THE PNC FINANCIAL SERVICES GROUP, INC.

Quarterly Report on Form 10-Q
For the quarterly period ended September 30, 2000

Page 1 represents a portion of the third 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 39.

FORWARD-LOOKING STATEMENTS

This report and other documents filed by the Corporation with the Securities and Exchange Commission ("SEC") include forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to the Corporation's future financial or business performance or conditions. In addition, the Corporation may make other oral and written forward-looking statements. Forward-looking statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "intend," "estimate," "position," "target," "assume," "achievable," "potential," "strategy," "goal," "plan," "aspiration," "outlook," "continue," "remain," "maintain," "trend" and variations of such words and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may" or similar expressions.

The Corporation cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance. Forward-looking statements speak only as of the date they are made and the Corporation assumes no duty to update forward-looking statements.

The forward-looking statements assume that the closing of the sale of PNC's residential mortgage banking business will occur as anticipated. The impact of this sale could depend on a number of factors such as the nature and effect of closing adjustments and the amount of capital made available for redeployment after the sale.

In addition to these factors and those mentioned elsewhere in this report, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and financial and capital markets; inflation; changes in values of assets under management and assets serviced; relative investment performance of assets under management; customer acceptance of PNC products and services; customer borrowing, repayment, investment, and deposit practices; customer disintermediation; valuation of debt and equity investments; the introduction, withdrawal, success and timing of business initiatives and strategies; decisions PNC makes with respect to the redeployment of available capital, the extent and cost of any share repurchases, and decisions related to the reduction of balance sheet leverage and potential investments in PNC businesses; competitive conditions; the inability to realize cost savings or revenue enhancements, implement integration plans and other consequences associated with mergers, acquisitions and divestitures; economic conditions; and the impact, extent and timing of technological changes, capital management activities, and actions of the Federal Reserve Board and legislative and regulatory actions and reforms. Further, an increase in the number of customer or counterparty delinquencies, bankruptcies, or defaults could result in, among other things, a higher loan loss provision and reduced profitability.

Some of the above factors are described in more detail in the "Risk Factors" section, and factors relating to credit, interest rate, liquidity, trading activities and financial derivatives are discussed in the "Risk Management" section of this report. Other factors are described elsewhere in this report and in the Corporation's 1999 Annual Report on Form 10-K filed with the SEC.

THE PNC FINANCIAL SERVICES GROUP, INC.

CONSOLIDATED FINANCIAL HIGHLIGHTS

<TABLE>
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	Three months ended September 30			Nine months ended September 30		
	2000	1999	1999	2000	1999	1999
Dollars in millions, except per share data		Core	Reported		Core	

Reported

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FINANCIAL PERFORMANCE						
Revenue from continuing operations						
Net interest income (taxable-equivalent basis)	$534	$578	$578	$1,644	$1,798	$1,798
Noninterest income	700	544	571	2,156	1,609	1,825
Total revenue from continuing operations	1,234	1,122	1,149	3,800	3,407	3,623
Income from continuing operations	299	282	299	900	850	915
Discontinued operations	23	21	21	45	45	45
Net income	322	303	320	945	895	960
Cash earnings from continuing operations (a)	328	300	317	986	906	972
Cash earnings from discontinued operations (a)	24	22	22	46	46	46
Total cash earnings (a)	352	322	339	1,032	952	1,018
Per common share						
DILUTED EARNINGS						
Continuing operations	1.01	.93	.99	3.03	2.77	2.99
Discontinued operations	.08	.07	.07	.15	.15	.15
Net income	1.09	1.00	1.06	3.18	2.92	3.14
DILUTED CASH EARNINGS (a)						
Continuing operations	1.11	.99	1.05	3.32	2.96	3.18
Discontinued operations	.08	.07	.07	.16	.15	.15
Net income	1.19	1.06	1.12	3.48	3.11	3.33
Cash dividends declared	.45	.41	.41	1.35	1.23	1.23
SELECTED RATIOS						
FROM CONTINUING OPERATIONS						
Return on						
Average common shareholders' equity	19.99%	20.28%	21.52%	20.67%	20.16%	21.73%
Average assets	1.72	1.67	1.77	1.74	1.66	1.78
Net interest margin	3.54	3.78	3.78	3.63	3.86	3.86
Noninterest income to total revenue	56.73	48.48	49.70	56.74	47.23	50.37
Efficiency (b)	56.79	55.01	53.73	57.32	53.92	54.23
FROM NET INCOME						
Return on						
Average common shareholders' equity	21.54	21.81	23.07	21.72	21.24	22.81
Average assets (c)	1.67	1.63	1.72	1.67	1.59	1.71
Net interest margin	3.27	3.59	3.59	3.38	3.70	3.70
Noninterest income to total revenue	59.23	51.02	52.08	58.82	49.39	52.18
Efficiency (b)	54.50	54.48	53.34	55.87	53.48	53.78

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	September 30 2000	June 30 2000	March 31 2000	December 31 1999	September 30 1999

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BALANCE SHEET DATA (d)					
Assets	$69,884	$68,885	$68,474	$69,286	$67,395
Loans, net of unearned income	49,791	50,281	50,259	49,673	51,093
Deposits	47,494	46,381	45,767	45,802	44,196
Common shareholders' equity	6,071	5,844	5,726	5,633	5,558
Book value per common share	21.01	20.22	19.68	19.23	18.90
CAPITAL RATIOS					
Leverage (c)	6.87%	6.72%	6.67%	6.61%	7.74%
Common shareholders' equity to total assets (d)	8.69	8.48	8.36	8.13	8.25
ASSET QUALITY RATIOS (d)					
Nonperforming assets to total loans, loans held for sale and foreclosed assets	.68%	.67%	.65%	.61%	.65%
Allowance for credit losses to total loans	1.36	1.34	1.34	1.36	1.32
Allowance for credit losses to nonaccrual loans	219.16	217.04	224.67	231.62	220.98
Net charge-offs to average loans	.24	.27	.25	.23	.22

(a) Excluding amortization of goodwill
(b) Excluding amortization and distributions on capital securities
(c) Calculated on a regulatory asset basis including discontinued operations
(d) Continuing operations

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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, real estate finance, asset-based lending, private banking, asset management and global fund processing services, which provides 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 strengthened 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. 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") in December 1999. The combination of ISG with PFPC, the Corporation's global fund processing services subsidiary, created one of the nation's leading full-service processors for pooled investment products. On May 31, 2000, PFPC completed the acquisition of Automated Business Development Corp. ("ABD"), the leading provider of Blue Sky compliance services to the mutual fund industry.

On October 2, 2000, PNC announced that it reached a definitive agreement to sell its residential mortgage banking business to Washington Mutual, F.A. for $605 million in cash, subject to closing adjustments. The transaction is expected to be completed in the first quarter of 2001, subject to regulatory approvals and customary closing conditions, and is anticipated to result in an after-tax gain of approximately $250 million. PNC expects the sale to be modestly dilutive to core earnings in 2001. The capital made available by the sale of the mortgage business will be redeployed in a number of ways, which may include repurchasing shares of common stock, continuing to reduce balance sheet leverage and making targeted investments in high-growth businesses such as asset management and processing.

The Corporation continues to pursue strategic opportunities to enhance consolidated value, including the pending sale of its residential mortgage banking business and subsequent redeployment of the capital.

SUMMARY FINANCIAL RESULTS

Consolidated net income for the first nine months of 2000 was $945 million or $3.18 per diluted share, a 9% increase compared with core earnings per diluted share for the prior-year period. Return on average common shareholders' equity was 21.72% and return on average assets was 1.67% for the first nine months of 2000 compared with core returns of 21.24% and 1.59%, respectively, a year ago. Cash earnings per diluted share, which exclude goodwill amortization, were $3.48 for the first nine months of 2000, a 12% increase compared with core cash earnings per diluted share a year ago.

Reported earnings for the first nine months of 1999 were $960 million or $3.14 per diluted share. Core earnings per diluted share were $2.92 and core cash earnings per diluted share were $3.11 in the first nine months of 1999. Core earnings for the first nine months of 1999 excluded $358 million of gains on the sales of the credit card business, certain retail branches and equity interests in Electronic Payment Services, Inc. ("EPS") and Concord EFS, Inc. ("Concord") stock that were partially offset by $142 million of valuation adjustments associated with the decision to exit certain non-strategic wholesale lending businesses, a $30 million contribution to the PNC Foundation and $98 million of costs related to efficiency initiatives.

The residential mortgage banking business is reflected in discontinued operations throughout the Corporation's financial statements and related notes and statistical data. The earnings and net assets of the residential mortgage banking business are shown separately on one line in the income statement and balance sheet, respectively, for all periods presented.

EFFECT OF DISCONTINUED OPERATIONS

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Nine months ended September 30 Dollars in millions, except per share amounts	2000 Reported	1999 Core	1999 Reported
<S>	<C>	<C>	<C>
Income from continuing operations	$900	$850	$915
Discontinued operations	45	45	45
Total net income	$945	$895	$960
Diluted EPS - continuing operations	$3.03	$2.77	$2.99
Discontinued operations	.15	.15	.15
Total diluted EPS	$3.18	$2.92	$3.14
Cash diluted EPS - continuing operations (a)	$3.32	$2.96	$3.18
Discontinued operations (a)	.16	.15	.15
Total cash diluted EPS (a)	$3.48	$3.11	$3.33

</TABLE>

(a) Excluding amortization of goodwill

The remainder of the discussion and information in this Financial Review reflects continuing operations, unless otherwise noted.

Earnings from continuing operations for the first nine months of 2000 of $900 million or $3.03 per diluted share increased 9% compared with core earnings per diluted share for the first nine months of 1999. Return on average common shareholders' equity and return on average assets, from continuing operations, were 20.67% and 1.74%, respectively. The return on average common shareholders' equity does not yet include the benefit of the redeployment of the capital associated with the pending sale of the residential mortgage banking business. The comparable core ratios for the first nine months of 1999 were 20.16% and 1.66%, respectively.

Taxable-equivalent net interest income was $1.644 billion for the first nine months of 2000, a $154 million decrease compared with the first nine months of 1999. The net interest margin was 3.63% for the first nine months of 2000 compared with 3.86% for the first nine months of 1999. The decreases were primarily due to funding costs related to the ISG acquisition, the downsizing of certain credit-related businesses in 1999 and the effect of a higher interest rate environment.

The provision for credit losses was $96 million for the first nine months of 2000 and net charge-offs were $95 million. The provision for credit losses and net charge-offs were $133 million and $131 million, respectively, for the same period in 1999. The declines were primarily due to the sale of the credit card business in the first quarter of 1999, partially offset by higher commercial net charge-offs.

Noninterest income of $2.156 billion for the first nine months of 2000 increased $547 million or 34% compared with the first nine months of 1999, excluding non-core items last year. The increase was primarily driven by strong growth in certain fee-based businesses, the impact of the ISG acquisition and higher equity management income. Excluding ISG, noninterest income increased 16% compared with the prior-year period.

Noninterest expense was $2.319 billion and the efficiency ratio was 57.32% in the first nine months of 2000 compared with $1.962 billion and 53.92%, respectively, in the first nine months of 1999, excluding non-core items. The increases were primarily due to the ISG acquisition. Excluding ISG, noninterest expense increased 5% compared with the prior-year period commensurate with growth in fee-based revenue.

Total assets were $69.9 billion at September 30, 2000 compared with $69.3 billion at December 31, 1999. Average earning assets were $60.1 billion for the first nine months of 2000 compared with $61.6 billion for the first nine months of 1999. The decrease was primarily due to the impact of downsizing certain credit-related businesses in 1999.

Shareholders' equity totaled $6.4 billion at September 30, 2000. The regulatory capital ratios, which are computed including assets of discontinued operations, were 6.87% for leverage ratio, 7.58% for tier I and 11.37% for total risk-based capital. During the first nine months of 2000, PNC repurchased 5.7 million shares of common stock.

Overall asset quality remained relatively stable during the first nine months of 2000. The ratio of nonperforming assets to total loans, loans held for sale and foreclosed assets was .68% at September 30, 2000 compared with .61% at December 31, 1999. Nonperforming assets were $354 million at September 30, 2000 compared with $325 million at December 31, 1999.

The allowance for credit losses was $675 million and represented 1.36% of period-end loans and 219% of nonaccrual loans at September 30, 2000. The comparable ratios were 1.36% and 232%, respectively, at December 31, 1999. Net charge-offs were $95 million or .25% of average loans for the first nine months of 2000 compared with $131 million or .33%, respectively, for the first nine months of 1999. The decreases were primarily due to the sale of the credit card business in the first quarter of 1999, partially offset by higher commercial net charge-offs.

REVIEW OF BUSINESSES

PNC operates seven major businesses engaged in regional banking, corporate banking, real estate finance, asset-based lending, private banking, asset management and global fund processing services: Regional Banking, Corporate Banking, PNC Real Estate Finance, PNC Business Credit, PNC Advisors, BlackRock and PFPC.

Business results are presented 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 to the extent practicable 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 organizational 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 nine months 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 management's assessment of 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 results from continuing operations primarily due to differences between management accounting practices and generally accepted accounting principles, divested and exited businesses, equity management activities, minority interests, residual asset and liability management activities, eliminations and unassigned items, the impact of which is reflected in Other. The results of the residential mortgage banking business, previously PNC Mortgage, are included in results from discontinued operations.

