or awarded only to Senior Executives; provided, that the members of the

Committee are not eligible to receive Options, Rights, Performance Units or Incentive Shares.

5. STOCK SUBJECT TO THE PLAN

5.1. The maximum number of Shares that may be issued or as to which grants or awards may be made under the Plan (excluding Shares issued pursuant to grants or awards made prior to February 20, 1997) shall not exceed the sum of (i) 10,141,853 Shares plus (ii) as of January 1 of each calendar year commencing with 1998 an additional number of Shares (which shall be cumulative from year to year) equal to one and one-half percent (1.5%) of the total issued shares of Common Stock (including reacquired Shares) at the end of the immediately preceding calendar year. Notwithstanding the foregoing, in no event shall more than three percent (3%) of the total issued shares of Common Stock (including reacquired Shares) at the end of the immediately preceding calendar year be cumulatively available for grants and awards made in any calendar year. The maximum number of Shares as to which grants or awards may be made under the Plan to one Optionee or Grantee with respect to one calendar year shall be 250,000 Shares. The limitation provided in the first sentence of this Section 5.1 is hereinafter called the "Cumulative Limitation"; the limitation provided in the second sentence is hereinafter called the "Annual Limitation"; and the limitation provided in the third sentence is hereinafter called the "Individual Limitation."

5.2. If an Option, Right or Performance Unit expires or terminates for any reason (other than termination by virtue of the exercise of a Related Option, Related Right or Related Performance Unit, as the case may be) without having been fully exercised, or if Shares covered by an Incentive Share award are not issued or are forfeited Shares which had been subject to the Agreement relating thereto shall for purposes of the Cumulative Limitation (and if granted or awarded in the same calendar year, then also for purposes of the Annual Limitation) again become available for the grant of other Options, Rights and Performance Units or for the award of additional Incentive Shares.

5.3. The Shares issued upon the exercise of a Right or Performance Unit (or if cash is payable in connection with such exercise, that number of Shares having a Fair Market Value equal to the cash payable upon such exercise), shall be charged against the number of Shares issuable under the Plan and shall not become available for the grant of other Options, Rights and Performance Units or for the award of Incentive Shares. If the Right referred to in the preceding sentence is a Related Right, or if the Performance Unit referred to in the preceding sentence is a Related Performance Unit, the Shares subject to the Related Option, to the extent not charged against the number of Shares subject to the Plan in accordance with this Section 5.3, shall for purposes of the Cumulative Limitation (and if granted in the same calendar year, then also for purposes of the Annual Limitation) again become available for the grant of other Options, Rights or Performance Units or for the award of additional Incentive Shares.

6. OPTIONS

6.1. The Committee is hereby authorized to grant Nonstatutory Stock Options and Incentive Stock Options to Senior Executives, provided that the number of Options granted to a Senior Executive during a calendar year shall not exceed the Individual Limitation when aggregated with other grants or awards made to that Senior Executive during that calendar year.

6.2. All Agreements granting Options shall contain a statement that the Option is intended to be either (i) a Nonstatutory Stock Option or (ii) an Incentive Stock Option.

6.3. The Option Period shall be determined by the Committee and specifically set forth in the Agreement, provided that an Option shall not be exercisable until the expiration of at least six months from the Date of Grant (except that this limitation need not apply in the event of the death or disability of the Optionee or as otherwise permitted by the Agreement

upon a change in control of the Corporation) or after ten years from the Date of Grant.

6.4. All Incentive Stock Options granted under the Plan shall comply with the provisions of the Code governing incentive stock options and with all other applicable rules and regulations.

6.5. All other terms of Options granted under the Plan shall be determined by the Committee in its sole discretion.

7. RIGHTS

7.1. The Committee is hereby authorized to grant Rights to Senior

Executives, provided that the number of Rights granted to a Senior Executive during a calendar year shall not exceed the Individual Limitation when aggregated with other grants or awards made to that Senior Executive during that calendar year.

