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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000
COMMISSION FILE NUMBER 1-9718

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

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

ONE PNC PLAZA
249 FIFTH AVENUE
PITTSBURGH, PENNSYLVANIA 15222-2707
(Address of principal executive offices, including zip code)

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

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

Title of Each Class	Name of Each Exchange on Which Registered
COMMON STOCK, PAR VALUE $5.00	New York Stock Exchange
$1.60 CUMULATIVE CONVERTIBLE PREFERRED STOCK-SERIES C, PAR VALUE $1.00	New York Stock Exchange
$1.80 CUMULATIVE CONVERTIBLE PREFERRED STOCK-SERIES D, PAR VALUE $1.00	New York Stock Exchange
SERIES G JUNIOR PARTICIPATING PREFERRED SHARE PURCHASE RIGHTS	New York Stock Exchange

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

$1.80 CUMULATIVE CONVERTIBLE PREFERRED STOCK - SERIES A, PAR VALUE $1.00
$1.80 CUMULATIVE CONVERTIBLE PREFERRED STOCK - SERIES B, PAR VALUE $1.00
8.25% CONVERTIBLE SUBORDINATED DEBENTURES DUE 2008

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

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

The aggregate market value of the voting common equity held by non-affiliates of the registrant amounted to approximately $20.0 billion at February 28, 2001. There is no non-voting common equity of the registrant outstanding.

Number of shares of registrant's common stock outstanding at February 28, 2001: 289,606,244

DOCUMENTS INCORPORATED BY REFERENCE

Portions of The PNC Financial Services Group, Inc. 2000 Annual Report ("Annual Report to Shareholders") are incorporated by reference into Parts I and II and portions of the definitive Proxy Statement of The PNC Financial Services Group, Inc. to be filed pursuant to Regulation 14A for the annual meeting of shareholders to be held on April 24, 2001 ("Proxy Statement") are incorporated by reference into Part III of this Form 10-K. The incorporation by reference herein of portions of the Proxy Statement shall not be deemed to specifically incorporate by reference the information referred to in Item 402(a)(8) and (9) of Regulation S-K.

TABLE OF CONTENTS

PART I		Page
Item 1	Business	3
Item 2	Properties	6
Item 3	Legal Proceedings	6
Item 4	Submission of Matters to a Vote of Security Holders	6
	Executive Officers of the Registrant	7
PART II		
Item 5	Market for Registrant's Common Equity and Related Stockholder Matters	7
Item 6	Selected Financial Data	7
Item 7	Management's Discussion and Analysis of Financial Condition and Results of Operations	7
Item 7A	Quantitative and Qualitative Disclosures About Market Risk	7
Item 8	Financial Statements and Supplementary Data	8
Item 9	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	8
PART III		
Item 10	Directors and Executive Officers of the Registrant	8
Item 11	Executive Compensation	8
Item 12	Security Ownership of Certain Beneficial Owners and Management	8
Item 13	Certain Relationships and Related Transactions	8
PART IV		
Item 14	Exhibits, Financial Statement Schedules and Reports on Form 8-K	8
SIGNATURES		9
EXHIBIT INDEX		E-1

PART I

Forward-Looking Statements: From time to time The PNC Financial Services Group, Inc. ("PNC" or "Corporation") has made and may continue to make written or oral forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to future financial or business performance, conditions, strategies, expectations and goals. This report also includes forward-looking statements. Forward-looking statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "intend," "estimate," "position," "target," "mission," "assume," "achievable," "potential," "strategy," "goal," "objective," "plan," "aspiration," "outlook," "outcome," "continue," "remain," "maintain," "strive," "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.

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: decisions the Corporation makes with respect to the redeployment of available capital; changes in asset quality and credit risk; economic conditions; changes in financial and capital markets; the inability to sustain revenue and earnings growth; changes in interest rates; 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 inability to successfully manage risks inherent in the Corporation's business; the introduction, withdrawal, success and timing of business initiatives and strategies; the extent and cost of any share repurchases; decisions the Corporation makes with respect to further 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, restructurings and divestitures; 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 of the "Financial Review" included on pages 48 and 49 of the Annual Report to Shareholders, which is incorporated herein by reference, and factors relating to credit risk, interest rate risk, liquidity risk, trading activities and financial derivatives are discussed in the "Risk Management" section of the "Financial Review" included on pages 49 through 55 of the Annual Report to Shareholders, which is incorporated herein by reference. Other factors are described elsewhere in this report.

ITEM 1 - BUSINESS

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

The Corporation is one of the largest diversified financial services companies in the United States, operating community banking, corporate banking, real estate finance, asset-based lending, wealth management, asset management and global fund services businesses. The Corporation provides certain products and services nationally and others in PNC's primary geographic markets in Pennsylvania, New Jersey, Delaware, Ohio and Kentucky. The Corporation also provides certain products and services internationally. At December 31, 2000, the Corporation's consolidated total assets, deposits and shareholders' equity were $69.8 billion, $47.7 billion and $6.7 billion, respectively. For information about discontinued operations, see "Note 2 - Discontinued Operations" of the "Notes to Consolidated Financial Statements" included on page 68 of the Annual Report to Shareholders and incorporated herein by reference. Financial and other information by segment is included in "Note 22 - Segment Reporting" of the "Notes to Consolidated Financial Statements" included on pages 80 and 81 of the Annual Report to Shareholders and incorporated herein by reference.

REVIEW OF BUSINESSES Information relating to the Corporation's businesses, which reflect its operating structure during 2000, is set forth under the captions "Overview" and "Review of Businesses" in the "Financial Review" included on pages 34 through 43 of the Annual Report to Shareholders, which is incorporated herein by reference.

SUBSIDIARIES The corporate legal structure currently consists of three subsidiary banks and over 75 active nonbank subsidiaries. PNC Bank, National Association ("PNC Bank, N.A."), headquartered in Pittsburgh, Pennsylvania, is the Corporation's principal bank subsidiary. At December 31, 2000, PNC Bank, N.A. had total consolidated assets representing approximately 90% of the Corporation's consolidated assets. For additional information on subsidiaries, see Exhibit 21 to this Form 10-K, which is incorporated herein by reference.

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

	Page of Annual Report to Shareholders
Average Consolidated Balance Sheet and Net Interest Analysis	88-89
Analysis of Year-to-Year Changes in Net Interest Income	87
Book Values of Securities	69
Maturities and Weighted-Average Yield of Securities	70
Loan Types	70
Loan Maturities and Interest Sensitivity	91
Nonaccrual, Past Due and Restructured Loans	49-50 and 71
Potential Problem Loans	50

Summary of Loan Loss Experience	90
Allocation of Allowance for Credit Losses	90
Average Amount and Average Rate Paid on Deposits	88-89
Time Deposits of $100,000 or More	91
Selected Consolidated Financial Data	33
Short-Term Borrowings	91

RISK FACTORS & MANAGEMENT The Corporation is subject to a number of risk factors including, among others, business and economic conditions, monetary and other policies, competition, disintermediation, and risk relating to asset management performance, fund servicing and acquisitions. These factors, and others, could impact the Corporation's business, financial condition and results of operations. In the normal course of business, the Corporation assumes various types of risk, which include, among others, credit risk, interest rate risk, liquidity risk and risk associated with trading activities and financial derivatives. PNC has risk management processes designed to provide for risk identification, measurement and monitoring.