RESULTS OF BUSINESSES

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	Earnings		Revenue (Taxable-Equivalent Basis)		Return on Assigned Capital		Average Assets (a)	
Nine months ended September 30 - dollars in millions	2000	1999	2000	1999	2000	1999	2000	1999
PNC Bank								
Regional Banking	$430	$405	$1,497	$1,475	22%	21%	$38,564	$37,574
Corporate Banking	190	168	633	532	21	19	16,318	15,611
Total PNC Bank	620	573	2,130	2,007	22	21	54,882	53,185
PNC Secured Finance								
PNC Real Estate Finance	50	51	155	156	17	17	5,583	5,595
PNC Business Credit	37	20	86	58	33	23	2,230	1,698
Total PNC Secured Finance	87	71	241	214	22	19	7,813	7,293
Asset management								
PNC Advisors	127	111	589	551	31	27	3,541	3,299
BlackRock	63	42	348	280	27	45	492	443
PFPC	31	34	515	170	20	42	1,578	257
Total asset management	221	187	1,452	1,001	28	32	5,611	3,999
Total businesses	928	831	3,823	3,222	23	22	68,306	64,477
Other	(28)	19	(23)	185			221	3,678
Results from continuing operations - core	900	850	3,800	3,407	21	20	68,527	68,155
Gain on sale of credit card business		125		193				
Gain on sale of equity interest in EPS		63		97				
Branch gains		17		27				
Gain on sale of Concord stock net of PNC Foundation contribution		16		41				
Wholesale lending repositioning		(92)		(142)				
Costs related to efficiency initiatives		(64)						

Results from continuing operations - reported	900	915	3,800	3,623	21	22	68,527	68,155
Results from discontinued operations	45	45	226	299	13	13	459	461
Total consolidated - reported	$945	$960	$4,026	$3,922	22	23	$68,986	$68,616

</TABLE>

(a) Discontinued operations average assets reported net of liabilities

REGIONAL BANKING

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Nine months ended September 30 - dollars in millions	2000	1999
<S>	<C>	<C>
INCOME STATEMENT		
Net interest income	$1,058	$1,067
Noninterest income	439	408
Total revenue	1,497	1,475
Provision for credit losses	33	47
Noninterest expense	796	791
Pretax earnings	668	637
Income taxes	238	232
Earnings	$430	$405
AVERAGE BALANCE SHEET		
Loans		
Consumer		
Home equity	$5,360	$5,151
Indirect	1,281	2,054
Education	98	1,102
Other consumer	775	708
Total consumer	7,514	9,015
Commercial	3,676	3,728
Residential mortgage	11,538	11,263
Other	1,397	1,235
Total loans	24,125	25,241
Securities available for sale	5,547	5,665
Loans held for sale	1,316	242
Assigned assets and other assets	7,576	6,426
Total assets	$38,564	$37,574
Deposits		
Noninterest-bearing demand	$4,570	$5,085
Interest-bearing demand	5,408	4,803
Money market	9,994	8,863
Savings	2,030	2,385
Certificates	13,641	13,352
Total net deposits	35,643	34,488
Other liabilities	319	549
Assigned capital	2,602	2,537
Total funds	$38,564	$37,574
PERFORMANCE RATIOS		
Return on assigned capital	22%	21%
Noninterest income to total revenue	29	28
Efficiency	51	52

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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 region.

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 patterns 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 46% of total business earnings for the first nine months of 2000 compared with 49% for the first nine months of 1999. Earnings increased $25 million or 6% to $430 million for the first nine months of 2000 and performance ratios improved. Excluding the impact of downsizing the indirect automobile lending portfolio and the sale of certain branches in the third quarter of 1999, earnings increased 9% in the comparison.

Total revenue was $1.497 billion for the first nine months of 2000 compared with $1.475 billion for the same period last year. The increase was primarily due to a $31 million or 8% increase in noninterest income that was driven by higher consumer service and brokerage fees, partially offset by lower net interest income due to the downsizing of the indirect automobile lending portfolio and the comparative impact of branch sales in 1999.

The provision for credit losses for the first nine months of 2000 decreased $14 million or 30% compared with the prior-year period. The decrease was primarily due to lower net charge-offs related to the downsizing of the indirect automobile lending portfolio.

Consumer loans declined in the comparison primarily due to the continued downsizing of the indirect automobile lending portfolio and the decision to sell education loans in repayment, which are included in loans held for sale. Interest-bearing demand and money market deposits increased $1.7 billion or 13% compared with the prior-year period primarily due to the impact of a number of consumer marketing initiatives that reflect PNC's focus on deepening customer relationships.

CORPORATE BANKING

<TABLE>
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Nine months ended September 30 - dollars in millions	2000	1999
<S>	<C>	<C>
INCOME STATEMENT		
Credit-related revenue	$304	$266
Noncredit revenue	329	266
Total revenue	633	532
Provision for credit losses	50	13
Noninterest expense	291	268
Pretax earnings	292	251
Income taxes	102	83
Earnings	$190	$168
AVERAGE BALANCE SHEET		
Loans		
Middle market	$5,613	$5,699
Specialized industries	3,731	3,750
Large corporate	2,918	2,538
Leasing	1,769	1,286
Other	252	468
Total loans	14,283	13,741
Other assets	2,035	1,870
Total assets	$16,318	$15,611
Net deposits	$4,571	$4,446
Assigned funds and other liabilities	10,523	9,994
Assigned capital	1,224	1,171
Total funds	$16,318	$15,611

PERFORMANCE RATIOS		
Return on assigned capital	21%	19%
Noncredit revenue to total revenue	52	50
Efficiency	46	50

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.

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 presented and included in Other. Management continues to evaluate opportunities to reduce lending exposure and improve the risk/return characteristics of this business.

Corporate Banking contributed 21% of total business earnings for the first nine months of 2000 compared with 20% for the first nine months of 1999. Earnings increased $22 million or 13% to $190 million for the first nine months of 2000 and performance ratios improved.

Total revenue of $633 million for the first nine months of 2000 increased $101 million or 19% compared with the same period last year. Average loans and credit-related revenue increased in the period-to-period comparison primarily driven by loans to large corporate customers that utilize higher-margin noncredit products and services and the expansion of equipment leasing. Noncredit revenue includes noninterest income and the benefit of compensating balances received in lieu of fees. Noncredit revenue increased $63 million or 24% compared with the first nine months of 1999 primarily driven by increases in treasury management and capital markets fees, as well as income associated with equity investments. Noncredit revenue comprised 52% of total revenue for the first nine months of 2000 compared with 50% in the same period last year, reflecting the emphasis on sales of fee-based products.

The provision for credit losses was $50 million for the first nine months of 2000 compared with $13 million for the first nine months of 1999. The higher provision reflects an increase in net charge-offs associated with the impact of a slowing economy on the overall asset quality of this business. Management expects this trend to continue throughout the remainder of 2000.

The increase in noninterest expense in the period-to-period comparison was associated with growth in noncredit products and services.

Treasury management and capital markets products offered through Corporate Banking are sold by several businesses across the Corporation and related profitability is included in the results of those businesses. Consolidated revenue from treasury management was $253 million for the first nine months of 2000, a 12% increase compared with the first nine months of 1999. Consolidated revenue from capital markets was $99 million for the first nine months of 2000, a 31% increase compared with the same period last year.

PNC REAL ESTATE FINANCE

Nine months ended September 30 - dollars in millions	2000	1999
INCOME STATEMENT		
Net interest income	$87	$87
Noninterest income		
Net commercial mortgage banking	45	44
Other	23	25
Total noninterest income	68	69
Total revenue	155	156
Provision for credit losses		
Noninterest expense	102	91
Pretax earnings	53	65
Income taxes	3	14

Earnings	$50	$51
AVERAGE BALANCE SHEET		
Loans		
Commercial - real estate related	$2,021	$2,210
Commercial real estate	2,427	2,538
Total loans	4,448	4,748
Commercial mortgages held for sale	180	123
Other assets	955	724
Total assets	$5,583	$5,595
Deposits	$260	$289
Assigned funds and other liabilities	4,940	4,912
Assigned capital	383	394
Total funds	$5,583	$5,595
PERFORMANCE RATIOS		
Return on assigned capital	17%	17%
Noninterest income to total revenue	44	44
Efficiency	53	46

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PNC Real Estate Finance provides credit products, capital markets financing, treasury management, commercial mortgage loan servicing and other products and services to developers, owners and investors in commercial real estate. PNC's commercial real estate financial services platform includes Midland Loan Services, Inc. ("Midland"), a leading national servicer of commercial mortgage loans and Columbia Housing Partners, LP, a leading national syndicator of affordable housing equity, among other businesses.

On October 27, 2000, Univest Financial Group LLC ("Univest") merged into Midland. Univest is a privately held provider of technology and data management services to the commercial real estate finance industry. The combined company will be a leading provider of web-enabled loan servicing and asset administration solutions for commercial real estate portfolio lenders, financial institutions and commercial mortgage-backed securities.

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 presented and included in Other. Management continues to evaluate opportunities to reduce lending exposure and improve the risk/return characteristics of this business.

PNC Real Estate Finance contributed 5% of total business earnings for the first nine months of 2000 compared with 6% for the same period last year. Earnings were essentially flat in the year-to-year comparison, despite a 6% decrease in average loans. The reduction in loans reflects management's strategy to reduce balance sheet leverage in this business.

Total revenue was $155 million for the first nine months of 2000 compared with $156 million in the prior-year period. Increases in treasury management and commercial mortgage servicing fees were more than offset by lower commercial mortgage-backed securitization gains.

There was no provision for credit losses for the first nine months of 2000 and 1999 due to net recoveries in both periods.

Noninterest expense was $102 million for the first nine months of 2000 compared with $91 million in the same period last year. The efficiency ratio for the first nine months of 2000 was 53% compared with 46% in the same period last year. The increases were primarily due to passive losses on affordable housing equity investments 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.

COMMERCIAL MORTGAGE SERVICING PORTFOLIO

<TABLE>
<CAPTION>

In billions	2000	1999
<S>	<C>	<C>
January 1	$45	$39

Acquisitions/additions	10	13
Repayments/transfers	(5)	(9)
September 30	$50	$43

</TABLE>

At September 30, 2000, the commercial mortgage servicing portfolio was $50 billion, a 16% increase compared with September 30, 1999.

PNC BUSINESS CREDIT

<TABLE>
<CAPTION>

Nine months ended September 30 - dollars in millions	2000	1999
<S>	<C>	<C>
INCOME STATEMENT		
Net interest income	$74	$51
Noninterest income	12	7
Total revenue	86	58
Provision for credit losses	7	8
Noninterest expense	22	18
Pretax earnings	57	32
Income taxes	20	12
Earnings	$37	$20
AVERAGE BALANCE SHEET		
Loans	$2,158	$1,667
Other assets	72	31
Total assets	$2,230	$1,698
Deposits	$62	$46
Assigned funds and other liabilities	2,020	1,537
Assigned capital	148	115
Total funds	$2,230	$1,698
PERFORMANCE RATIOS		
Return on assigned capital	33%	23%
Efficiency	24	29

</TABLE>

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 lending services include loans secured by accounts receivable, inventory, machinery and equipment, and other collateral, and its clients include manufacturing, wholesale, distribution, retailing and service industry companies.

PNC Business Credit's strategic focus is to build scale 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 nine months of 2000 compared with 2% for the first nine months of 1999. Earnings increased $17 million or 85% in the period-to-period comparison to $37 million for the first nine months of 2000.

Revenue was $86 million for the first nine months of 2000, a $28 million or 48% increase compared with the first nine months of 1999 primarily due to the impact of higher loan outstandings associated with business expansion.

Noninterest expense was $22 million and the efficiency ratio improved to 24% for the first nine months of 2000 compared with $18 million and 29%, respectively, in the same period last year. The return on assigned capital improved to 33% for the first nine months of 2000 due to strong revenue growth and improved efficiency.

Management expects the provision for credit losses to increase throughout the remainder of 2000 reflecting a larger loan portfolio and the effects of a slowing economy.

PNC ADVISORS

Nine months ended September 30 - dollars in millions	2000	1999
INCOME STATEMENT		
Net interest income	$102	$98
Noninterest income		
Investment management and trust	307	292
Brokerage	132	108
Other	48	53
Total noninterest income	487	453
Total revenue	589	551
Provision for credit losses	3	5
Noninterest expense	385	366
Pretax earnings	201	180
Income taxes	74	69
Earnings	$127	$111
AVERAGE BALANCE SHEET		
Loans		
Residential mortgage	$969	$958
Consumer	960	937
Commercial	623	615
Other	547	357
Total loans	3,099	2,867
Other assets	442	432
Total assets	$3,541	$3,299
Deposits	$2,048	$2,223
Assigned funds and other liabilities	943	528
Assigned capital	550	548
Total funds	$3,541	$3,299
PERFORMANCE RATIOS		
Return on assigned capital	31%	27%
Noninterest income to total revenue	83	82
Efficiency	65	66

PNC Advisors provides a full range of tailored investment products and services to affluent individuals and families including full-service brokerage through J.J.B. Hilliard, W.L. Lyons, Inc. ("Hilliard Lyons"). PNC Advisors also serves as investment manager and trustee for employee benefit plans and charitable and endowment assets.