7.2. Right may be granted under the Plan:

- (i) in connection with, and at the same time as, the grant of an Option to a Senior Executive;
- (ii) by amendment of an outstanding Nonstatutory Stock Option granted under the Plan to a Senior Executive; or
- (iii) independently of any Option granted under the Plan.

A Right granted under clause (i) or (ii) of the preceding sentence is a Related Right. A Related Right may, in the Committee's discretion, apply to all or a portion of the Shares subject to the Related Option.

7.3. A Right may be exercised in whole or in part as provided in the Agreement, and, subject to the provisions of the Agreement, entitles its Optionee to receive, without any payment to the Corporation (other than required tax withholding amounts), either cash or that number of Shares (equal to the highest whole number of Shares), or a combination thereof, in an amount or having a Fair Market Value determined as of the Date of Exercise not to exceed the number of Shares subject to the portion of the Right exercised multiplied by an amount equal to the excess of the Fair Market Value per Share on the Date of Exercise of the Right over either (i) the Fair Market Value per Share on the Date of Grant of the Right or the base price determined by the Committee pursuant to Section 3.7 if the Right is not a Related Right, or (ii) the Option Price as provided in the Related Option if the Right is a Related Right.

7.4. The Right Period shall be determined by the Committee and specifically set forth in the Agreement, provided, however:

- (i) a Right may not be exercised until the expiration of at least six months from the Date of Grant (except that this limitation need not apply in the event of the death or disability of the Optionee or as otherwise permitted by the Agreement upon a change in control of the Corporation);
- (ii) a Right will expire no later than the earlier of (A) ten years from the Date of Grant, or (B) in the case of a Related Right, the expiration of the Related Option; and
- (iii) a Right that is a Related Right may be exercised only when and to the extent the Related Option is exercisable.

7.5. The exercise, in whole or in part, of a Related Right shall cause a reduction in the number of Shares subject to the Related Option equal to the number of Shares with respect to which the Related Right is exercised. Similarly, the exercise, in whole or in part, of a Related Option shall cause a reduction in the number of Shares subject to the Related Right equal to the number of Shares with respect to which the Related Option is exercised.

8. PERFORMANCE UNITS

8.1. The Committee is hereby authorized to grant Performance Units to Senior Executives, provided that the number of Performance Units granted to a Senior Executive during a calendar year shall not exceed the Individual Limitation when aggregated with other grants or awards made to that Senior Executive during that calendar year.

8.2. Performance Units may be granted under the Plan:

- (i) in connection with, and at the same time as, the grant of a Nonstatutory Stock Option to a Senior Executive;
- (ii) by amendment of an outstanding Nonstatutory Stock Option granted under the Plan to a Senior Executive; or
- (iii) independently of any Option granted under the Plan.

A Performance Unit granted under Subparagraph (i) or (ii) of the preceding sentence is a Related Performance Unit. A Related Performance Unit may, in the Committee's discretion, apply to all or a portion of the Shares subject to the Related Option. A Performance Unit may not be granted in connection with, or by amendment to, an Incentive Stock Option.

8.3. A Performance Unit may be exercised in whole or in part as provided in the Agreement, and, subject to the provisions of the Agreement, entitles its Optionee to receive, without any payment to the Corporation (other than required tax withholding amounts), cash, Shares or a combination of cash and Shares, based upon the degree to which performance standards established by the Committee and specified in the Agreement have been achieved. During the

Performance Period, such performance standards may be particular to a Senior Executive or the department, branch, Subsidiary or other unit in which he works, or may be based on the performance of the Corporation generally. The performance standards may be based on earnings or earnings growth; return on assets, equity or investment; regulatory compliance; satisfactory internal or external audits; improvement of financial ratings; reduction of nonperforming loans; achievement of balance sheet or income statement objectives; or any other objective goals established by the Committee, and may be absolute in their terms or measured against or in relationship to other companies comparably, similarly or otherwise situated.