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

IMPACT OF INFLATION The assets and liabilities of the Corporation are primarily monetary in nature. Accordingly, future changes in prices do not affect the obligations to pay or receive fixed and determinable amounts of money. During periods of inflation, monetary assets lose value in terms of purchasing power and monetary liabilities have corresponding purchasing power gains. The concept of purchasing power, however, is not an adequate indicator of the effect of inflation on banks because it does not take into account changes in interest rates, which are an important determinant of the Corporation's earnings. A discussion of interest rate risk is set forth under the caption "Interest Rate Risk" in the "Risk Management" section of the "Financial Review" included on pages 51 and 52 of the Annual Report to Shareholders, and is incorporated herein by reference.

SUPERVISION AND REGULATION The Corporation and its subsidiaries are subject to numerous governmental regulations, some of which are highlighted below and in "Note 17 - Regulatory Matters" of the "Notes to Consolidated Financial Statements" included on pages 74 and 75 of the Annual Report to Shareholders ("Note 17 - Regulatory Matters"), which is incorporated herein by reference. These regulations cover, among other things, permissible activities and investments and dividend limitations on the Corporation and its subsidiaries, and consumer-related protections for loan, deposit, brokerage, fiduciary and mutual fund and other customers.

As a bank holding company and, as discussed below, a "financial holding company," the Corporation is subject to supervision and regular inspection by the Federal Reserve Board. The Federal Reserve Board's prior approval is required whenever the Corporation proposes to acquire all or substantially all of the assets of any bank, to acquire direct or indirect ownership or control of more than 5% of the voting shares of any bank, or to merge or consolidate with any other bank holding company. When reviewing bank acquisition applications for approval, the Federal Reserve Board considers, among other things, each subsidiary bank's record in meeting the credit needs of the communities it serves in accordance with the Community Reinvestment Act of 1977, as amended ("CRA"). At December 31, 2000, two of the Corporation's bank subsidiaries, PNC Bank, N.A., and PNC Bank, Delaware, were rated "outstanding" with respect to CRA; its other bank subsidiary was rated "satisfactory."

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

to become a financial holding company if each of its subsidiary banks is "well capitalized," is "well managed," and has at least a "satisfactory" CRA rating. PNC became a financial holding company as of March 13, 2000.

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

The Corporation's subsidiary banks and their subsidiaries are subject to supervision and examination by applicable federal and state banking agencies, including such federal agencies as the Office of the Comptroller of the Currency ("OCC") with respect to PNC Bank, N.A. and PNC Advisors, N.A., and the Federal Deposit Insurance Corporation ("FDIC") with respect to PNC Bank, Delaware. One aspect of this regulation is that the Corporation's subsidiary banks are subject to various federal and state restrictions on their ability to pay dividends to PNC Bancorp, Inc., the parent of the subsidiary banks, which in turn may affect the ability of PNC Bancorp, Inc. to pay dividends to the Corporation. These dividends constitute the Corporation's principal source of income. Without regulatory approval, the amount available for dividend payments to PNC Bancorp, Inc. by all bank subsidiaries was $634 million at December 31, 2000. The Corporation's subsidiary banks are also subject to federal laws limiting extensions of credit to their parent holding company and nonbank affiliates as discussed in "Note 17 - Regulatory Matters."

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

Subsidiary banks are also limited by law and regulation in the scope of permitted activities and investments. Subsidiary banks and their operating subsidiaries may engage in any activities that are determined by the OCC to be part of or incidental to the business of banking. The GLB Act, however, permits a national bank, such as PNC Bank, N.A., to engage in expanded activities through the formation of a "financial subsidiary." PNC Bank, N.A. has filed a financial subsidiary certification with the OCC and may thus engage through a financial subsidiary in any activity that is financial in nature or incidental to a financial activity, except for insurance underwriting, insurance investments, real estate investment or development, or merchant banking. In order to qualify to establish or acquire a financial subsidiary, PNC Bank, N.A. and each of its depository institution affiliates must be "well capitalized" and "well managed," and may not have a less than "satisfactory" CRA rating. In addition, the total assets of all financial subsidiaries of a national bank may not exceed the lesser of $50 billion or 45% of the parent bank's total assets. A national bank that is one of the largest 50 insured banks in the United States, such as PNC Bank, N.A., must also have issued debt with a certain rating. In addition to calculating its risk-based capital on a GAAP basis, a national bank with one or more financial subsidiaries must also be well capitalized after excluding from its assets and equity all equity investments, including retained earnings, in a financial subsidiary, and the assets of the financial subsidiary from the bank's consolidated assets. Any published financial statement for a national bank with a financial subsidiary must provide risk-based capital information both in accordance with GAAP and as described above. The bank must also have policies and procedures to assess financial subsidiary risk and protect the bank from such risks and potential liabilities.

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

The federal banking agencies possess broad powers to take corrective action as

deemed appropriate for an insured depository institution and its holding company. The extent of these powers depends upon whether the institution in question is considered "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" or "critically undercapitalized." Generally, as an institution is deemed to be less well capitalized, the scope and severity of the agencies' powers increase, ultimately permitting the agency to appoint a receiver for the institution. Business activities may also be influenced by an institution's capital classification. For instance, only a "well capitalized" depository institution may accept brokered deposits without prior regulatory approval and an "adequately capitalized" depository institution may accept brokered deposits only with prior regulatory approval. At December 31, 2000, all of the Corporation's subsidiary banks exceeded the required ratios for classification as "well capitalized." Additional discussion of capital adequacy requirements is set forth under the caption "Capital" in the "Financial Review" on page 47 of the Annual Report to Shareholders, which is incorporated herein by reference.

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

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

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

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

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

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

complexes, investment management firms, and insurance companies.

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

EMPLOYEES Average full-time equivalent employees totaled approximately 24,900 in 2000, and were approximately 25,300 in December 2000.

ITEM 2 - PROPERTIES

The executive and administrative offices of the Corporation and PNC Bank, N.A. are located at One PNC Plaza, Pittsburgh, Pennsylvania. The thirty-story structure is owned by PNC Bank, N.A. The Corporation and PNC Bank, N.A. occupy the entire building. In addition, PNC Bank, N.A. owns a thirty-four story structure adjacent to One PNC Plaza, known as Two PNC Plaza, that houses additional office space.