PNC Advisors strives to be the "financial advisor of choice" in the growing high-net-worth market, providing a full range of high-quality, customized and predominantly fee-based investment products and services. PNC Advisors continues to expand Hilliard Lyons 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 nine months of 2000 and 1999. Earnings of $127 million for the first nine months of 2000 increased $16 million or 14% compared with the same period last year.

Revenue increased $38 million or 7% in the period-to period comparison. The increase was primarily driven by higher brokerage revenue, resulting from the expansion of Hilliard Lyons' distribution network, significant activity in the equity markets, and higher investment management sales. Noninterest expense increased 5% in the period-to-period comparison to support revenue growth.

ASSETS UNDER MANAGEMENT (a)

September 30 - in billions	2000	1999

Personal investment management and trust	$51	$50
Institutional trust	19	16
Total	$70	$66

(a) Assets under management do not include brokerage assets administered.

Brokerage assets administered by PNC Advisors increased $3 billion in the period-to-period comparison to $28 billion at September 30, 2000, reflecting increased asset gathering at Hilliard Lyons.

BLACKROCK

Nine months ended September 30 - dollars in millions	2000	1999
INCOME STATEMENT		
Investment advisory and administrative fees	$330	$265
Other income	18	15
Total revenue	348	280
Operating expense	179	132
Fund administration and servicing costs - affiliates	58	60
Amortization	8	7
Total expense	245	199
Operating income	103	81
Nonoperating income (expense)	4	(8)
Pretax earnings	107	73
Income taxes	44	31
Earnings	$63	$42
PERIOD-END BALANCE SHEET		
Intangible assets	$195	$197
Other assets	297	246
Total assets	$492	$443
Borrowings		$153
Other liabilities	$148	142
Shareholders' equity	344	148
Total funds	$492	$443
PERFORMANCE DATA		
Return on equity	27%	45%
Operating margin (a)	35.5	36.9
Diluted earnings per share	$.97	$.77

(a) Excludes the impact of fund administration and servicing costs - affiliates.

BlackRock is one of the largest publicly traded investment management firms in the United States with $191 billion of assets under management at September 30, 2000. BlackRock manages assets on behalf of institutions and individuals through a variety of fixed income, liquidity, equity and alternative investment separate accounts and mutual funds, including its flagship fund families, BlackRock Funds and Provident Institutional Funds. In addition, BlackRock provides risk management and technology services to a growing number of institutional investors under the BlackRock Solutions name.

BlackRock contributed 7% of total business earnings for the first nine months of 2000 compared with 5% for the first nine months of 1999. Earnings of $63 million for the first nine months of 2000 increased 49% compared with the same period last year. Total revenue for the first nine months of 2000 increased $68 million or 24% compared with the first nine months of 1999 primarily due to strong growth in investment advisory and administrative fees resulting from higher assets under management. New asset management mandates represented $36 billion or 84% of the $43 billion increase in assets under management. The increase in operating expense in the period-to-period comparison supported revenue growth.

ASSETS UNDER MANAGEMENT

September 30 - in billions	2000	1999
Separate accounts		
Fixed income (a)	$100	$69
Liquidity	16	17
Equity	7	3
Total separate accounts	123	89
Mutual funds		
Fixed income	14	13
Liquidity	38	33
Equity	16	13
Total mutual funds	68	59
Total assets under management	$191	$148
Proprietary mutual funds		
BlackRock Funds	$28	$25
Provident Institutional Funds	28	22
Total proprietary mutual funds	$56	$47

(a) Includes alternative investment products.

BlackRock, Inc. is approximately 70% owned by PNC and is listed on the New York Stock Exchange under the symbol BLK. Additional information about BlackRock is available in its filings with the SEC and may be obtained electronically at the SEC's home page at www.sec.gov.

PFPC

Nine months ended September 30 - dollars in millions	2000	1999
INCOME STATEMENT		
Revenue	$515	$170
Operating expense	380	114
Operating income	135	56
Debt financing	60	
Amortization	24	2
Pretax earnings	51	54
Income taxes	20	20
Earnings	$31	$34
AVERAGE BALANCE SHEET		
Intangible assets	$964	
Other assets	614	$257
Total assets	$1,578	$257
Deposits	$139	$130
Assigned funds and other liabilities	1,231	18
Assigned capital	208	109
Total funds	$1,578	$257
PERFORMANCE RATIOS		
Return on assigned capital	20%	42%
Operating margin	26	33

Providing a wide range of global fund processing services to the investment management community, PFPC is the largest full-service mutual fund transfer agent and second largest provider of mutual fund accounting and administration services in the United States. As an extension of its domestic services, PFPC also provides customized processing services to the international marketplace through its Dublin, Ireland operation.

On December 1, 1999, PFPC acquired ISG, one of the nation's leading providers of back-office services to mutual funds and retirement plans. The acquisition added key related businesses, including retirement plan servicing, to PFPC's expanding operations. The integration of ISG into PFPC continues as planned and, as expected, the transaction is anticipated to be accretive to PNC in the fourth quarter of 2000.

On May 31, 2000, PFPC completed the acquisition of ABD, the leading provider of Blue Sky compliance services to the mutual fund industry. The acquisition was valued at $20 million and accounted for as a purchase.

PFPC contributed 3% of total business earnings for the first nine months of 2000 compared with 4% for the first nine months of 1999. Earnings decreased $3 million in the period-to-period comparison primarily due to the impact of the ISG acquisition. Excluding ISG, earnings increased 24% in the period-to-period comparison.

Revenue for the first nine months of 2000 increased $345 million compared with the first nine months of 1999. The acquisition of ISG accounted for $304 million of the increase in revenue. Excluding ISG, revenue increased 24% driven by existing client growth, new business and market appreciation. Operating expense increased in the period-to-period comparison and performance ratios were impacted as a result of the ISG acquisition and infrastructure costs associated with business expansion. Excluding ISG, noninterest expense increased 21% commensurate with fee-based revenue growth.

SERVICING STATISTICS

<TABLE>
<CAPTION>

September 30	2000	1999
<S>	<C>	<C>
Accounting/administration assets ($ in billions)	$460	$246
Custody assets ($ in billions)	434	353
Shareholder accounts (in millions)	43	3

</TABLE>

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

FINANCIAL REVIEW

CONSOLIDATED INCOME STATEMENT REVIEW

NET INTEREST INCOME ANALYSIS

<TABLE>
<CAPTION>

Taxable-equivalent basis	Average Balances			Interest Income/Expense			Average Yields/Rates		
Nine months ended September 30 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	$2,681	$1,118	$1,563	$163	$62	$101	8.10%	7.36%	74 bp
Securities available for sale	6,105	5,994	111	292	269	23	6.38	5.99	39
Loans, net of unearned income									
Consumer	9,210	10,612	(1,402)	589	647	(58)	8.55	8.16	39
Credit card		899	(899)		100	(100)		14.90	NM
Residential mortgage	12,519	12,236	283	668	644	24	7.11	7.01	10
Commercial	21,878	23,340	(1,462)	1,383	1,344	39	8.31	7.59	72
Commercial real estate	2,689	3,394	(705)	179	198	(19)	8.73		

	Average balance			Interest			Average rate		
								7.70	103
Lease financing	3,082	2,489	593	168	132	36	7.25	7.06	19
Other	670	504	166	42	27	15	8.40	7.38	102
Total loans, net of unearned income	50,048	53,474	(3,426)	3,029	3,092	(63)	8.01	7.67	34
Other	1,278	1,038	240	71	39	32	7.39	4.94	245
Total interest-earning assets/ interest income	60,112	61,624	(1,512)	3,555	3,462	93	7.84	7.46	38
Noninterest-earning assets	8,415	6,531	1,884						
Investment in discontinued operations	459	461	(2)						
Total assets	$68,986	$68,616	$370						
Interest-bearing liabilities									
Deposits									
Demand and money market	$18,389	$16,711	$1,678	472	358	114	3.43	2.86	57
Savings	2,088	2,450	(362)	27	30	(3)	1.73	1.61	12
Retail certificates of deposit	14,591	14,291	300	603	530	73	5.52	4.96	56
Other time	633	1,816	(1,183)	31	75	(44)	6.45	5.53	92
Deposits in foreign offices	1,437	837	600	67	31	36	6.12	4.96	116
Total interest-bearing deposits	37,138	36,105	1,033	1,200	1,024	176	4.31	3.79	52
Borrowed funds	14,422	15,508	(1,086)	711	640	71	6.49	5.45	104
Total interest-bearing liabilities/ interest expense	51,560	51,613	(53)	1,911	1,664	247	4.92	4.29	63
Noninterest-bearing liabilities, capital securities and shareholders' equity	17,426	17,003	423						
Total liabilities, capital securities and shareholders' equity	$68,986	$68,616	$370						
Interest rate spread							2.92	3.17	(25)
Impact of noninterest-bearing sources							.71	.69	2
Net interest income/margin				$1,644	$1,798	$(154)	3.63%	3.86%	(23) 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 yields earned and funding costs can have a significant impact on net interest income and margin.

Taxable-equivalent net interest income was $1.644 billion for the first nine months of 2000, a $154 million decrease compared with the first nine months of 1999. The net interest margin was 3.63% for the first nine months of 2000 compared with 3.86% for the first nine months of 1999. The decreases were primarily due to funding costs related to the ISG acquisition, the downsizing of certain credit-related businesses in 1999 and the effect of a higher interest rate environment.

The Corporation expects net interest income and margin to continue to be under pressure throughout the remainder of 2000.

As a result of the sale of the credit card business and the exit and downsizing of certain credit-related businesses in 1999, loans represented 83% of average earning assets for the first nine months of 2000 compared with 87% for the prior-year period. Average loans held for sale increased $1.6 billion in the period-to-period comparison, reflecting the decision during the fourth quarter of 1999 to exit certain non-strategic wholesale lending businesses. Securities available for sale represented 10% of average earning assets for the first nine months of 2000 and 1999.

Funding cost is affected by the volume and composition of funding sources as well as related rates paid thereon. Average deposits comprised 66% and 65% of total sources of funds for the first nine 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 nine months of 2000 compared with 120% for the first nine months of 1999.

Average demand and money market deposits increased $1.7 billion or 10% to $18.4 billion for the first nine months of 2000, primarily reflecting the impact of strategic marketing initiatives to grow more valuable transaction accounts, while other time deposits decreased in the period-to-period comparison. Average borrowed funds for the first nine months of 2000 decreased $1.1 billion compared with the first nine months of 1999 as lower bank notes more than offset increases in federal funds purchased, subordinated debt and other borrowed funds.

PROVISION FOR CREDIT LOSSES The provision for credit losses was $96 million for the first nine months of 2000 compared with $133 million for the first nine months of 1999. Net charge-offs were $95 million or .25% of average loans for the first nine months of 2000 compared with $131 million or .33%, respectively, for the first nine months of 1999. The decreases were primarily due to the sale of the credit card business in the first quarter of 1999, partially offset by higher commercial net charge-offs.

NONINTEREST INCOME Noninterest income was $2.156 billion for the first nine months of 2000 and represented 57% of total revenue. On a comparable basis, noninterest income increased $547 million or 34%, excluding $358 million of gains on the sale of the credit card business, certain retail branches, equity interests in EPS and Concord and $142 million of valuation adjustments associated with the decision to exit certain non-strategic wholesale lending businesses in 1999. The increase was primarily driven by strong growth in certain fee-based businesses, the benefit of the ISG acquisition and higher equity management income. Excluding ISG, noninterest income increased 16% compared with the prior-year period.

Asset management fees of $590 million for the first nine months of 2000 increased $85 million or 17% primarily driven by new business. Assets under management were $239 billion at September 30, 2000, a 24% increase compared with September 30, 1999. Fund servicing fees were $487 million for the first nine months of 2000, a $325 million increase compared with the prior-year period primarily driven by the ISG acquisition. Excluding ISG, fund servicing fees increased 22% due to existing client growth, new business and market appreciation.

Brokerage fees of $192 million for the first nine months of 2000 increased $31 million or 19% reflecting the expansion of Hilliard Lyons' distribution network and the impact of significant activity in the equity markets. Consumer services revenue of $153 million for the first nine months of 2000 increased 7% compared with the prior-year period excluding credit card fees. The increase was primarily due to higher consumer transaction volume.

Corporate services revenue of $248 million for the first nine months of 2000 increased 7% compared with the prior-year period, excluding the impact of the valuation adjustments last year. The increase was primarily driven by higher treasury management and capital markets fees that were partially offset by a lower level of commercial mortgage-backed securitization gains.

Equity management income was $132 million for the first nine months of 2000 compared with $48 million in the prior-year period. Equity investments are carried at estimated fair value and, accordingly, revenue related to these investments may be affected by market volatility.

Net securities gains were $4 million for the first nine months of 2000 compared with $44 million for the first nine months of 1999. The net securities gains in 1999 substantially all related to the gain from the sale of Concord stock.