8.4. The Performance Unit Exercise Period shall be determined by the Committee and specifically set forth in the Agreement, provided, however:

(i) A Performance Unit may not be exercised until the expiration of at least six months from the Date of Grant (except that this limitation need not apply in the event of the death or disability of the Optionee or as otherwise permitted by an Agreement upon a change in control of the Corporation); and

(ii) a Performance Unit will expire no later than the earlier of (A) ten years from the Date of Grant, or (B) in the case of a Related Performance Unit, the expiration of the Related Option.

8.5. Each Agreement granting Performance Units shall specify the number of Performance Units granted; provided, that the maximum number of Related

Performance Units may not exceed the maximum number of Shares subject to the Related Option and the number of Performance Units may not exceed the maximum number of Shares subject to the Related Option and the maximum value of a Related Performance Unit may not exceed the Fair Market Value of a Share subject to the Related Option.

8.6. The exercise, in whole or in part, of Related Performance Units shall cause a reduction in the number of Shares subject to the Related Option and the number of Performance Units in accordance with the terms of the Agreement. Similarly, the exercise, in whole or in part, of a Related Option shall cause a reduction in the number of Related Performance Units equal to the number of Shares with respect to which the Related Option is exercised.

9. EXERCISE; PAYMENT OF WITHHOLDING TAXES

An Option, Right or Performance Unit may, subject to the provisions of the Agreement under which it was granted, be exercised in whole or in part by the delivery to the Corporation of written notice of the exercise, in such form as the Committee may prescribe, accompanied, in the case of an Option, by full payment for the Shares with respect to which the Option is exercised, and in the case of an Option, Right or Performance Unit, full payment for related withholding taxes, if any. The receipt of Incentive Shares shall be subject to full payment by the Grantee of any withholding taxes then required to be paid.

10. NONTRANSFERABILITY

Except as the Committee may expressly provide otherwise in or with respect to an Agreement, including any Agreement in effect as of February 20, 1997, Options, Rights and Performance Units granted under the Plan shall not be transferable otherwise than by will or the laws of descent and distribution, and an Option, Right or Performance Unit may be exercised during his or her lifetime only by the Optionee or, in the event of his or her legal disability, by his or her legal representative. A Related Right or Related Performance Unit is transferable only when the Related Option is transferable and only with the Related Option and under the same conditions. An Optionee may also designate a beneficiary to exercise his or her Options after the Optionee's death, provided that the Committee has first expressly approved the procedures and forms necessary to effect such a designation.

11. DEFERRAL OF AWARDS

If an Optionee so elects in accordance with the terms of an Agreement, the Optionee may defer any or all of the amount otherwise payable on the exercise of Performance Units in accordance with the provisions of a deferred compensation plan maintained by the Corporation or a Subsidiary, provided:

(i) that the Optionee makes such election by delivering to the Corporation written notice of such election, in such form as the Committee may from time to time prescribe, prior to the beginning of the Performance Period;

(ii) that such election shall be irrevocable until at least six months after termination of the Optionee's employment; and

(iii) that such deferred payment shall be made in accordance with the provisions of such deferred compensation plan.

12. INCENTIVE SHARE AWARDS

The Committee may, in its sole discretion, grant Incentive Share awards to Senior Executives, provided that the number of Incentive Share awards granted to a Senior Executive during a calendar year shall not exceed the Individual Limitation when aggregated with other grants or awards made to that

Senior Executive during that calendar year. Incentive Share awards shall entitle a Senior Executive to receive Shares, to be issued at such times, subject to the achievement of such performance standards or other goals, in recognition of such performance or other achievements or for such other purposes, and on such other terms and conditions, if any, as the Committee shall deem appropriate. Performance standards may be based on earnings or earnings growth; return on assets, equity or investment; regulatory compliance; satisfactory internal or external audits; improvement of financial ratings; reduction of nonperforming loans; achievement of balance sheet or income statement objectives; or any other objective goals established by the Committee, and may be absolute in their terms or measured against or in relationship to other companies comparably, similarly or otherwise situated. The number of Incentive Share awards made to a Senior Executive during a calendar year shall not exceed the Individual Limitation when aggregated with other grants or awards made to that Senior Executive during that calendar year.