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

Additional information pertaining to the Corporation's properties is set forth in "Note 10 - Premises, Equipment and Leasehold Improvements" of the "Notes to Consolidated Financial Statements" included on page 72 of the Annual Report to Shareholders, which is incorporated herein by reference.

ITEM 3 - LEGAL PROCEEDINGS

The information set forth in "Note 25 - Litigation" of the "Notes to Consolidated Financial Statements" included on page 83 of the Annual Report to Shareholders is incorporated herein by reference.

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

None during the fourth quarter of 2000.

EXECUTIVE OFFICERS OF THE REGISTRANT Information concerning each executive officer of the Corporation as of March 9, 2001 is set forth below. Each executive officer held the position indicated or another executive position with the same entity or one of its affiliates for the past five years.

Name	Age	Position with Corporation	Year Employed(1)
James E. Rohr	52	President, Chief Executive Officer and Director	1972
Walter E. Gregg, Jr.	59	Vice Chairman and Director	1974
Joseph C. Guyaux	50	Executive Vice President and Group Executive, Regional Community Banking	1972
Robert L. Haunschild	51	Senior Vice President and Chief Financial Officer	1990
Ralph S. Michael III	46	Executive Vice President and Group Executive, PNC Advisors and PNC Capital Markets	1979
Thomas E. Paisley III	53	Senior Vice President and Chairman, Corporate Credit Policy Committee	1972
Samuel R. Patterson	42	Controller	1986
Helen P. Pudlin	51	Senior Vice President and General Counsel	1989

Thomas K. Whitford	45	Executive Vice President and Group Executive, Strategic Planning	1983

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

PART II

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

The Corporation's common stock is listed on the New York Stock Exchange and is traded under the symbol "PNC." At the close of business on February 28, 2001, there were 56,976 common shareholders of record.

Holders of common stock are entitled to receive dividends when declared by the Board of Directors out of funds legally available therefor. The Board of Directors may not pay or set apart dividends on the common stock until dividends for all past dividend periods on any series of outstanding preferred stock have been paid or declared and set apart for payment. The Board presently intends to continue the policy of paying quarterly cash dividends. However, the amount of any future dividends will depend on earnings, the financial condition of the Corporation and other factors, including contractual restrictions and applicable government regulations and policies (such as those relating to the ability of bank and nonbank subsidiaries to upstream dividends to the parent company). The Federal Reserve Board has the power to prohibit the Corporation from paying dividends without its approval. Further discussion concerning dividend restrictions and restrictions on loans or advances from bank subsidiaries to the parent company is set forth under the caption "Supervision and Regulation" in Part I, Item 1 of this Form 10-K, under the caption "Liquidity Risk" in the "Risk Management" section of the "Financial Review" on page 52 and in "Note 17 - Regulatory Matters" of the Annual Report to Shareholders, which sections are incorporated herein by reference.

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

ITEM 6 - SELECTED FINANCIAL DATA

The information set forth under the caption "Selected Consolidated Financial Data" in the "Financial Review" on page 33 and the caption "Average Consolidated Balance Sheet and Net Interest Analysis" in the "Statistical Information" on pages 88 and 89 of the Annual Report to Shareholders is incorporated herein by reference.

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

The discussion of the Corporation's financial condition and results of operations set forth under the section "Financial Review" on pages 33 through 58 of the Annual Report to Shareholders is incorporated herein by reference.

ITEM 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information set forth under the caption "Risk Management" in the "Financial Review" and in "Note 2 - Discontinued Operations" on pages 49 through 55 and 68, respectively, of the Annual Report to Shareholders is incorporated herein by reference.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The "Report of Ernst & Young LLP, Independent Auditors," "Consolidated Financial Statements," "Notes to Consolidated Financial Statements" and "Selected Quarterly Financial Data" on pages 59, 60 through 63, 64 through 85, and 86, respectively, of the Annual Report to Shareholders are incorporated herein by reference.

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

There were no reportable events.

PART III

ITEM 10 - DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information regarding directors and nominees required by this item is set forth under the caption "Election of Directors - Information Concerning Nominees" in the Proxy Statement to be filed for the annual meeting of shareholders to be held on April 24, 2001 and is incorporated herein by reference.

Information regarding compliance with Section 16(a) of the Securities Exchange Act of 1934 set forth under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement to be filed for the annual meeting of shareholders to be held on April 24, 2001 and is incorporated herein by reference.

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

ITEM 11 - EXECUTIVE COMPENSATION

The information required by this item is set forth under the captions "Election of Directors - Compensation of Directors" and "Compensation of Executive Officers," excluding the "Personnel and Compensation Committee Report," in the Proxy Statement to be filed for the annual meeting of shareholders to be held on April 24, 2001 and is incorporated herein by reference.

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this item is set forth under the caption "Security Ownership of Directors, Nominees and Executive Officers" in the Proxy Statement to be filed for the annual meeting of shareholders to be held on April 24, 2001 and is incorporated herein by reference.

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this item is set forth under the caption "Transactions Involving Directors, Nominees and Executive Officers" in the Proxy Statement to be filed for the annual meeting of shareholders to be held on April 24, 2001 and is incorporated herein by reference.

PART IV

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

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

Financial Statements	Page of Annual Report to Shareholders
Report of Ernst & Young LLP, Independent Auditors	59
Consolidated Statement of Income for the three years ended December 31, 2000	60
Consolidated Balance Sheet as of December 31, 2000 and 1999	61
Consolidated Statement of Shareholders' Equity for the three years ended December 31, 2000	62
Consolidated Statement of Cash Flows for the three years ended December 31, 2000	63
Notes to Consolidated Financial Statements	64-85
Selected Quarterly Financial Data	86

No financial statement schedules are being filed.

REPORTS ON FORM 8-K No reports on Form 8-K were filed during the quarter ended December 31, 2000.

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

SIGNATURES

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

THE PNC FINANCIAL SERVICES GROUP, INC.
(Registrant)

By: /s/ Robert L. Haunschild

Robert L. Haunschild, Senior Vice President and Chief Financial Officer
March 12, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of The PNC Financial Services Group, Inc. and in the capacities indicated on March 12, 2001.

Signature	Capacities
/s/ James E. Rohr James E. Rohr	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Robert L. Haunschild Robert L. Haunschild	Senior Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ Samuel R. Patterson Samuel R. Patterson	Controller (Principal Accounting Officer)
* Paul W. Chellgren; Robert N. Clay; George A. Davidson, Jr.; David F. Girard-diCarlo; Walter E. Gregg, Jr.; William R. Johnson; Bruce C. Lindsay; W. Craig McClelland; Thomas H. O'Brien; Jane G. Pepper; Jackson H. Randolph; Roderic H. Ross; Lorene K. Steffes; Thomas J. Usher; Milton A. Washington; and Helge H. Wehmeier	Directors

*By: /s/ Thomas R. Moore

Thomas R. Moore, Attorney-in-Fact, pursuant to Powers of Attorney filed herewith

EXHIBIT INDEX

Exhibit No.	Description	Method of Filing +

<S> <C> <C>

3.1 Articles of Incorporation of the Corporation, as amended and Incorporated herein by reference to
Exhibit 3.1
restated as of May 15, 2000. of the Corporation's Quarterly
Report on
Form 10-Q for the quarter ended
March 31, 2000.