Other noninterest income of $200 million for the first nine months of 2000 increased $22 million or 12% compared with the prior-year period, excluding non-core items last year.

NONINTEREST EXPENSE Noninterest expense was $2.319 billion for the first nine months of 2000 compared with $1.962 billion for the first nine months of 1999, excluding non-core items. The efficiency ratio was 57.3% for the first nine months of 2000 compared with 53.9% for the prior-year period, also excluding non-core items. The increases were primarily related to the ISG acquisition and higher expenses commensurate with fee-based revenue growth. Excluding ISG, noninterest expense increased 5% commensurate with fee-based revenue growth. Average full-time equivalent employees totaled approximately 24,900 and 22,800 for the first nine months of 2000 and 1999, respectively. The increase was primarily due to the ISG acquisition, partially offset by the impact of efficiency initiatives in traditional banking businesses and the sale of the credit card business in the first quarter of 1999.

CONSOLIDATED BALANCE SHEET REVIEW

LOANS Loans outstanding of $49.8 billion at September 30, 2000 increased $118 million from year-end 1999 as increases in home equity and lease financing were mostly offset by lower automobile and commercial loans. Total outstandings and exposure designated for exit during 1999 totaled $3.7 billion and $10.5 billion, respectively. At September 30, 2000, the remaining outstandings and exposure associated with this initiative totaled $1.0 billion and $2.8 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	September 30 2000	December 31 1999
Consumer		
Home equity	$6,411	$6,059
Automobile	1,293	1,691
Other	1,470	1,598
Total consumer	9,174	9,348
Residential mortgage	12,563	12,506
Commercial		
Manufacturing	5,626	5,355
Retail/wholesale	4,579	4,301
Service providers	2,937	3,208
Real estate related	2,926	2,862
Communications	1,261	1,370
Health care	750	772
Financial services	871	1,300
Other	2,248	2,300
Total commercial	21,198	21,468
Commercial real estate		
Mortgage	695	761
Real estate project	1,981	1,969
Total commercial real estate	2,676	2,730
Lease financing	4,498	3,663
Other	646	682
Unearned income	(964)	(724)
Total, net of unearned income	$49,791	$49,673

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

NET UNFUNDED COMMITMENTS (a)

In millions	September 30 2000	December 31 1999
Consumer	$4,386	$4,603
Commercial	24,488	23,251
Commercial real estate	907	740
Lease financing	137	136
Other	259	1,513
Total	$30,177	$30,243

(a) Excludes unfunded commitments related to loans designated for exit.

Commitments to extend credit represent arrangements to lend funds subject to specified contractual conditions. Commercial commitments are reported net of participations, assignments and syndications, primarily to financial institutions, totaling $6.3 billion and $7.2 billion at September 30, 2000 and December 31, 1999, respectively.

Net outstanding letters of credit totaled $3.9 billion and $4.6 billion at September 30, 2000 and December 31, 1999, respectively, and consisted primarily of standby letters of credit that commit the Corporation to make payments on behalf of customers when certain specified future events occur. Unfunded commitments and letters of credit related to loans designated for exit totaled $1.8 billion at September 30, 2000 and $4.8 billion at December 31, 1999.

SECURITIES AVAILABLE FOR SALE The fair value of securities available for sale at September 30, 2000 increased $530 million compared with the fair value at December 31, 1999 primarily due to the purchase of mortgage-backed securities. Securities represented 9% of total assets at September 30, 2000. The expected weighted-average life of the securities decreased to 3 years and 9 months at September 30, 2000 compared with 4 years and 7 months at year-end 1999.

DETAILS OF SECURITIES AVAILABLE FOR SALE

<TABLE>
<CAPTION>

In millions	Amortized Cost	Fair Value
SEPTEMBER 30, 2000		
Debt securities		
U.S. Treasury and government agencies	$240	$236
Mortgage-backed	4,514	4,407
Asset-backed	1,172	1,158
State and municipal	79	80
Other debt	46	46
Corporate stocks and other	563	563
Total securities available for sale	$6,614	$6,490
DECEMBER 31, 1999		
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 securities available for sale	$6,144	$5,960

</TABLE>

FUNDING SOURCES Total funding sources were $59.8 billion at September 30, 2000 and $60.0 billion at December 31, 1999. Increases in demand, savings, money market and retail certificates of deposit that resulted from a number of consumer banking initiatives offset decreases in deposits in foreign offices, Federal Home Loan Bank ("FHLB") borrowings and bank notes and senior debt.

DETAILS OF FUNDING SOURCES

<TABLE>
<CAPTION>

In millions	September 30 2000	December 31 1999
Deposits		
Demand, savings and money market	$29,823	$27,823
Retail certificates of deposit	15,117	14,153
Other time	605	633
Deposits in foreign offices	1,949	3,193
Total deposits	47,494	45,802
Borrowed funds		
Federal funds purchased	1,341	1,281
Repurchase agreements	602	402
Bank notes and senior debt	6,109	6,975
Federal Home Loan Bank borrowings	583	2,258
Subordinated debt	2,406	2,327
Other borrowed funds	1,258	986
Total borrowed funds	12,299	14,229

Total	$59,793	$60,031

CAPITAL The access to and cost of funding new business initiatives including acquisitions, the ability to engage in expanded business 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 September 30, 2000, the Corporation, including discontinued operations, and each bank subsidiary were considered well capitalized based on regulatory capital ratio requirements.

RISK-BASED CAPITAL (a)

September 30 - dollars in millions	2000	1999
Capital components		
Shareholders' equity		
Common	$6,071	$5,558
Preferred	312	313
Trust preferred capital securities	848	848
Goodwill and other	(2,259)	(1,305)
Net unrealized securities losses	164	228
Tier I risk-based capital	5,136	5,642
Subordinated debt	1,912	1,641
Eligible allowance for credit losses	668	674
Subtotal	7,716	7,957
Investment in unconsolidated finance subsidiary	(12)	
Total risk-based capital	$7,704	$7,957
Assets		
Risk-weighted assets and off-balance-sheet instruments	$67,734	$66,580
Average tangible assets	74,803	72,929
Capital ratios		
Tier I risk-based	7.58%	8.47%
Total risk-based	11.37	11.95
Leverage	6.87	7.74

(a) Including discontinued operations

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 nine months of 2000, PNC repurchased 5.7 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 7.4 million shares remain under this authorization.

RISK MANAGEMENT

In the normal course of business, the Corporation assumes various types of risk, which include, among others, credit, interest rate, liquidity, trading activities and financial derivatives. 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, selling participations to third parties, and purchasing credit-related derivatives.

NONPERFORMING ASSETS BY TYPE

<TABLE>
<CAPTION>

Dollars in millions	September 30 2000	December 31 1999
<S>	<C>	<C>
Nonaccrual loans		
Commercial	$261	$219
Residential mortgage	26	48
Commercial real estate		
Real estate project	4	13
Mortgage	12	8
Consumer	3	2
Lease financing	2	1
Total nonaccrual loans	308	291
Foreclosed and other assets		
Residential mortgage	8	7
Commercial real estate	4	5
Other	34	22
Total foreclosed and other assets	46	34
Total nonperforming assets	$354	$325
Nonaccrual loans to total loans	.62%	.59%
Nonperforming assets to total loans, loans held for sale and foreclosed assets	.68	.61
Nonperforming assets to total assets	.51	.47

</TABLE>

The above table excludes $18 million and $13 million of equity management assets at September 30, 2000 and December 31, 1999, respectively, that are carried at estimated fair value. The amount of nonperforming loans that were current as to principal and interest was $26 million at September 30, 2000 and $42 million at December 31, 1999. There were no troubled debt restructured loans outstanding as of either period end.

CHANGE IN NONPERFORMING ASSETS

<TABLE>
<CAPTION>

In millions	2000	1999
<S>	<C>	<C>
January 1	$325	$319
Transferred from accrual	291	288
Returned to performing	(3)	(3)
Principal reductions	(125)	(181)
Sales	(31)	(20)
Charge-offs and other	(103)	(57)
September 30	$354	$346

</TABLE>

ACCRUING LOANS PAST DUE 90 DAYS OR MORE

<TABLE>
<CAPTION>

	Amount		Percent of Loans	
Dollars in millions	September 30 2000	December 31 1999	September 30 2000	December 31 1999
<S>	<C>	<C>	<C>	<C>
Consumer	$22	$25	.24%	.27%
Residential mortgage	26	24	.21	.19
Commercial	32	30	.15	.14
Commercial real estate	11	5	.41	.18
Lease financing	7	2	.20	.07
Total	$98	$86	.20	.17

</TABLE>

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 nine months of 2000 and the evaluation of the allowance for credit losses as of September 30, 2000 reflected changes in loan portfolio composition and changes in asset quality. The unallocated portion of the allowance for credit losses represented 20% of the total allowance and .27% of total loans at September 30, 2000 and December 31, 1999.

ROLLFORWARD OF ALLOWANCE FOR CREDIT LOSSES

In millions	2000	1999
January 1	$674	$753
Charge-offs	(131)	(173)
Recoveries	36	42
Net charge-offs	(95)	(131)
Provision for credit losses	96	133
Divestitures		(81)
September 30	$675	$674

The allowance as a percent of nonaccrual loans from continuing operations and period-end loans was 219% and 1.36%, respectively, at September 30, 2000. The comparable year-end 1999 amounts were 232% and 1.36%, respectively.

CHARGE-OFFS AND RECOVERIES

Nine months ended September 30 Dollars in millions	Charge-offs	Recoveries	Net Charge-offs	Percent of Average Loans
2000				
Consumer	$34	$16	$18	.26%
Residential mortgage	4	1	3	.03
Commercial	86	14	72	.44
Commercial real estate	2	4	(2)	(.10)
Lease financing	5	1	4	.17
Total	$131	$36	$95	.25
1999				
Consumer	$49	$20	$29	.37%
Credit card	60	2	58	8.63
Residential mortgage	7	1	6	.07
Commercial	48	17	31	.18
Commercial real estate	4	1	3	.12
Lease financing	5	1	4	.21
Total	$173	$42	$131	.33

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.

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.

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 September 30, 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 .5%. 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 .7%.

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 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 September 30, 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 .8% 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 .4% of assets.

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 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 September 30, 2000, such assets totaled $10.3 billion with $3.6 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 September 30, 2000, approximately $5.1 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. At September 30, 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, which includes discontinued operations, was $645 million at September 30, 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.

TRADING ACTIVITIES 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.

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 $500 thousand at September 30, 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 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 nine months of 2000, financial derivatives used in interest rate risk management decreased net interest income by $38 million compared with a $44 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 nine months of 2000.

FINANCIAL DERIVATIVES ACTIVITY

2000 - dollars in millions	January 1	Additions	Maturities	Terminations	September 30	Weighted-Average Maturity
Interest rate risk management						
Interest rate swaps						
Receive fixed	$7,413	$368	$(1,275)	$(1,000)	$5,506	2 yrs. 7 mos.
Pay fixed	5				5	2 mos.
Basis swaps	1,650	773	(179)		2,244	3 yrs. 7 mos.
Interest rate caps	474		(111)	(17)	346	3 yrs. 11 mos.
Interest rate floors	3,311		(35)	(14)	3,262	1 yr. 8 mos.
Total interest rate risk management	12,853	1,141	(1,600)	(1,031)	11,363	
Commercial mortgage banking risk management						
Interest rate swaps	643	1,322	(210)	(1,107)	648	7 yrs. 3 mos.
Student lending activities						
Forward contracts	681	120	(3)	(445)	353	1 yr. 8 mos.
Credit-related activities						
Credit default swaps	4,315	154		(5)	4,464	11 mos.
Total	$18,492	$2,737	$(1,813)	$(2,588)	$16,828	

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 September 30, 2000.

FINANCIAL DERIVATIVES

September 30, 2000 - dollars in millions	Notional Value	Estimated Fair Value	Weighted-Average Interest Rates Paid	Weighted-Average Interest Rates Received
Interest rate risk management				
Asset rate conversion				
Interest rate swaps (1)				
Receive fixed designated to loans	$4,000	$2	6.65%	5.49%
Basis swaps designated to other earning assets	240	2	6.27	6.63
Interest rate caps designated to loans (2)	346	8	NM	NM
Interest rate floors designated to loans (3)	3,262	(1)	NM	NM
Total asset rate conversion	7,848	11		
Liability rate conversion				
Interest rate swaps (1)				
Receive fixed designated to:				
Interest-bearing deposits	125		6.62	6.73
Borrowed funds	1,381		6.71	6.60
Pay fixed designated to borrowed funds	5	2	6.09	7.36
Basis swaps designated to borrowed funds	2,004	9	6.56	6.60
Total liability rate conversion	3,515	11		
Total interest rate risk management	11,363	22		
Commercial mortgage banking risk management				
Pay fixed interest rate swaps designated to securities (1)	355	3	6.52	6.75
Pay fixed interest rate swaps designated to loans (1)	293	7	6.40	6.64
Total commercial mortgage banking risk management	648	10		
Student lending activities				
Forward contracts	353		NM	NM
Credit-related activities				
Credit default swaps	4,464	(2)	NM	NM
Total financial derivatives	$16,828	$30		

(1) The floating rate portion of interest rate contracts is based on money-market indices. As a percent of notional value, 56% were based on 1-month LIBOR, 42% on 3-month LIBOR and the remainder on other short-term indices.
(2) Interest rate caps with notional values of $73 million, $110 million and $160 million require the counterparty to pay the Corporation the excess, if any, of 3-month LIBOR over a weighted-average strike of 6.05%, 1-month LIBOR over a weighted-average strike of 5.66% and Prime over a weighted-average strike of 8.77%, respectively. At September 30, 2000, 3-month LIBOR was 6.81%, 1-month LIBOR was 6.62% and Prime was 9.50%.
(3) Interest rate floors with notional values of $3.0 billion, require the counterparty to pay the excess, if any, weighted-average strike of 4.63% over 3-month LIBOR. At September 30, 2000, 3-month LIBOR was 6.81%.
NM - Not meaningful

OTHER DERIVATIVES To accommodate customer needs, PNC enters into customer-related financial derivative transactions primarily consisting of interest rate swaps, caps, floors and foreign exchange contracts. Risk exposure from customer positions is managed through transactions with other dealers.