13. CAPITAL ADJUSTMENTS

The number and class of Shares (or the Performance Unit equivalent) subject to each outstanding Option, Right or Performance Unit or Incentive Share award, the Option Price and the aggregate number and class of Shares for which grants or awards thereafter may be made, and the Individual Limitation provided for in Section 5.1, shall be subject to such adjustment, if any, as the Committee in its sole discretion deems appropriate to reflect such events as stock dividends, stock splits, recapitalizations, mergers, consolidations or reorganizations of or by the Corporation.

14. TERMINATION OR AMENDMENT

The Board or the Committee may amend, alter or terminate this Plan in any respect, at any time; provided, however, that, after this Plan has been approved by the Shareholders of the Corporation, no amendment, alteration or termination of this Plan shall be made by the Board or the Committee without approval of (i) the Corporation's shareholders to the extent shareholder approval of the amendment is required by applicable law or regulations or the requirements of the principal exchange or interdealer quotation system on which the Common Stock is listed or quoted, and (ii) each affected Optionee if such amendment, alteration or termination would adversely affect his or her rights or obligations under any grant or award made prior to the date of such amendment, alteration or termination.

15. MODIFICATION, EXTENSION AND RENEWAL OF OPTIONS, RIGHTS AND PERFORMANCE UNITS

Subject to the terms and conditions and within the limitations of the Plan, the Committee may modify, extend or renew outstanding Options, Rights and Performance Units, or accept the surrender of outstanding options, rights and performance units (to the extent not theretofore exercised) granted under the Plan or under any other plan of the Corporation, a Subsidiary or a company or similar entity acquired by the Corporation or a Subsidiary, and authorize the granting of new Options, Rights and Performance Units pursuant to the Plan in substitution therefor (to the extent not theretofore exercised), and the substituted Options, Rights and Performance Units may specify a longer term than the surrendered Options, Rights and Performance Units or have any other provisions that are authorized by the Plan; provided, however, that the substituted Options, Rights and Performance Units may not specify a lower exercise price than the surrendered options, rights and performance units. Subject to the terms and conditions and within the limitations of the Plan, the Committee may modify the terms of any outstanding Agreement providing for awards of Incentive Shares. Notwithstanding the foregoing, however, no modification of an Option, Right or Performance Unit granted under the Plan, or an award of Incentive Shares, shall, without the consent of the Optionee or Grantee, adversely affect the rights or obligations of the Optionee or Grantee.

16. EFFECTIVENESS OF THE PLAN AND AMENDMENTS

The effective date of the Plan was December 17, 1987. The effective date of the Plan amendments contained herein is February 20, 1997 unless otherwise set forth herein. Any amendments to the Plan requiring shareholder approval pursuant to Article 14 are subject to approval by vote of the shareholders of the Corporation within 12 months after their adoption by the Board or the Committee. Subject to that approval, any amendments are effective on the date on which they are adopted by the Board. Options, Rights, Performance Units or Incentive Shares may be granted or awarded prior to shareholder approval of amendments, but each Option, Right, Performance Unit or Incentive Share grant or award requiring such amendments shall be subject to the approval of the

amendments by the shareholders. The date on which any Option, Right, Performance Unit or Incentive Shares granted or awarded prior to shareholder approval of the amendment shall be the Date of Grant for all purposes of the Plan as if the Option, Right, Performance Unit or Incentive Shares had not been subject to approval. No Option, Right or Performance Unit granted subject to shareholder approval of an amendment may be exercised prior to such shareholder approval, and any Incentive Share award subject to shareholder approval of an amendment and any dividends payable thereon are subject to forfeiture if such shareholder approval is not obtained.