3.2 By-Laws of the Corporation, as amended. Incorporated herein by reference to
Exhibit 3.2
of the Corporation's Quarterly
Report on
Form 10-Q for the quarter ended
March 31, 2000.

4.1 There are no instruments with respect to long-term debt of the
Corporation and its subsidiaries that involve securities
authorized under the instrument in an amount exceeding 10
percent of the total assets of the Corporation and its
subsidiaries on a consolidated basis. The Corporation agrees to
provide the SEC with a copy of instruments defining the rights
of holders of long-term debt of the Corporation and its
subsidiaries on request.

4.2 Terms of $1.80 Cumulative Convertible Preferred Stock, Series A. Incorporated herein by reference to
Exhibit 3.1
of the Corporation's Quarterly
Report on
Form 10-Q for the quarter ended
March 31, 2000.

4.3 Terms of $1.80 Cumulative Convertible Preferred Stock, Series B. Incorporated herein by reference to
Exhibit 3.1
of the Corporation's Quarterly
Report on
Form 10-Q for the quarter ended
March 31, 2000.

4.4 Terms of $1.60 Cumulative Convertible Preferred Stock, Series C. Incorporated herein by reference to
Exhibit 3.1
of the Corporation's Quarterly
Report on
Form 10-Q for the quarter ended
March 31, 2000.

4.5 Terms of $1.80 Cumulative Convertible Preferred Stock, Series D. Incorporated herein by reference to
Exhibit 3.1
of the Corporation's Quarterly
Report on
Form 10-Q for the quarter ended
March 31, 2000.

4.6 Terms of Fixed/Adjustable Rate Noncumulative Preferred Stock, Incorporated herein by reference to
Exhibit 3.1
Series F. of the Corporation's Quarterly
Report on
Form 10-Q for the quarter ended
March 31, 2000.

4.7 Terms of Series G Junior Participating Preferred Stock. Incorporated herein by reference to
Exhibit 3.1
of the Corporation's Quarterly
Report on
Form 10-Q for the quarter ended
March 31, 2000.

4.8 Rights Agreement between the Corporation and Chase Manhattan Incorporated herein by reference to
Exhibit 1
Bank dated May 15, 2000 to the Corporation's Report on
Form 8-A filed
May 23, 2000.

10.1 The Corporation's Supplemental Executive Retirement Plan, as Incorporated herein by reference to
Exhibit 10.1
amended as of January 1, 1999. of the Corporation's Annual
Report on Form
10-K for the year ended
December 31, 1999
("1999 Form 10-K"). *

10.2 The Corporation's ERISA Excess Pension Plan, as amended as of Incorporated herein by reference to
Exhibit 10.2
January 1, 1999. of the Corporation's 1999 Form

10-K. *

10.3	The Corporation's Key Executive Equity Program, as amended as of January 1, 1999.	Incorporated herein by reference to Exhibit 10.3 of the Corporation's 1999 Form 10-K. *
10.4	The Corporation's Supplemental Incentive Savings Plan, as amended as of January 1, 1999.	Incorporated herein by reference to Exhibit 10.4 of the Corporation's 1999 Form 10-K. *

</TABLE>

<TABLE>

<S>	<C>	<C>
10.5	The Corporation's 1997 Long-Term Incentive Award Plan, as amended.	Incorporated herein by reference to Exhibit 10.5 of the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000. *
10.6	The Corporation's 1996 Executive Incentive Award Plan.	Incorporated herein by reference to Exhibit 10.2 of the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996. *
10.7	PNC Bank Corp. and Affiliates Deferred Compensation Plan, as amended as of January 1, 1999.	Incorporated herein by reference to Exhibit 10.11 of the Corporation's 1999 Form 10-K. *
10.8	Form of Change in Control Severance Agreement.	Incorporated herein by reference to Exhibit 10.17 of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1996 ("1996 Form 10-K"). *
10.9	Forms of Amendment to Change in Control Severance Agreements.	Filed herewith. *
10.10	1992 Director Share Incentive Plan.	Incorporated herein by reference to Exhibit 10.13 of the Corporation's 1999 Form 10-K. *
10.11	The Corporation's Directors Deferred Compensation Plan.	Incorporated by reference to Exhibit 10.1 of the Corporation's Quarterly Report on Form 10-Q for the Quarter ended September 30, 1996. *
10.12	The Corporation's Outside Directors Deferred Stock Unit Plan	Incorporated herein by reference to Exhibit 10.15 of the Corporation's 1999 Form 10-K. *
10.13	Amended and Restated Trust Agreement between the Corporation, as Settlor, and Hershey Trust Company, as successor Trustee to NationsBank, N.A., Trustee.	Incorporated herein by reference to Exhibit 10.18 of the Corporation's 1996 Form 10-K. *
10.14	Consulting arrangement between the Corporation and Thomas H. O'Brien	Incorporated herein by reference to Exhibit 10.17 of the Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000.
12.1	Computation of Ratio of Earnings to Fixed Charges.	Filed herewith.
12.2	Computation of Ratio of Earnings to Fixed Charges and Preferred Dividends.	Filed herewith.
13	Excerpts from the Corporation's Annual Report to Shareholders for	Filed herewith.

	the year ended December 31, 2000. Such Annual Report, except for the portions thereof that are expressly incorporated by reference herein, is furnished for information of the SEC only and is not deemed to be "filed" as part of this Form 10-K.	
21	Schedule of Certain Subsidiaries of the Corporation.	Filed herewith.
23	Consent of Ernst & Young LLP, independent auditors for the Corporation.	Filed herewith.
24	Powers of Attorney.	Filed herewith.

</TABLE>

- --

+ Incorporated document references to filings by the Corporation are to SEC File No. 1-9718.
* Denotes management contract or compensatory plan.

EXHIBIT 10.9

FORMS OF AMENDMENT TO CHANGE IN CONTROL SEVERANCE AGREEMENTS

FORM 1

This Amendment to Change in Control Severance Agreement (this "Amendment") dated as of November 15, 2000 is made by and between The PNC Financial Services Group, Inc. (formerly known as PNC Bank Corp.), a Pennsylvania corporation (the "Company"), and ________________ (the "Executive").