Additionally, the Corporation enters into other derivative transactions for risk management purposes. These positions are recorded at estimated fair value and changes in value are included in results of operations.

OTHER DERIVATIVES

	At September 30, 2000				
In millions	Notional Value	Positive Fair Value	Negative Fair Value	Net Asset (Liability)	Average Fair Value (a)
Customer-related					
Interest rate					
Swaps	$12,864	$115	$(103)	$12	$(2)
Caps/floors					
Sold	5,232		(18)	(18)	(25)
Purchased	4,251	16		16	23
Foreign exchange	5,100	59	(46)	13	8
Other	3,167	73	(66)	7	4
Total customer-related	30,614	263	(233)	30	8
Other	1,209	12	(1)	11	6
Total other derivatives	$31,823	$275	$(234)	$41	$14

(a) For the nine months ended September 30, 2000

THIRD QUARTER 2000 VERSUS 1999

Earnings for the third quarter of 2000, including discontinued operations, were $322 million or $1.09 per diluted share, a 9% increase compared with core earnings per diluted share of $1.00 for the third quarter of 1999. Core earnings for the prior-year quarter excluded $17 million of after-tax gains from the sale of branches or 6 cents per diluted share. Reported earnings for the third quarter of 1999 were $320 million or $1.06 per diluted share. Return on average common shareholders' equity was 21.54% and return on average assets was 1.67% for the third quarter of 2000 compared with 21.81% and 1.63%, respectively, on a core basis for the third quarter of 1999.

Excluding discontinued operations, earnings for the third quarter of 2000 were $299 million or $1.01 per diluted share, a 9% increase compared with core diluted earnings per share for the third quarter of 1999. Cash earnings per diluted share were $1.11 for the third quarter of 2000, up 12% compared with core cash earnings per diluted share a year ago.

EFFECT OF DISCONTINUED OPERATIONS
ON THIRD QUARTER 2000 AND 1999 RESULTS

Three months ended September 30 Dollars in millions, except per share amounts	2000 Reported	1999 Core	1999 Reported

Income from continuing operations	$299	$282	$299
Discontinued operations	23	21	21
Total net income	$322	$303	$320
Diluted EPS - continuing operations	$1.01	$.93	$.99
Discontinued operations	.08	.07	.07
Total diluted EPS	$1.09	$1.00	$1.06
Cash diluted EPS - continuing operations (a)	$1.11	$.99	$1.05
Discontinued operations (a)	.08	.07	.07
Total cash diluted EPS (a)	$1.19	$1.06	$1.12

</TABLE>
(a) Excluding amortization of goodwill

Return on average common shareholders' equity was 19.99% and return on average assets was 1.72% for the third quarter of 2000 compared with 20.28% and 1.67%, respectively, on a core basis for the third quarter of 1999.

Taxable-equivalent net interest income was $534 million for the third quarter of 2000, a $44 million decrease compared with the third quarter of 1999. The decrease mainly resulted from funding costs related to the ISG acquisition, downsizing of certain credit-related businesses in 1999 and the effect of a higher interest rate environment in 2000. The net interest margin was 3.54% for the third quarter of 2000 compared with 3.78% for the third quarter of 1999. The narrowing of the net interest margin was primarily attributable to the ISG acquisition and a higher proportion of interest-bearing deposits.

The provision for credit losses was $30 million in the third quarter of 2000 and 1999.

Noninterest income was $700 million for the third quarter of 2000 and represented 57% of total revenue. Noninterest income increased $156 million or 29% compared with the prior-year quarter, excluding the $27 million of branch gains in 1999. The increase was primarily driven by growth in fee-based revenue and the benefit of the ISG acquisition, partially offset by lower equity management income. Excluding ISG, noninterest income increased 11% in the comparison.

Asset management fees of $208 million for the third quarter of 2000 increased $33 million or 19% compared with the third quarter of 1999 primarily driven by new business. Fund servicing fees of $168 million for the third quarter of 2000 increased $112 million compared with the third quarter of 1999 principally due to the ISG acquisition. Excluding ISG, fund servicing fees increased $13 million or 23% compared with the prior-year quarter due to existing client growth, new business and market appreciation.

Brokerage fees of $61 million for the third quarter of 2000 increased $9 million or 17% compared with the third quarter of 1999 reflecting the expansion of Hilliard Lyons' distribution network and the impact of higher activity in the equity markets. Consumer services revenue of $55 million for the third quarter of 2000 increased $6 million or 12% compared with the prior-year quarter primarily due to an increase in retail transaction volume.

Corporate services revenue of $86 million for the third quarter of 2000 increased 13% compared with the third quarter of 1999 primarily driven by higher treasury management and capital markets fees and income from other investments.

Equity management income reflected a net loss of $3 million for the third quarter of 2000 compared with $22 million of income in the third quarter of 1999. The lower income in the third quarter of 2000 resulted from fewer realized gains and a decline in the estimated fair value of investments. Other noninterest income of $68 million for the third quarter of 2000 increased $9 million compared with the prior-year quarter, excluding the branch gains from 1999.

Noninterest expense was $747 million and the efficiency ratio was 57% in the third quarter of 2000 compared with $656 million and 55%, respectively, in the third quarter of 1999 excluding non-core items. The increases were primarily related to the ISG acquisition and higher expenses commensurate with fee-based revenue growth. Excluding ISG, noninterest expense increased less than 1% compared with the prior-year quarter as a result of aggressive expense management.

Average earning assets were $59.7 billion for the third quarter of 2000 compared with $60.5 billion for the third quarter of 1999. Average earning assets declined primarily due to a decrease in average loans, which resulted from the decision to exit certain non-strategic wholesale lending businesses and the continued downsizing of the indirect automobile lending portfolio. Average securities available for sale decreased $207 million compared with the prior-year quarter. Average loans held for sale increased $484 million compared with the prior-year quarter primarily as a result of the decision during the fourth quarter of 1999 to exit certain non-strategic wholesale lending businesses.

Average deposits were $45.9 billion and represented 66% of total sources of funds for the third quarter of 2000 compared with $43.8 billion and 65%, respectively, in the third quarter of 1999. The increase in deposits primarily resulted from a number of consumer marketing initiatives.

Average borrowed funds were $13.5 billion for the third quarter of 2000 compared with $14.9 billion for the third quarter of 1999.

The ratio of nonperforming assets to total loans, loans held for sale and foreclosed assets was .68% at September 30, 2000 compared with .65% at September 30, 1999. Nonperforming assets were $354 million at September 30, 2000 compared with $346 million at September 30, 1999.

The allowance for credit losses was $675 million and represented 1.36% of period-end loans and 219% of nonaccrual loans at September 30, 2000. The comparable ratios were 1.32% and 221%, respectively, at September 30, 1999. Net charge-offs were $30 million or .24% of average loans in the third quarter of 2000 compared with $29 million or .22%, respectively, in the third quarter of 1999.

RISK FACTORS

The Corporation is subject to a number of risk factors, including among others, those described below. These factors and others could impact the Corporation's business, financial condition and results of operations.

BUSINESS AND ECONOMIC CONDITIONS The Corporation's business and results of operations are sensitive to general business and economic conditions in the United States. These conditions include the level and movement of interest rates, inflation, monetary supply, fluctuations in both debt and equity capital markets, and the strength of the U.S. economy, in general, and the regional economies in which the Corporation conducts business. An economic downturn or higher interest rates could decrease the demand for loans and other products and services offered by the Corporation, increase usage of unfunded commitments or increase the number of customers and counterparties who become delinquent, file for protection under bankruptcy laws or default on their loans or other obligations to the Corporation. An increase in the number of delinquencies, bankruptcies or defaults could result in a higher level of net charge-offs that could result in a higher loan loss provision. See "Risk Management - Credit Risk" discussion in "Financial Review" for more information on credit risk. Changes in interest rates could affect the value of certain on-balance-sheet and off-balance-sheet financial instruments of the Corporation. Higher interest rates would also increase the Corporation's cost to borrow funds and may increase the rate paid on deposits. See "Risk Management - Interest Rate Risk" discussion in "Financial Review" for more information on interest rate risk.

MONETARY AND OTHER POLICIES The financial services industry is subject to various monetary and other policies and regulations of the United States government and its agencies, which include the Federal Reserve Board, the Office of the Comptroller of Currency, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision and state regulators. The Corporation is particularly affected by the policies of the Federal Reserve Board, which regulates the supply of money and credit in the United States. The Federal Reserve Board's policies influence the rates of interest that PNC charges on loans and pays on interest-bearing deposits and can also affect the value of on-balance-sheet and off-balance-sheet financial instruments. Those policies also determine, to a significant extent, the cost to the Corporation of funds for lending and investing.

COMPETITION The Corporation operates in a highly competitive environment, both in terms of the products and services offered and the geographic markets in which PNC conducts business. This environment could become even more competitive in the future. The Corporation competes with other local, regional and national banks, thrifts, credit unions and other non-bank financial institutions, such as investment banking firms, investment advisory firms, brokerage firms, investment companies, venture capital firms, mutual fund complexes and insurance companies, as well as other entities that offer financial services, and through alternative delivery channels such as the World Wide Web. Technological advances and new legislation, among other changes, have lowered barriers to entry and have made it possible for non-bank institutions to offer products and services that traditionally have been provided by banks. Many of the Corporation's competitors benefit from fewer regulatory constraints and lower cost structures, allowing for more competitive pricing of products and services.

The Gramm-Leach-Bliley Act ("the Act"), which was enacted on November 12, 1999, permits affiliations among banks, securities firms and insurance companies. The Act significantly changes the competitive environment in which the Corporation conducts business. This environment could result in a loss of customers and related revenue.

DISINTERMEDIATION Disintermediation is the process of eliminating the role of the intermediary in completing a transaction. For the financial services industry, this means eliminating or significantly reducing the role of banks and other depository institutions in completing transactions that have traditionally involved banks at one end or both ends of the transaction. Disintermediation could result in, among others, the loss of customer deposits and decreases in transactions that generate fee income.

ASSET MANAGEMENT PERFORMANCE Asset management revenues are primarily based on a percentage of the value of assets under management and performance fees expressed as a percentage of the returns realized on assets under management. A decline in the prices of debt and equity instruments, among other things, could cause asset management revenue to decline.

Investment performance is one of the most important factors for the growth of assets under management. Poor investment performance could impair revenue and growth as existing clients might withdraw funds in favor of better performing products. Also, performance fees for remaining clients could be lower or nonexistent. Additionally, the ability to attract funds from existing and new clients might diminish.

FUND SERVICING Fund servicing fees are primarily based on the market value of the assets and the number of shareholder accounts administered by the Corporation for its clients. A sharp rise in interest rates or a sudden decline in the debt and equity markets could influence an investor's decision whether to invest or maintain an investment in a mutual fund. As a result, fluctuations may occur in assets that the Corporation has under administration. A significant investor migration from mutual fund investments could have a negative impact on the Corporation's revenues by reducing the assets it administers. There has been and continues to be merger, acquisition and consolidation activity in the financial services industry. Mergers or consolidations of financial institutions in the future could reduce the number of existing or potential fund servicing clients.

ACQUISITIONS The Corporation expands its business in part by acquiring other financial services companies. Factors pertaining to acquisitions that could adversely affect the Corporation's business and earnings include, among others,

- o expected cost savings or potential revenue enhancements that may not be fully realized or realized within the expected time frame;
- o customer loss or revenue loss following an acquisition that may be greater than expected; and
- o costs or difficulties related to the integration of businesses that may be greater than expected.