17. TERM OF THE PLAN

Unless sooner terminated by the Board or the Committee pursuant to Article 14, the Plan shall terminate on February 20, 2007, and no Options, Rights, Performance Units or Incentive Share awards may be granted or awarded after termination. The termination shall not affect the validity of any Option, Right, Performance Unit or Incentive Share awards outstanding on the date of termination.

18. 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 Option, Right, Performance Unit or Incentive Shares granted or 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.

19. COMPLIANCE WITH SECTION 162(m) OF THE CODE

To the extent that any provision of the Plan or an Agreement, or any action of the Committee, may result in the application of Section 162(m)(1) of the Code to compensation payable to a Grantee or Optionee, such provision or action shall be deemed to be null and void, to the extent permitted by law and deemed advisable by the Committee. The Committee shall have the authority to override the application of this Article by an action duly approved or ratified by the Committee and reflected in the Committee's records.

20. GENERAL PROVISIONS

20.1. The establishment of the Plan shall not confer upon any Senior Executive any legal or equitable right against the Corporation, any Subsidiary or the Committee, except as expressly provided in the Plan.

20.2. Neither the Plan nor any Agreement constitutes inducement or consideration for the employment of any Senior Executive, nor are they a contract between the Corporation or any Subsidiary and any Senior Executive. Participation in the Plan shall not give a Senior Executive any right to be retained in the service of the Corporation or any Subsidiary.

20.3. The Corporation and its Subsidiaries may assume options, warrants, or rights to purchase stock issued or granted 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, or assume options, warrants, or rights, otherwise than under this Plan, or to adopt other stock option or restricted stock plans or to impose any requirement of shareholder approval upon the same.

20.4. Except as the Committee may otherwise provide pursuant to Article 10, or as otherwise required by a deferral election pursuant to Article 11, the interests of any Senior Executive under the Plan are not subject to the claims of creditors and may not, in any way, be assigned, alienated or encumbered.

20.5. The Plan shall be governed, construed and administered in accordance with the laws of the Commonwealth of Pennsylvania, and it is the intention of the Corporation that Incentive Stock Options granted under the Plan qualify as such under Section 422 of the Code.

THE PNC FINANCIAL SERVICES GROUP, INC.
 COMPUTATION OF RATIO OF EARNINGS
 TO FIXED CHARGES

EXHIBIT 12.1

<TABLE>
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Dollars in millions	Three	Year ended December 31				
	months ended	1999	1998	1997	1996	1995
March 31, 2000	1999	1998	1997	1996	1995	
EARNINGS						
Income before taxes and cumulative effect of changes in accounting principles	\$471	\$1,891	\$1,710	\$1,618	\$1,527	
Fixed charges excluding interest on deposits	337	1,235	1,366	1,171	1,098	
Subtotal	808	3,126	3,076	2,789	2,625	
Interest on deposits	369	1,369	1,471	1,457	1,428	
Total	\$1,177	\$4,495	\$4,547	\$4,246	\$4,053	
FIXED CHARGES						
Interest on borrowed funds	\$308	\$1,119	\$1,268	\$1,098	\$1,065	
Interest component of rentals	13	50	37	29	31	
Amortization of notes and debentures		1	1	1	1	
Distributions on Mandatorily Redeemable Capital Securities of Subsidiary Trusts	16	65	60	43	1	
Subtotal	337	1,235	1,366	1,171	1,098	
Interest on deposits	369	1,369	1,471	1,457	1,428	
Total	\$ 706	\$2,604	\$2,837	\$2,628	\$2,526	
RATIO OF EARNINGS TO FIXED CHARGES						
Excluding interest on deposits	2.40 x	2.53 x	2.25 x	2.38 x	2.39 x	
Including interest on deposits	1.67	1.73	1.60	1.62	1.60	

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<ARTICLE> 9

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL INFORMATION INCORPORATED BY REFERENCE IN THE 2000 FIRST QUARTER FINANCIAL REVIEW AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL INFORMATION.

</LEGEND>

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