WHEREAS, the Company and the Executive have previously entered into a Change in Control Severance Agreement dated as of ____________ (the "Agreement"); and

WHEREAS, the Board of Directors of the Company has determined that it is in the best interests of the Company and its shareholders to amend the Agreement to (a) reflect certain changes that have been made to the Company's employee benefit plans and the personnel classifications applicable to the Company's executives, (b) provide for the enhancement, under certain circumstances, of certain pension-based benefits that become payable to the Executive under the Agreement in the event of a qualifying termination of employment, and (c) revise the definition of "Classification Factor" and make certain clarifying changes; and

WHEREAS, Section 7.7 of the Agreement authorizes its modification in a writing signed by both the Executive and a designated officer of the Company;

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained and intending to be legally bound hereby, the Company and the Executive hereby amend the Agreement as follows:

1. Defined Terms. The definitions of capitalized terms used in this Amendment shall be the same as are set forth in the Agreement, except as herein amended.

2. Term of Agreement. Effective as of November 15, 2000, Section 2(b) of the Agreement is amended by replacing the phrase "SEG 6" with the phrase "Corporate Executive Group Level or equivalent successor classification.".

3. Bonus. Effective as of November 15, 2000, Section 5.2(b)(iii) of the Agreement is amended in its entirety to provide as follows:

"(iii) General. Any payment made to the Executive under this Section 5.2(b) shall be deemed to be a payment made in fulfillment of the Company's then existing or future annual bonus obligations (whether payable in cash or in Company stock), if any, to the Executive under any Company annual incentive compensation plan or program with respect to such fiscal years, including any portion of such bonus payable in the form of Company stock."

4. Pension Benefits.Effective as of July 6, 2000, Section 5.2(e) of the Agreement is amended in its entirety to provide as follows:

"(e) Pension Benefits.

(i) Pension Plan Benefits. The pension benefits accrued by the Executive under the Pension Plan, the Excess Plan, and the SERP (the "Company Pension Plans") shall be paid to the Executive in accordance with the terms of such plans.

(ii) Benefits Period Pension Accruals. In addition to amounts payable to the Executive pursuant to the Company Pension Plans, the Company shall pay to the Executive a lump sum amount, in cash, equal to the discounted present value of the difference between (1) the Adjusted Lump Sum Amount, and (2) the Date of Termination Lump Sum Amount. Such discounted present value shall be calculated using an interest rate equal to the Applicable Interest Rate in effect under the Pension Plan as of the Date of Termination. For purposes of this Section 5.2(e): "Adjusted Lump Sum Amount" means the total amount that would be distributed to the Executive in the form of lump sum payments under the Pension Plan and the Excess Plan assuming that (A) the Executive (I) remained employed (after the Date of Termination) for the Benefits Period, (II) was compensated during the Benefits Period at the Executive's Annual Base Salary and Annual Bonus, (III) received no prior distributions under the Pension Plan and the Excess Plan, (IV) was fully vested under the Pension Plan and the Excess Plan, and (V) elected to receive his accrued benefits under the Pension Plan and the Excess Plan in the form of a lump sum distribution payable as of the last day of the Benefits Period; (B) the Applicable Interest Rate for purposes of determining the lump sum amounts to be distributed under the Pension Plan and the Excess Plan as of the last day of the Benefits Period is the Applicable Interest Rate in effect for purposes of the Pension Plan and the Excess Plan as of the Date of Termination; and (C) the Interest Credits in effect for each calendar quarter during the Benefits Period are determined based on the Applicable Interest Rate for purposes of the Pension Plan and the Excess Plan as of the Date of Termination; and "Date of Termination Lump Sum Amount" means the total amount that would be distributed to the Executive in the form of lump sum payments from the Pension Plan and the Excess Plan assuming that the Executive elected to receive the distribution of his accrued benefits under the Pension Plan and the Excess Plan in the form of lump sum distributions payable as of the Date of Termination.

(iii) Benefits Period SERP Accruals. In addition to amounts payable to the Executive pursuant to Section 5.2(e)(ii) hereof and the Company Pension Plans, the Company shall pay to the Executive a lump sum amount, in cash, equal to the actuarial equivalent present value of the additional pension benefits that the Executive would have accrued under the SERP assuming that the Executive remained employed (after the Date of Termination) for the Benefits Period, was compensated during such period at the Executive's Annual Base Salary and Annual Bonus, and was fully vested under the Company Pension Plans. Such actuarial equivalent present value amount shall be calculated (1) based on the pension benefits that would be payable to the Executive as a 180 month annuity under the SERP commencing as of the last day of the Benefits Period; and (2) using the same methods and assumptions used under the SERP in determining the lump sum value of the Executive's accrued benefit under the SERP as of the Date of Termination.

(iv) Increased Pension Benefits. If the Executive has attained the age of 50 but has not yet attained the age of 59 on the Date of Termination, all benefits payable to the Executive under Sections 5.2(e)(i), 5.2(e)(ii), and 5.2(e)(iii) shall be increased by a percentage factor (the "Pension Increase Factor") determined by reference to the age the Executive will have attained on the last day of the Benefits Period (determined assuming the Executive survives to such date) as set forth in Annex A to this Amendment. The Company shall pay such increased benefits in a lump sum, in cash, at the time set forth in Section 5.4.

(v) No Adverse Affect. The determinations made pursuant to Sections 5.2(e)(ii), (iii) and (iv) shall be made without giving effect to any amendments made to the Company Pension Plans during the Coverage Period that adversely affect in any manner the amount of pension benefits payable to the Executive under the Company Pension Plans."

5. Timing of Payments. Effective as of November 15, 2000, the first sentence of Section 5.4 of the Agreement is amended to add "Section 5.2(e)(i)" after the reference to "Section 5.2(c)" in such sentence.

6. Name Change. Effective July 6, 2000, all references in the Agreement to "PNC Bank Corp." are amended to provide "The PNC Financial Services Group, Inc." to reflect the change in the Company's name.

7. Classification Factor. Effective as of November 15, 2000, Section 8.10 of the Agreement is amended to provide in its entirety as follows:

"8.10 "Classification Factor" shall mean three (3)."

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed by its officer, thereunto duly authorized, and the Executive has executed this Amendment, all as of the day and year first above written.

THE PNC FINANCIAL SERVICES GROUP, INC.

By: _____________________________
[Name]
[Title]

By: _____________________________
[Name of Executive]

ANNEX A TO FORM 1

The following table sets forth the Pension Increase Factors referred to in Section 5.2(e) (iv) for increasing pension benefits when the Executive's attained age at the end of the Benefits Period falls between 52 and 62. For purposes of this Annex A and Section 5.2(e)(iv), the Pension Increase Factor is interpolated to reflect the Executive's age on the last day of the Benefits Period rounded to the nearest month.

AGE AT END OF BENEFITS PERIOD	PENSION INCREASE FACTOR
61	5%
60	10%
59	15%
58	20%
57	25%
56	20%
55	15%
54	10%
53	5%
52	0%

FORM 2

This Amendment to Change in Control Severance Agreement (this "Amendment") dated as of November 15, 2000, is made by and between The PNC Financial Services Group, Inc. (formerly known as PNC Bank Corp.), a Pennsylvania corporation (the "Company"), and _______________ (the "Executive").