CONSOLIDATED STATEMENT OF INCOME

<TABLE>
<CAPTION>

	Three months ended September 30		Nine months ended September 30	
In millions, except per share data	2000	1999	2000	1999
INTEREST INCOME				
Loans and fees on loans	$1,025	$982	$3,018	$3,080
Securities available for sale	99	98	290	266
Loans held for sale	47	31	163	61
Other	30	14	71	39
Total interest income	1,201	1,125	3,542	3,446

INTEREST EXPENSE				
Deposits	434	340	1,200	1,024
Borrowed funds	236	212	711	640
Total interest expense	670	552	1,911	1,664
Net interest income	531	573	1,631	1,782
Provision for credit losses	30	30	96	133
Net interest income less provision for credit losses	501	543	1,535	1,649
NONINTEREST INCOME				
Asset management	208	175	590	505
Fund servicing	168	56	487	162
Service charges on deposits	50	53	150	154
Brokerage	61	52	192	161
Consumer services	55	49	153	166
Corporate services	86	76	248	97
Equity management	(3)	22	132	48
Net securities gains	7	2	4	44
Other	68	86	200	488
Total noninterest income	700	571	2,156	1,825
NONINTEREST EXPENSE				
Staff expense	399	324	1,206	1,016
Net occupancy	50	47	151	176
Equipment	54	48	165	180
Amortization	27	20	83	69
Marketing	16	17	48	46
Distributions on capital securities	17	16	50	48
Other	184	184	616	555
Total noninterest expense	747	656	2,319	2,090
Income from continuing operations before income taxes	454	458	1,372	1,384
Income taxes	155	159	472	469
Income from continuing operations	299	299	900	915
Income from discontinued operations (less applicable income taxes of $15, $12, $30 and $29)	23	21	45	45
Net income	$322	$320	$945	

				$960
Income from continuing operations applicable to diluted earnings	$294	$294	$886	$901
Net income applicable to diluted earnings	317	315	931	946
EARNINGS PER COMMON SHARE				
Continuing operations				
Basic	$1.02	$1.00	$3.05	$3.02
Diluted	1.01	.99	3.03	2.99
Net income				
Basic	1.10	1.07	3.21	3.17
Diluted	1.09	1.06	3.18	3.14
CASH DIVIDENDS DECLARED PER COMMON SHARE	.45	.41	1.35	1.23
AVERAGE COMMON SHARES OUTSTANDING				
Basic	289.0	294.5	290.2	298.0
Diluted	292.0	297.6	292.7	301.3

</TABLE>
See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

In millions, except par value	September 30 2000	December 31 1999
<S>	<C>	<C>
ASSETS		
Cash and due from banks	$3,106	$3,080
Short-term investments	1,673	1,100
Loans held for sale	2,127	3,477
Securities available for sale	6,490	5,960
Loans, net of unearned income of $964 and $724	49,791	49,673
Allowance for credit losses	(675)	(674)
Net loans	49,116	48,999
Goodwill and other amortizable assets	2,476	2,512
Investment in discontinued operations	347	263
Other	4,549	3,895
Total assets	$69,884	$69,286
LIABILITIES		
Deposits		
Noninterest-bearing	$8,509	$8,161
Interest-bearing	38,985	

		37,641
Total deposits	47,494	45,802
Borrowed funds		
Federal funds purchased	1,341	1,281
Repurchase agreements	602	402
Bank notes and senior debt	6,109	6,975
Federal Home Loan Bank borrowings	583	2,258
Subordinated debt	2,406	2,327
Other borrowed funds	1,258	986
Total borrowed funds	12,299	14,229
Other	2,860	2,461
Total liabilities	62,653	62,492
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	1,290	1,276
Retained earnings	6,545	6,006
Deferred benefit expense	(18)	(17)
Accumulated other comprehensive loss from continuing operations	(92)	(132)
Accumulated other comprehensive loss from discontinued operations	(85)	(135)
Common stock held in treasury at cost: 64 and 60 shares	(3,028)	(2,823)
Total shareholders' equity	6,383	5,946
Total liabilities, capital securities and shareholders' equity	$69,884	$69,286

</TABLE>
See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

Nine months ended September 30 - in millions	2000	1999
<S>	<C>	<C>
OPERATING ACTIVITIES		
Net income	$945	$960
Income from discontinued operations	(45)	(45)

Net income from continuing operations	900	915
Adjustments to reconcile net income from continuing operations to net cash provided by operating activities		
Provision for credit losses	96	133
Depreciation, amortization and accretion	252	266
Deferred income taxes	286	172
Net securities gains	(6)	(44)
Gain on sale of businesses		(317)
Valuation adjustments	24	142
Change in		
Loans held for sale	1,326	292
Other	(1,129)	(27)
Net cash provided by operating activities	1,749	1,532
INVESTING ACTIVITIES		
Net change in loans	(425)	387
Repayment of securities available for sale	679	1,045
Sales		
Securities available for sale	4,648	6,269
Loans	187	463
Foreclosed assets	18	26
Purchases		
Securities available for sale	(5,810)	(8,595)
Loans		(363)
Net cash (paid) received for divestitures	(4)	2,975
Other	(191)	(69)
Net cash (used) provided by investing activities	(898)	2,138
FINANCING ACTIVITIES		
Net change in		
Noninterest-bearing deposits	348	(1,101)
Interest-bearing deposits	1,344	(466)
Federal funds purchased	60	82
Sale/issuance		
Repurchase agreements	128,720	100,138
Bank notes and senior debt	2,848	2,416
Federal Home Loan Bank borrowings	1,781	2,028
Subordinated debt	593	254
Other borrowed funds	28,985	24,689
Capital securities		84
Common stock	118	
Repayment/maturity		
Repurchase agreements	(128,520)	(100,081)
Bank notes and senior debt	(3,715)	(4,826)
Federal Home Loan Bank borrowings	(3,456)	(1,553)

Subordinated debt	(514)	(4)
Other borrowed funds	(28,683)	(24,632)
Acquisition of treasury stock	(327)	(670)
Cash dividends paid	(407)	(383)
Net cash used by financing activities	(825)	(4,025)
INCREASE (DECREASE) IN CASH AND DUE FROM BANKS	26	(355)
Cash and due from banks at beginning of year	3,080	2,529
Cash and due from banks at end of period	$3,106	$2,174
CASH PAID FOR		
Interest	$1,946	$1,715
Income taxes	235	233
NON-CASH ITEMS		
Transfer from loans to loans held for sale		2,142
Transfer from loans to other assets	18	30

</TABLE>
See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BUSINESS The PNC Financial Services Group, Inc. ("Corporation" or "PNC") is one of the largest diversified financial services companies in the United States operating regional banking, corporate banking, real estate finance, asset-based lending, private banking, asset management and global fund processing services businesses, which provides 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 PNC and its subsidiaries, most of which are wholly owned. Such statements have been prepared in accordance with accounting principles generally accepted in the United States. All significant intercompany accounts and transactions have been eliminated.

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 with the current period presentation. 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

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, which is required to be adopted in years after June 15, 2000. The Corporation will adopt the new statement effective January 1, 2001. The statement will require the Corporation to recognize all derivatives on the balance sheet at fair value.

Derivatives that are not designated as hedges must be adjusted to fair value through earnings. If the derivative is designated as a hedge, depending on the nature of the hedge, changes in derivatives' fair value will be either offset against the changes in fair value or expected future cash flows of the hedged assets, liabilities or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings.

The Corporation is and has been assessing its hedging methods and strategies in light of the standard's requirements. The impact of adoption of the provisions of the statement on PNC's financial position and results of operations will depend on the financial position of the Corporation and the nature, purpose and fair values of the derivatives in place as of January 1, 2001. A significant portion of PNC's derivatives relate to residential mortgage banking risk management activities, which are included in discontinued operations. Management does not expect that the impact of adopting this standard will be material to PNC's financial position or results of operations.

DISCONTINUED OPERATIONS
On October 2, 2000, the Corporation announced that it reached a definitive agreement for Washington Mutual, F.A. to acquire the stock of PNC's residential mortgage banking affiliates. The transaction is expected to close in the first quarter of 2001, subject to regulatory approvals and customary closing conditions, and PNC anticipates that the transaction will result in an after-tax gain of approximately $250 million, subject to closing adjustments. Earnings for the residential mortgage banking business for the nine months ended September 30, 2000 and 1999 were $45 million and are reflected as discontinued operations throughout the Corporation's financial statements. Earnings and net assets of the residential mortgage banking business are shown separately on one line in the income statement and balance sheet, respectively, for all periods presented.

INVESTMENT IN DISCONTINUED OPERATIONS:

<TABLE>
<CAPTION>

In millions	September 30 2000	December 31 1999
Loans held for sale	$2,438	$2,321
Securities available for sale	2,151	1,651
Loans, net of unearned income	743	373
Goodwill and other amortizable assets	1,984	1,611
All other assets	448	434
Total assets	7,764	6,390
Deposits	1,049	866
Borrowed funds	6,073	5,118
Other liabilities	295	143
Total liabilities	7,417	6,127
Net assets	$347	$263

</TABLE>

The notional and fair value of financial derivatives used for residential mortgage banking risk management were $13.2 billion and $57 million, respectively, at September 30, 2000. The comparable amounts at December 31, 1999 were $9.3 billion and $28 million, respectively. The weighted-average maturity of financial derivatives used for residential mortgage banking risk management was 3 years and 4 months at September 30, 2000.

The remaining Notes to Consolidated Financial Statements and Statistical Data reflect continuing operations, except for Earnings per Share, which reflects the impact of discontinued operations.

CASH FLOWS
During the first nine months of 2000, acquisition activity that affected cash flows consisted of $22 million of acquired assets, $2 million of acquired liabilities and cash payments totaling $3 million. During the first nine months of 1999, divestiture activity that affected cash flows consisted of $3.2 billion of divested assets and cash receipts of $3.0 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 nine months of 2000 totaled $68 million compared with net trading income of $53 million for the prior-year period that were included in noninterest income as follows:

Nine months ended September 30 - in millions	2000	1999
Corporate services	$7	
Equity management	2	
Other income		
Securities trading	32	$37
Derivatives trading	11	4
Foreign exchange	16	12
Net trading income	$68	$53

SECURITIES AVAILABLE FOR SALE

		Unrealized		
In millions	Amortized Cost	Gains	Losses	Fair Value
SEPTEMBER 30, 2000				
Debt securities				
U.S. Treasury and government agencies	$240		$(4)	$236
Mortgage-backed	4,514	$10	(117)	4,407
Asset-backed	1,172	6	(20)	1,158
State and municipal	79	2	(1)	80
Other debt	46			46
Total debt securities	6,051	18	(142)	5,927
Corporate stocks and other	563	6	(6)	563
Total securities available for sale	$6,614	$24	$(148)	$6,490
DECEMBER 31, 1999				
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 securities available for sale	$6,144	$13	$(197)	$5,960

==========
</TABLE>

The fair value of securities available for sale at September 30, 2000 increased $530 million compared with December 31, 1999. Securities represented 9% of total assets at September 30, 2000. The expected weighted-average life of securities available for sale decreased to 3 years and 9 months at September 30, 2000 compared with 4 years and 7 months at year-end 1999.

Net securities gains of $6 million and $44 million for the first nine months of 2000 and 1999, respectively, were reported as follows:

<TABLE>
<CAPTION>

Nine months ended September 30 - in millions	2000	1999
<S>	<C>	<C>
Net securities gains	$4	$44
Corporate services	2	
Total	$6	$44

</TABLE>

Net securities gains were $4 million for the first nine months of 2000. Net securities gains were $44 million for the first nine months of 1999, substantially all related to the gain from the sale of Concord EFS, Inc. stock. Net securities gains of $2 million for the first nine months of 2000, related to commercial mortgage banking activities, were included in corporate services revenue.

NONPERFORMING ASSETS

Nonperforming assets were as follows:

<TABLE>
<CAPTION>

In millions	September 30 2000	December 31 1999
<S>	<C>	<C>
Nonaccrual loans	$308	$291
Foreclosed and other assets	46	34
Total nonperforming assets	$354	$325

</TABLE>

The above table excludes $18 million and $13 million of equity management assets at September 30, 2000 and December 31, 1999, respectively, that are carried at estimated 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	(34)	(49)
Credit card		(60)
Residential mortgage	(4)	(7)
Commercial	(86)	(48)
Commercial real estate	(2)	(4)
Lease financing	(5)	(5)
Total charge-offs	(131)	(173)
Recoveries		
Consumer	16	20
Credit card		2
Residential mortgage	1	1
Commercial	14	17
Commercial real estate	4	1
Lease financing	1	1
Total recoveries	36	42
Net charge-offs		
Consumer	(18)	(29)

Credit card		(58)
Residential mortgage	(3)	(6)
Commercial	(72)	(31)
Commercial real estate	2	(3)
Lease financing	(4)	(4)
Total net charge-offs	(95)	(131)
Provision for credit losses	96	133
Divestitures		(81)
Allowance at September 30	$675	$674

</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	Notional Value	Positive Fair Value	Notional Value	Negative Fair Value
SEPTEMBER 30, 2000				
Interest rate				
Swaps	$4,903	$51	$2,852	$(36)
Caps	346	8		
Floors	3,000		262	(1)
Total interest rate risk management	8,249	59	3,114	(37)
Commercial mortgage banking risk management	296	20	352	(10)
Forward contracts	353			
Credit default swaps			4,464	(2)
Total	$8,898	$79	$7,930	$(49)
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)
Commercial mortgage banking risk management	643	51		
Forward contracts	681			
Credit default swaps	60		4,255	(4)
Total	$8,524	$110	$9,968	$(113)

</TABLE>

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

<TABLE>
<CAPTION>

	At September 30, 2000				
In millions	Notional Value	Positive Fair Value	Negative Fair Value	Net Asset (Liability)	Average Fair Value (a)
Customer-related					
Interest rate					
Swaps	$12,864	$115	$(103)	$12	$(2)
Caps/floors					
Sold	5,232		(18)	(18)	(25)
Purchased	4,251	16		16	23
Foreign exchange	5,100	59	(46)	13	8

Other	3,167	73	(66)	7	4
Total customer-related	30,614	263	(233)	30	8
Other	1,209	12	(1)	11	6
Total other derivatives	$31,823	$275	$(234)	$41	$14

</TABLE>
(a) For the nine months ended September 30, 2000

<TABLE>
<CAPTION>

In millions	At December 31, 1999 Notional Value	Positive Fair Value	Negative Fair Value	Net Asset (Liability)	1999 Average Fair Value
<S>	<C>	<C>	<C>	<C>	<C>
Customer-related					
Interest rate					
Swaps	$17,103	$110	$(116)	$(6)	$(13)
Caps/floors					
Sold	3,440		(25)	(25)	(20)
Purchased	3,337	22		22	18
Foreign exchange	3,310	47	(36)	11	7
Other	2,161	22	(9)	13	3
Total customer-related	29,351	201	(186)	15	(5)
Other	1,238	6		6	4
Total other derivatives	$30,589	$207	$(186)	$21	$(1)

</TABLE>

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 condition. 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

Comprehensive income from continuing operations was $345 million for the third quarter of 2000 and $940 million for the first nine months of 2000, compared with $271 million and $811 million, respectively, in 1999. The increases were primarily due to a higher valuation on securities available for sale.