WHEREAS, the Company and the Executive have previously entered into a Change in Control Severance Agreement dated as of ____________ (the "Agreement"); and

WHEREAS, the Board of Directors of the Company has determined that it is in the best interests of the Company and its shareholders to amend the Agreement to (a) reflect certain changes that have been made to the Company's employee benefit plans and the personnel classifications applicable to the Company's executives, (b) provide for the enhancement, under certain circumstances, of certain pension-based benefits that become payable to the Executive under the Agreement in the event of a qualifying termination of employment and (c) revise the definition of "Classification Factor" and make certain clarifying changes; and

WHEREAS, Section 7.7 of the Agreement authorizes its modification in a writing signed by both the Executive and a designated officer of the Company;

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained and intending to be legally bound hereby, the Company and the Executive hereby amend the Agreement as follows:

1. Defined Terms. The definitions of capitalized terms used in this Amendment shall be the same as are set forth in the Agreement, except as herein amended.

2. Term of Agreement. Effective as of November 15, 2000, Section 2(b) of the Agreement is amended by replacing the phrase "SEG 6" with the phrase "Corporate Executive Group Level or equivalent successor classification.".

3. Bonus. Effective as of November 15, 2000, Section 5.2(b)(iii) of the Agreement is amended in its entirety to provide as follows:

"(iii) General. Any payment made to the Executive under this Section 5.2(b) shall be deemed to be a payment made in fulfillment of the Company's then existing or future annual bonus obligations (whether payable in cash or in Company stock), if any, to the Executive under any Company annual incentive compensation plan or program with respect to such fiscal years, including any portion of such bonus payable in the form of Company stock."

4. Pension Benefits. Effective as of July 6, 2000, Section 5.2(e) of the Agreement is amended in its entirety to provide as follows:

"(e) Pension Benefits.

(i) Pension Plan Benefits. The pension benefits accrued by the Executive under the Pension Plan, the Excess Plan, and the SERP (the "Company Pension Plans") shall be paid to the Executive in accordance with the terms of such plans.

(ii) Benefits Period Pension Accruals. In addition to amounts payable to the Executive pursuant to the Company Pension Plans, the Company shall pay to the Executive a lump sum amount, in cash, equal to

the discounted present value of the difference between (1) the Adjusted Lump Sum Amount, and (2) the Date of Termination Lump Sum Amount. Such discounted present value shall be calculated using an interest rate equal to the Applicable Interest Rate in effect under the Pension Plan as of the Date of Termination. For purposes of this Section 5.2(e): "Adjusted Lump Sum Amount" means the total amount that would be distributed to the Executive in the form of lump sum payments under the Company Pension Plans assuming that (A) the Executive (I) remained employed (after the Date of Termination) for the Benefits Period, (II) was compensated during the Benefits Period at the Executive's Annual Base Salary and Annual Bonus, (III) received no prior distributions under the Company Pension Plans, (IV) was fully vested under the Company Pension Plans, and (V) elected to receive his accrued benefits under the Company Pension Plans in the form of a lump sum distribution payable as of the last day of the Benefits Period; (B) the Applicable Interest Rate for purposes of determining the lump sum amounts to be distributed under the Company Pension Plans as of the last day of the Benefits Period is the Applicable Interest Rate in effect for purposes of the Company Pension Plans as of the Date of Termination; and (C) the Interest Credits in effect for each calendar quarter during the Benefits Period are determined based on the Applicable Interest Rate for purposes of the Company Pension Plans as of the Date of Termination; and "Date of Termination Lump Sum Amount" means the total amount that would be distributed to the Executive in the form of lump sum payments from the Company Pension Plans assuming that the Executive elected to receive the distribution of his accrued benefits under the Company Pension Plans in the form of lump sum distributions payable as of the Date of Termination.

(iii) Increased Pension Benefits. If the Executive has attained the age of 50 but has not yet attained the age of 59 on the Date of Termination, all benefits payable to the Executive under Section 5.2(e)(i) and Section 5.2(e)(ii) shall be increased by a percentage factor (the "Pension Increase Factor") determined by reference to the age the Executive will have attained on the last day of the Benefits Period (determined assuming the Executive survives to such date) as set forth in Annex A to this Amendment. The Company shall pay such increased benefits in a lump sum, in cash, at the time set forth in Section 5.4.

(iv) No Adverse Affect. The determinations made pursuant to Sections 5.2(e)(ii) and (iii) shall be made without giving effect to any amendments made to the Company Pension Plans during the Coverage Period that adversely affect in any manner the amount of pension benefits payable to the Executive under the Company Pension Plans."

5. Timing of Payments. Effective as of November 15, 2000, the first sentence of Section 5.4 of the Agreement is amended to add "Section 5.2(e)(i)" after the reference to "Section 5.2(c)" in such sentence.

6. Name Change. Effective as of July 6, 2000, all references in the Agreement to "PNC Bank Corp." are amended to provide "The PNC Financial Services Group, Inc." to reflect the change in the Company's name.

7. Classification Factor. Section 8.10 of the Agreement is amended to provide in its entirety as follows:

"8.10 "Classification Factor" shall mean three (3)."

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed by its officer, thereunto duly authorized, and the Executive has executed this Amendment, all as of the day and year first above written.

THE PNC FINANCIAL SERVICES GROUP, INC.

By: ______________________________
[Name]
[Title]

By: ______________________________
[Name of Executive]

ANNEX A TO FORM 2

The following table sets forth the Pension Increase Factors referred to in Section 5.2(e) (iii) for increasing pension benefits when the Executive's attained age at the end of the Benefits Period falls between 52 and 62. For purposes of this Annex A and Section 5.2(e)(iii), the Pension Increase Factor is interpolated to reflect the Executive's age on the last day of the Benefits Period rounded to the nearest month.

Age at end of Benefits Period	Pension Increase Factor
61	5%
60	10%
59	15%
58	20%
57	25%
56	20%
55	15%
54	10%
53	5%
52	0%

THE PNC FINANCIAL SERVICES GROUP, INC. AND SUBSIDIARIES EXHIBIT 12.1

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

Year ended December 31 Dollars in millions	2000	1999	1998	1997	1996
EARNINGS					
Income from continuing operations before taxes	$1,848	$1,788	$1,651	$1,595	$1,526
Fixed charges excluding interest on deposits	1,033	980	1,159	1,080	1,014
Subtotal	2,881	2,768	2,810	2,675	2,540
Interest on deposits	1,653	1,369	1,471	1,457	1,428
Total	$4,534	$4,137	$4,281	$4,132	$3,968
FIXED CHARGES					
Interest on borrowed funds	$915	$870	$1,065	$1,010	$985
Interest component of rentals	50	44	33	26	27
Amortization of notes and debentures	1	1	1	1	1
Distributions on Mandatorily Redeemable Capital Securities of Subsidiary Trusts	67	65	60	43	1
Subtotal	1,033	980	1,159	1,080	1,014
Interest on deposits	1,653	1,369	1,471	1,457	1,428
Total	$2,686	$2,349	$2,630	$2,537	$2,442
RATIO OF EARNINGS TO FIXED CHARGES					
Excluding interest on deposits	2.79x	2.82x	2.42x	2.48x	2.50x
Including interest on deposits	1.69	1.76	1.63	1.63	1.62

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

<TABLE>
<CAPTION>

Year ended December 31 Dollars in millions	2000	1999	1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>
EARNINGS					
Income from continuing operations before taxes	$1,848	$1,788	$1,651	$1,595	$1,526
Fixed charges and preferred stock dividends excluding interest on deposits	1,063	1,010	1,188	1,110	1,022
Subtotal	2,911	2,798	2,839	2,705	2,548
Interest on deposits	1,653	1,369	1,471	1,457	1,428
Total	$4,564	$4,167	$4,310	$4,162	$3,976
FIXED CHARGES					
Interest on borrowed funds	$915	$870	$1,065	$1,010	$985
Interest component of rentals	50	44	33	26	27
Amortization of notes and debentures	1	1	1	1	1
Distributions on Mandatorily Redeemable Capital Securities of Subsidiary Trusts	67	65	60	43	1
Preferred stock dividend requirements	30	30	29	30	8
Subtotal	1,063	1,010	1,188	1,110	1,022
Interest on deposits	1,653	1,369	1,471	1,457	1,428
Total	$2,716	$2,379	$2,659	$2,567	$2,450
RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS					
Excluding interest on deposits	2.74x	2.77x	2.39x	2.44x	2.49x
Including interest on deposits	1.68	1.75	1.62	1.62	1.62

</TABLE>

Exhibit 13

TABLE OF CONTENTS
The PNC Financial Services Group, Inc.

FINANCIAL REVIEW

33 Selected Consolidated Financial Data

34 Overview

35 Review of Businesses

37 Community Banking

38 Corporate Banking

39 PNC Real Estate Finance

40 PNC Business Credit

41 PNC Advisors

42 BlackRock

43 PFPC

44 Consolidated Income Statement Review

46 Consolidated Balance Sheet Review

48 Risk Factors

49 Risk Management

56 1999 Versus 1998

58 Forward-Looking Statements

REPORTS ON CONSOLIDATED FINANCIAL STATEMENTS

59 Management's Responsibility for Financial Reporting

59 Report of Ernst & Young LLP, Independent Auditors

CONSOLIDATED FINANCIAL STATEMENTS

60 Consolidated Statement of Income

61 Consolidated Balance Sheet

62 Consolidated Statement of Shareholders' Equity

63 Consolidated Statement of Cash Flows

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

64 NOTE 1 - Accounting Policies

68 NOTE 2 - Discontinued Operations

68 NOTE 3 - Sale of Subsidiary Stock

69 NOTE 4 - Cash Flows

69 NOTE 5 - Trading Activities

69 NOTE 6 - Securities Available for Sale

70 NOTE 7 - Loans and Commitments to Extend Credit

71 NOTE 8 - Nonperforming Assets

72 NOTE 9 - Allowance for Credit Losses

72 NOTE 10 - Premises, Equipment and Leasehold Improvements

72 NOTE 11 - Goodwill and Other Amortizable Assets

72 NOTE 12 - Securitizations

73 NOTE 13 - Deposits

73 NOTE 14 - Borrowed Funds

73 NOTE 15 - Capital Securities of Subsidiary Trusts

73 NOTE 16 - Shareholders' Equity

74 NOTE 17 - Regulatory Matters

75 NOTE 18 - Financial Derivatives

76 NOTE 19 - Employee Benefit Plans

78 NOTE 20 - Stock-Based Compensation Plans

79 NOTE 21 - Income Taxes

80 NOTE 22 - Segment Reporting

82 NOTE 23 - Earnings Per Share

83 NOTE 24 - Comprehensive Income

83 NOTE 25 - Litigation

83 NOTE 26 - Fair Value of Financial Instruments

84 NOTE 27 - Unused Line of Credit

85 NOTE 28 - Parent Company

STATISTICAL INFORMATION

86 Selected Quarterly Financial Data

87 Analysis of Year-to-Year Changes in Net Interest Income

88 Average Consolidated Balance Sheet and Net Interest Analysis

90 Allowance for Credit Losses

91 Short-Term Borrowings

91 Loan Maturities and Interest Sensitivity

91 Time Deposits of $100,000 or More

FINANCIAL REVIEW
The PNC Financial Services Group, Inc.

SELECTED CONSOLIDATED FINANCIAL DATA

<TABLE>
<CAPTION>

Year ended December 31 Dollars in millions, except per share data	2000	1999	1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>
SUMMARY OF OPERATIONS					
Interest income	$4,732	$4,583	$5,024	$4,912	$4,812
Interest expense	2,568	2,239	2,536	2,467	2,413
Net interest income	2,164	2,344	2,488	2,445	2,399
Provision for credit losses	136	163	225	70	
Noninterest income before net securities gains	2,871	2,428	2,070	1,583	

					1,217
Net securities gains	20	22	16	40	22
Noninterest expense	3,071	2,843	2,698	2,403	2,112
Income from continuing operations before income taxes	1,848	1,788	1,651	1,595	1,526
Income taxes	634	586	571	557	535
Income from continuing operations	1,214	1,202	1,080	1,038	991
Income from discontinued operations	65	62	35	14	1
Net income	$1,279	$1,264	$1,115	$1,052	$992
PER COMMON SHARE DATA					
Basic earnings					
Continuing operations	$4.12	$3.98	$3.53	$3.29	$2.91
Discontinued operations	.23	.21	.11	.04	
Net income	4.35	4.19	3.64	3.33	2.91
Diluted earnings					
Continuing operations	4.09	3.94	3.49	3.24	2.88
Discontinued operations	.22	.21	.11	.04	
Net income	4.31	4.15	3.60	3.28	2.88
Diluted cash earnings (a)					
Continuing operations	4.48	4.21	3.70	3.40	3.02
Discontinued operations	.22	.21	.12	.05	.02
Net income	4.70	4.42	3.82	3.45	3.04
Book value	21.88	19.23	18.86	16.87	17.13
Cash dividends declared	1.83	1.68	1.58	1.50	1.42
BALANCE SHEET HIGHLIGHTS (at December 31)					
Assets	$69,844	$69,286	$70,754	$71,694	$71,312
Earning assets	59,373	60,268	63,547	63,798	64,028
Loans, net of unearned income	50,601	49,673	57,633	54,235	51,791
Securities available for sale	5,902	5,960	4,472	8,040	11,512
Loans held for sale	1,655	3,477	467	18	40
Deposits	47,664	45,802	46,150	46,956	45,043
Borrowed funds	11,718	14,229	15,939	16,958	18,345
Shareholders' equity	6,656	5,946	6,043	5,384	5,869
Common shareholders' equity	6,344	5,633	5,729	5,069	5,553
SELECTED RATIOS FROM CONTINUING OPERATIONS					
Return on					
Average common shareholders' equity	20.52%	21.29%	20.14%	19.74%	17.15%
Average assets	1.76	1.76	1.55	1.52	1.44
Net interest margin	3.64	3.86	3.99	3.98	3.85
Noninterest income to total revenue	56.99	50.87	45.35	39.61	33.73
Efficiency (b)	56.85	55.54	54.81	55.33	55.87