EARNINGS PER SHARE

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

<TABLE>
<CAPTION>

In millions, except share and per share data	Three months ended September 30 2000	1999	Nine months ended September 30 2000	1999
<S>	<C>	<C>	<C>	<C>
CALCULATION OF BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	$299	$299	$900	$915
Less: Preferred dividends declared	5	5		

			14	15
Income from continuing operations applicable to basic earnings per common share	$294	$294	$886	$900
Basic weighted-average common shares outstanding (in thousands)	288,958	294,497	290,213	298,047
BASIC EARNINGS FROM CONTINUING OPERATIONS PER COMMON SHARE	$1.02	$1.00	$3.05	$3.02
Income from discontinued operations applicable to basic earnings per common share	$23	$21	$45	$45
Basic weighted-average common shares outstanding (in thousands)	288,958	294,497	290,213	298,047
BASIC EARNINGS FROM DISCONTINUED OPERATIONS PER COMMON SHARE	$.08	$.07	$.16	$.15
Net income	$322	$320	$945	$960
Less: Preferred dividends declared	5	5	14	15
Net income applicable to basic earnings per common share	$317	$315	$931	$945
Basic weighted-average common shares outstanding (in thousands)	288,958	294,497	290,213	298,047
BASIC EARNINGS PER COMMON SHARE	$1.10	$1.07	$3.21	$3.17
CALCULATION OF DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	$299	$299	$900	$915
Less: Dividends declared on nonconvertible preferred stock Series F	5	5	14	14
Income from continuing operations applicable to diluted earnings per common share	$294	$294	$886	$901
Basic weighted-average common shares outstanding (in thousands)	288,958	294,497	290,213	298,047
Weighted-average common shares to be issued using average market price and assuming:				
Conversion of preferred stock Series A and B	118	132	120	134
Conversion of preferred stock Series C and D	974	1,064	1,005	1,080
Conversion of debentures	19	24	20	24
Exercise of stock options	1,906	1,472	1,215	1,602
Incentive share awards	55	379	163	381
Diluted weighted-average common shares outstanding (in thousands)	292,030	297,568	292,736	301,268
DILUTED EARNINGS FROM CONTINUING OPERATIONS PER COMMON SHARE	$1.01	$.99	$3.03	$2.99
Income from discontinued operations applicable to diluted earnings per common share	$23	$21	$45	

$45

Diluted weighted-average common shares outstanding (in thousands)	292,030	297,568	292,736	301,268
DILUTED EARNINGS FROM DISCONTINUED OPERATIONS PER COMMON SHARE	$.08	$.07	$.15	$.15
Net income	$322	$320	$945	$960
Less: Dividends declared on nonconvertible preferred stock Series F	5	5	14	14
Net income applicable to diluted earnings per common share	317	315	931	946
Diluted weighted-average common shares outstanding (in thousands)	292,030	297,568	292,736	301,268
DILUTED EARNINGS PER COMMON SHARE	$1.09	$1.06	$3.18	$3.14

</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEGMENT REPORTING

PNC operates seven major businesses engaged in regional banking, corporate banking, real estate finance, asset-based lending, private banking, asset management and global fund processing services: Regional Banking, Corporate Banking, PNC Real Estate Finance, PNC Business Credit, PNC Advisors, BlackRock, and PFPC.

Business results are presented 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 to the extent practicable 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 organizational 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 nine months 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 management's assessment of 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 results from continuing operations primarily due to differences between management accounting practices and generally accepted accounting principles, divested and exited businesses, equity management activities, minority interests, residual asset and liability management activities, 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 region.

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 products, capital markets financing, treasury management, commercial mortgage loan servicing and other products and services to developers, owners and investors in commercial real estate.

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 lending services include loans secured by accounts receivable, inventory, machinery and equipment, and other collateral, and its clients include manufacturing, wholesale, distribution, retailing and service industry companies.

PNC Advisors provides a full range of tailored investment products and services to affluent individuals and families including full-service brokerage through J.J.B. Hilliard, W.L. Lyons, Inc. PNC Advisors also serves as investment manager and trustee for employee benefit plans and charitable and endowment assets.

BlackRock is one of the largest publicly traded investment management firms in the United States with $191 billion of assets under management at September 30, 2000. BlackRock manages assets on behalf of institutions and individuals through a variety of fixed income, liquidity, equity and alternative investment separate accounts and mutual funds, including its flagship fund families, BlackRock Funds and Provident Institutional Funds. In addition, BlackRock provides risk management and technology services to a growing number of institutional investors under the BlackRock Solutions name.

Providing a wide range of global fund processing services to the investment management community, PFPC is the largest full-service mutual fund transfer agent and second largest provider of mutual fund accounting and administration services in the United States. As an extension of its domestic services, PFPC also provides customized processing services to the international marketplace through its Dublin, Ireland operation.

RESULTS OF BUSINESSES

<TABLE>
<CAPTION>

Three months ended September 30 In millions	Regional Banking	Corporate Banking	PNC Real Estate Finance	PNC Business Credit	PNC Advisors	BlackRock	PFPC	Other	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
2000									
INCOME STATEMENT									
Net interest income (a)	$355	$145	$28	$25	$34	$2	$(12)	$(43)	$534
Noninterest income	151	68	24	4	157	127	169		700
Total revenue	506	213	52	29	191	129	157	(43)	1,234
Provision for credit losses	11	12		5				2	30
Depreciation and amortization	21	3	4	1	4	5	12	16	66
Other noninterest expense	241	92	31	7	123	86	120	(19)	681
Pretax earnings	233	106	17	16	64	38	25	(42)	457
Income taxes	84	36		5	23	15	10	(15)	158
Earnings	$149	$70	$17	$11	$41	$23	$15	$(27)	$299

Inter-segment revenue	$1	$1			$3	$22		$(27)	
Average assets	$39,320	$16,729	$5,541	$2,343	$3,470	$607	$1,560	$(987)	$68,583
1999									
INCOME STATEMENT									
Net interest income (a)	$358	$115	$27	$18	$31	$(2)	$3	$28	$578
Noninterest income	141	63	21	3	155	100	56	32	571
Total revenue	499	178	48	21	186	98	59	60	1,149
Provision for credit losses	14	(1)		7	5			5	30
Depreciation and amortization	23	3	5	1	4	5	2	11	54
Other noninterest expense	235	89	26	5	119	65	38	25	602
Pretax earnings	227	87	17	8	58	28	19	19	463
Income taxes	81	24	3	4	22	12	7	11	164
Earnings	$146	$63	$14	$4	$36	$16	$12	$8	$299
Inter-segment revenue	$1				$2	$24		$(27)	
Average assets	$37,379	$15,566	$5,522	$1,777	$3,289	$522	$245	$2,306	$66,606

</TABLE>

<TABLE>
<CAPTION>
Nine months ended September 30
In millions

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

2000									
INCOME STATEMENT									
Net interest income (a)	$1,058	$417	$87	$74	$102	$4	$(34)	$(64)	$1,644
Noninterest income	439	216	68	12	487	348	489	97	2,156
Total revenue	1,497	633	155	86	589	352	455	33	3,800
Provision for credit losses	33	50		7	3			3	96
Depreciation and amortization	63	10	14	2	11	15	38	42	195
Other noninterest expense	733	281	88	20	374	230	366	32	2,124
Pretax earnings	668	292	53	57	201	107	51	(44)	1,385
Income taxes	238	102	3	20	74	44	20	(16)	485
Earnings	$430	$190	$50	$37	$127	$63	$31	$(28)	$900
Inter-segment revenue	$2	$4			$10	$63		$(79)	

Average assets	$38,564	$16,318	$5,583	$2,230	$3,541	$492	$1,578	$221	$68,527
1999									
INCOME STATEMENT									
Net interest income (a)	$1,067	$347	$87	$51	$98	$(8)	$8	$148	$1,798
Noninterest income	408	185	69	7	453	280	162	261	1,825
Total revenue	1,475	532	156	58	551	272	170	409	3,623
Provision for credit losses	47	13		8	5			60	133
Depreciation and amortization	65	10	15	2	11	14	5	114	236
Other noninterest expense	726	258	76	16	355	185	111	127	1,854
Pretax earnings	637	251	65	32	180	73	54	108	1,400
Income taxes	232	83	14	12	69	31	20	24	485
Earnings	$405	$168	$51	$20	$111	$42	$34	$84	$915
Inter-segment revenue	$4	$1			$7	$63		$(75)	
Average assets	$37,574	$15,611	$5,595	$1,698	$3,299	$443	$257	$3,678	$68,155

</TABLE>

(a) Taxable-equivalent basis

STATISTICAL INFORMATION

CONSOLIDATED AVERAGE BALANCE SHEET AND NET INTEREST ANALYSIS

<TABLE>
<CAPTION>

	Nine months ended September 30					
	2000			1999		
Dollars in millions Taxable-equivalent basis	Average Balances	Interest	Average Yields/Rates	Average Balances	Interest	Average Yields/Rates
ASSETS						
Interest-earning assets						
Loans held for sale	$2,681	$163	8.10%	$1,118	$62	7.36%
Securities available for sale						
U.S. Treasury and government agencies and corporations	1,748	77	5.89	1,965	81	5.55
Other debt	3,752	185	6.56	3,361	157	6.21
Other	605	30	6.68	668	31	6.16

Total securities available for sale	6,105	292	6.38	5,994	269	5.99
Loans, net of unearned income						
Consumer	9,210	589	8.55	10,612	647	8.16
Credit card				899	100	14.90
Residential mortgage	12,519	668	7.11	12,236	644	7.01
Commercial	21,878	1,383	8.31	23,340	1,344	7.59
Commercial real estate	2,689	179	8.73	3,394	198	7.70
Lease financing	3,082	168	7.25	2,489	132	7.06
Other	670	42	8.40	504	27	7.38
Total loans, net of unearned income	50,048	3,029	8.01	53,474	3,092	7.67
Other	1,278	71	7.39	1,038	39	4.94
Total interest-earning assets/interest income	60,112	3,555	7.84	61,624	3,462	7.46
Noninterest-earning assets						
Investment in discontinued operations	459			461		
Allowance for credit losses	(684)			(699)		
Cash and due from banks	2,665			1,998		
Other assets	6,434			5,232		
Total assets	$68,986			$68,616		
LIABILITIES, CAPITAL SECURITIES AND SHAREHOLDERS' EQUITY						
Interest-bearing liabilities						
Interest-bearing deposits						
Demand and money market	$18,389	472	3.43	$16,711	358	2.86
Savings	2,088	27	1.73	2,450	30	1.61
Retail certificates of deposit	14,591	603	5.52	14,291	530	4.96
Other time	633	31	6.45	1,816	75	5.53
Deposits in foreign offices	1,437	67	6.12	837	31	4.96
Total interest-bearing deposits	37,138	1,200	4.31	36,105	1,024	3.79
Borrowed funds						
Federal funds purchased	2,115	99	6.13	1,574	59	4.90
Repurchase agreements	737	32	5.68	635	23	4.71
Bank notes and senior debt	6,675	325	6.41	8,943	348	5.14
Federal Home Loan Bank borrowings	1,648	78	6.18	1,681	68	5.29
Subordinated debt	2,405	134	7.44	1,983	112	7.52
Other borrowed funds	842	43	6.71	692	30	5.78
Total borrowed funds	14,422	711	6.49	15,508	640	5.45
Total interest-bearing liabilities/interest expense	51,560	1,911	4.92	51,613	1,664	4.29
Noninterest-bearing liabilities and shareholders' equity						
Demand and other noninterest-bearing deposits	8,098			8,292		
Accrued expenses and other liabilities	2,440			2,004		
Mandatorily redeemable capital securities of subsidiary trusts	848			848		
Shareholders' equity	6,040			5,859		
Total liabilities, capital securities and shareholders' equity	$68,986			$68,616		

Interest rate spread		2.92		3.17
Impact of noninterest-bearing sources		.71		.69
Net interest income/margin	$1,644	3.63%	$1,798	3.86%

</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).

<TABLE>
<CAPTION>

Third Quarter 2000			Second Quarter 2000			Third Quarter 1999		
Average Balances	Interest	Average Yields/Rates	Average Balances	Interest	Average Yields/Rates	Average Balances	Interest	Average Yields/Rates
$2,151	$47	8.77%	$2,577	$52	8.11%	$1,667	$31	7.53%
1,662	25	5.97	1,648	25	6.11	2,067	29	5.70
3,934	65	6.65	3,742	62	6.58	3,705	59	6.33
583	9	6.08	619	11	7.02	614	11	6.89
6,179	99	6.41	6,009	98	6.50	6,386	99	6.18
9,174	201	8.72	9,209	198	8.63	10,164	207	8.09
12,405	222	7.16	12,571	223	7.09	12,158	213	7.01
21,800	472	8.47	22,042	464	8.33	22,630	444	7.68
2,688	61	8.85	2,682	59	8.74	3,389	67	7.67
3,238	58	7.24	3,049	55	7.19	2,543	44	7.02
646	14	8.64	676	14	8.50	561	11	7.55
49,951	1,028	8.13	50,229	1,013	8.03	51,445	986	7.57
1,445	30	8.05	1,276	22	7.01	1,033	14	5.14
59,726	1,204	7.98	60,091	1,185	7.86	60,531	1,130	7.38

515			448			466		
(680)			(689)			(677)		
2,848			2,837			1,946		
6,689			6,418			4,788		
$69,098			$69,105			$67,054		
$18,914	175	3.68	$18,549	159	3.46	$17,273	127	2.93
2,020	9	1.81	2,107	9	1.75	2,345	10	1.59
14,776	217	5.85	14,403	195	5.45	14,114	174	4.89
619	10	6.55	641	10	6.44	1,022	15	5.99
1,342	23	6.50	1,483	24	6.25	1,066	14	5.16
37,671	434	4.58	37,183	397	4.30	35,820	340	3.77
1,904	32	6.51	2,162	34	6.28	1,828	24	5.07
846	14	5.84	769	11	5.56	603	7	4.65
6,290	108	6.75	6,762	110	6.40	7,823	103	5.28
1,105	20	7.16	1,514	24	6.35	1,826	26	5.62
2,419	45	7.44	2,420	45	7.45	2,031	41	7.48
954	17	7.18	795	14	6.89	792	11	5.18
13,518	236	6.85	14,422	238	6.54	14,903	212	5.59
51,189	670	5.18	51,605	635	4.92	50,723	552	4.30
8,239			8,357			7,976		
2,637			2,290			1,775		
848			848			848		
6,185			6,005			5,732		
$69,098			$69,105			$67,054		
		2.80			2.94			3.08
		.74			.69			.70
	$534	3.54%		$550	3.63%		$578	3.78%

</TABLE>

Loan fees for the nine months ended September 30, 2000 and September 30, 1999 were $89 million and $90 million, respectively. For each of the three months ended September 30, 2000, June 30, 2000, and September 30, 1999 loan fees were $29 million, $31 million, and $30 million, respectively.

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 September 30, 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 October 27, 2000, The PNC Financial Services Group, Inc. had 289,314,470 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.

<TABLE>
<CAPTION>

</TABLE>

PART II OTHER FINANCIAL INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

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

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
99.1	Quarterly Proforma Income Statements Reflecting Discontinued Operations

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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@pnc.com.

The Corporation did not file any Reports on Form 8-K during the quarter ended September 30, 2000.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on November 7, 2000, on its behalf by the undersigned thereunto duly authorized.

THE PNC FINANCIAL SERVICES GROUP, INC.
By: /s/ Robert L. Haunschild

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

The PNC Financial Services Group, Inc.'s financial reports and information about its products and services are 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@pnc.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@pnc.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@pnc.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.

	High	Low	Close	Cash Dividends Declared
2000 QUARTER				
First	$48.500	$36.000	$45.063	$.45
Second	57.500	41.000	46.875	.45
Third	66.375	47.625	65.000	.45
Total				$1.35
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

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. EXHIBIT 12.1

COMPUTATION OF RATIO OF EARNINGS
TO FIXED CHARGES

<TABLE>
<CAPTION>

Dollars in millions	Nine months ended September 30, 2000	Year ended December 31 1999	1998	1997	1996	1995
<S>	<C>	<C>	<C>	<C>	<C>	<C>
EARNINGS						
Income from continuing operations before taxes	$1,372	$1,788	$1,651	$1,595	$1,488	$621
Fixed charges excluding interest on deposits	799	980	1,159	1,089	1,052	1,446
Subtotal	2,171	2,768	2,810	2,684	2,540	2,067
Interest on deposits	1,200	1,369	1,471	1,457	1,428	1,552
Total	$3,371	$4,137	$4,281	$4,141	$3,968	$3,619
FIXED CHARGES						
Interest on borrowed funds	$711	$870	$1,065	$1,019	$1,023	$1,418
Interest component of rentals	37	44	33	26	27	27
Amortization of notes and debentures	1	1	1	1	1	1
Distributions on Mandatorily Redeemable Capital Securities of Subsidiary Trusts	50	65	60	43	1	
Subtotal	799	980	1,159	1,089	1,052	1,446
Interest on deposits	1,200	1,369	1,471	1,457	1,428	1,552
Total	$1,999	$2,349	$2,630	$2,546	$2,480	$2,998
RATIO OF EARNINGS TO FIXED CHARGES						
Excluding interest on deposits	2.72 x	2.82 x	2.42 x	2.46 x	2.41 x	1.43 x
Including interest on deposits	1.69	1.76	1.63	1.63	1.60	1.21

</TABLE>

THE PNC FINANCIAL SERVICES GROUP, INC. EXHIBIT 12.2

COMPUTATION OF RATIO OF EARNINGS
TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

<TABLE>
<CAPTION>

Dollars in millions	Nine months ended September 30, 2000	Year ended December 31 1999	1998	1997	1996	1995
EARNINGS						
Income from continuing operations before taxes	$1,372	$1,788	$1,651	$1,595	$1,488	$621
Fixed charges and preferred stock dividends excluding interest on deposits	821	1,010	1,188	1,119	1,060	1,451
Subtotal	2,193	2,798	2,839	2,714	2,548	2,072
Interest on deposits	1,200	1,369	1,471	1,457	1,428	1,552
Total	$3,393	$4,167	$4,310	$4,171	$3,976	$3,624
FIXED CHARGES						
Interest on borrowed funds	$711	$870	$1,065	$1,019	$1,023	$1,418
Interest component of rentals	37	44	33	26	27	27
Amortization of notes and debentures	1	1	1	1	1	1
Distributions on Mandatorily Redeemable Capital Securities of Subsidiary Trusts	50	65	60	43	1	
Preferred stock dividend requirements	22	30	29	30	8	5
Subtotal	821	1,010	1,188	1,119	1,060	1,451
Interest on deposits	1,200	1,369	1,471	1,457	1,428	1,552
Total	$2,021	$2,379	$2,659	$2,576	$2,488	$3,003
RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS						
Excluding interest on deposits	2.67 x	2.77 x	2.39 x	2.43 x	2.40 x	1.43 x
Including interest on deposits	1.68	1.75	1.62	1.62	1.60	1.21

</TABLE>

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This schedule contains summary financial information extracted from the consolidated financial information incorporated by reference in the 2000 Third Quarter Financial Review and is qualified in its entirety by reference to such financial information.
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EXHIBIT 99.1

THE PNC FINANCIAL SERVICES GROUP, INC.
QUARTERLY PROFORMA INCOME STATEMENTS REFLECTING DISCONTINUED OPERATIONS

On October 2, 2000, the Corporation announced that it reached a definitive agreement for Washington Mutual, F.A. to acquire the stock of PNC's residential mortgage banking affiliates. As a result of the pending sale, earnings for the residential mortgage banking business are reflected as discontinued operations throughout the Corporation's financial statements. Earnings of the residential mortgage banking business are shown separately on one line in the income statement for all periods presented. The following quarterly proforma income statements represent PNC's results of operations using discontinued operations accounting presentation for the residential mortgage banking business.

These quarterly proforma income statements do not purport to represent the results of operations of PNC had the pending sale of the residential mortgage banking business occurred during or prior to any of the quarters presented, or that may be attained in the future.

Exhibit 99.1

THE PNC FINANCIAL SERVICES GROUP, INC.
QUARTERLY PROFORMA INCOME STATEMENTS REFLECTING DISCONTINUED OPERATIONS

<TABLE>
<CAPTION>

Three months ended Dollars in millions, except per share data	June 30 2000	March 31 2000
<S>	<C>	<C>
INTEREST INCOME		
Loans and fees on loans	$1,009	$984
Securities available for sale	97	94
Loans held for sale	52	64
Other	22	19
Total interest income	1,180	1,161
INTEREST EXPENSE		
Deposits	397	369
Borrowed funds	238	237
Total interest expense	635	606
Net interest income	545	555
Provision for credit losses	35	31
Net interest income less provision for credit losses	510	524
NONINTEREST INCOME		
Asset management	196	186
Fund servicing	164	155
Service charges on deposits	50	50
Brokerage	60	71
Consumer services	51	47
Corporate services	80	82
Equity management	48	87
Net securities losses		(3)
Other	79	53
Total noninterest income	728	728
NONINTEREST EXPENSE		
Staff expense	396	411
Net occupancy	48	53
Equipment	55	56
Amortization	28	28
Marketing	19	13
Distributions on capital securities	17	16
Other	217	215
Total noninterest expense	780	792
Income from continuing operations before income taxes	458	460
Income taxes	159	158
Income from continuing operations	$299	$302

Income from discontinued operations (less applicable income taxes of $10 and $5)	16	6
Net income	$315	$308
Income from continuing operations applicable to diluted earnings	$295	$297
Net income applicable to diluted earnings	311	303
EARNINGS PER COMMON SHARE		
Continuing operations		
Basic	$1.01	$1.02
Diluted	1.01	1.01
Net income		
Basic	$1.07	$1.04
Diluted	1.06	1.03
CASH DIVIDENDS DECLARED PER COMMON SHARE	.45	.45
AVERAGE COMMON SHARES OUTSTANDING		
Basic	289.8	291.9
Diluted	292.2	294.1

</TABLE>

Exhibit 99.1

THE PNC FINANCIAL SERVICES GROUP, INC.
QUARTERLY PROFORMA INCOME STATEMENTS REFLECTING DISCONTINUED OPERATIONS

<TABLE>
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Three months ended Dollars in millions, except per share data	December 31 1999	September 30 1999	June 30 1999	March 31 1999
<S>	<C>	<C>	<C>	<C>
INTEREST INCOME				
Loans and fees on loans	$985	$982	$987	$1,111
Securities available for sale	96	98	94	74
Loans held for sale	43	31	23	7
Other	13	14	12	13
Total interest income	1,137	1,125	1,116	1,205
INTEREST EXPENSE				
Deposits	345	340	333	351
Borrowed funds	230	212	207	221
Total interest expense	575	552	540	572
Net interest income	562	573	576	633
Provision for credit losses	30	30	25	78
Net interest income less provision for credit losses	532	543	551	555
NONINTEREST INCOME				
Asset management	176	175	169	161
Fund servicing	89	56	54	

				52
Service charges on deposits	53	53	51	50
Brokerage	58	52	53	56
Consumer services	52	49	48	69
Corporate services	36	76	84	(63)
Equity management	52	22	17	9
Net securities (losses) gains	(22)	2	42	
Sale of subsidiary stock	64			
Other	67	86	71	331
Total noninterest income	625	571	589	665
NONINTEREST EXPENSE				
Staff expense	364	324	322	370
Net occupancy	48	47	46	83
Equipment	52	48	48	84
Amortization	23	20	21	28
Marketing	24	17	15	14
Distributions on capital securities	17	16	16	16
Other	225	184	216	155
Total noninterest expense	753	656	684	750
Income from continuing operations before income taxes	404	458	456	470
Income taxes	117	159	154	156
Income from continuing operations	$287	$299	$302	$314
Income from discontinued operations (less applicable income taxes of $12, $12, $10 and $7)	17	21	13	11
Net income	$304	$320	$315	$325
Income from continuing operations applicable to diluted earnings	$282	$294	$298	$310
Net income applicable to diluted earnings	299	315	311	321
EARNINGS PER COMMON SHARE				
Continuing operations				
Basic	$.96	$1.00	$1.00	$1.02
Diluted	.95	.99	.99	1.01
Core diluted	.95	.93	.94	.90
Net income				
Basic	$1.02	$1.07	$1.04	$1.06
Diluted	1.01	1.06	1.03	1.05
Core diluted	1.01	1.00	.98	.94
CASH DIVIDENDS DECLARED PER COMMON SHARE	.45	.41	.41	.41

AVERAGE COMMON SHARES OUTSTANDING				
Basic	293.4	294.5	297.4	302.3
Diluted	296.3	297.6	300.9	305.5

==

</TABLE>