FROM NET INCOME					
Return on					
Average common shareholders' equity	21.63	22.41	20.81	20.01	17.18
Average assets	1.68	1.69	1.49	1.49	1.40
Net interest margin	3.37	3.68	3.85	3.94	3.83
Noninterest income to total revenue	59.28	52.79	46.97	41.29	35.68
Efficiency (c)	55.17	54.82	54.76	56.07	56.95
Dividend payout	42.06	40.22	43.43	45.39	48.89
Leverage (d)	8.03	6.61	7.28	7.30	7.70
Common shareholders' equity to assets	9.08	8.13	8.10	7.07	7.79
Average common shareholders' equity to average assets	8.44	8.13	7.56	7.57	8.32

</TABLE>

(a) Excludes amortization of goodwill.
(b) Excludes amortization and distributions on capital securities.
(c) Excludes amortization, distributions on capital securities and residential mortgage banking risk management activities.
(d) Includes discontinued operations in the years 1996 through 1999.

This Financial Review should be read in conjunction with The PNC Financial Services Group, Inc. and subsidiaries' ("Corporation" or "PNC") Consolidated Financial Statements and Statistical Information included herein. For information regarding business risks, see the Risk Management and Risk Factors sections in this Financial Review. Also, see the Forward-Looking Statements section in this Financial Review for other factors that could cause actual results to differ materially from forward-looking statements or historical performance.

OVERVIEW

THE PNC FINANCIAL SERVICES GROUP, INC.

The Corporation is one of the largest diversified financial services companies in the United States, operating community banking, corporate banking, real estate finance, asset-based lending, wealth management, asset management and global fund services businesses. The Corporation provides certain products and services nationally and others in PNC's primary geographic markets in Pennsylvania, New Jersey, Delaware, Ohio and Kentucky. The Corporation also provides certain products and services internationally.

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 aggressively pursuing strategies designed to achieve more consistent results. These strategies include repositioning leverage-based businesses and improving the earnings stream by building a diverse group of higher-valuation businesses. Increasing contributions from growth businesses, including asset management and processing and the fee-based segments within PNC's banking franchise, have strengthened the Corporation's revenue and earnings mix. In addition, the Corporation seeks to enhance consolidated value by leveraging technology, information, branding, marketing and financial resources across all businesses.

As a result of these strategies, PNC's financial characteristics have changed significantly over the past five years. Noninterest income grew 23% annualized during this time period while net interest income decreased by approximately $300 million and total assets declined by $3.4 billion. Noninterest income to total revenue increased from 36% in 1996 to 59% in 2000. The loan to deposit ratio improved from 113% to 106% as a result of exiting lower-return lending businesses, while growing the deposit franchise. Over this period, return on average common shareholders' equity improved from 17% to 22%.

As part of this transition, the Corporation implemented a number of initiatives designed to improve the risk/return characteristics of its lending businesses. These included the sale of the credit card business and exiting or downsizing certain non-strategic lending businesses.

On October 2, 2000, PNC announced that it reached a definitive agreement to

sell its residential mortgage banking business. The capital made available by the sale will be redeployed in a number of ways, which may include repurchasing common stock, continuing to reduce balance sheet leverage, reducing debt and making targeted investments in higher-growth businesses. The amount of capital available for redeployment and the income statement impact of the sale will depend on fair market values and other factors, and will not be determined until final settlement. The transaction closed on January 31, 2001.

PNC also expanded its fee-based services by acquiring Investor Services Group ("ISG") in December 1999. The combination of ISG with PFPC, the Corporation's global fund services subsidiary, created one of the nation's leading full-service processors for pooled investment products.

Other strategic acquisitions during 2000 included Automated Business Development Corp. ("ABD"), the leading provider of blue sky compliance services to the mutual fund industry, Univest Financial Group LLC ("Univest"), a privately held provider of technology and data management services to the commercial real estate finance industry, and the origination and servicing business of U.B. Vehicle Leasing Inc.

SUMMARY FINANCIAL RESULTS

Consolidated net income for 2000 was $1.279 billion or $4.31 per diluted share, a 10% increase compared with core earnings per diluted share for 1999. Return on average common shareholders' equity was 21.63% and return on average assets was 1.68% for 2000 compared with core returns of 21.24% and 1.60%, respectively, a year ago. Cash earnings per diluted share, which exclude goodwill amortization, were $4.70 for 2000, a 12% increase compared with core cash earnings per diluted share a year ago. Core earnings for the prior year exclude one-time gains that were partially offset by the cost of certain strategic initiatives. Reported earnings for 1999 were $1.264 billion or $4.15 per diluted share.

The residential mortgage banking business is reflected in discontinued operations throughout the Corporation's consolidated financial statements. Accordingly, 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

<TABLE>
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Year ended December 31 Dollars in millions, except per share data	2000 Reported	1999 Core	1999 Reported
<S>	<C>	<C>	<C>
Income from continuing operations	$1,214	$1,137	$1,202
Discontinued operations	65	62	62
Total net income	$1,279	$1,199	$1,264
Diluted EPS - continuing operations	$4.09	$3.72	$3.94
Discontinued operations	.22	.21	.21
Total diluted EPS	$4.31	$3.93	$4.15
Cash diluted EPS - continuing operations (a)	$4.48	$4.00	$4.21
Discontinued operations (a)	.22	.21	.21
Total cash diluted EPS (a)	$4.70	$4.21	$4.42

</TABLE>

(a) Excludes 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 2000 of $1.214 billion or $4.09 per diluted share increased 10% compared with core earnings per diluted share for 1999.

Taxable-equivalent net interest income was $2.182 billion for 2000, a $184 million decrease compared with 1999. The net interest margin was 3.64% for 2000 compared with 3.86% for 1999. The decreases were primarily due to funding costs related to the ISG acquisition, changes in balance sheet composition and a

higher interest rate environment in 2000.

The provision for credit losses was $136 million for 2000 and net charge-offs were $135 million or .27% of average loans. The provision for credit losses was $163 million and net charge-offs were $161 million or .31% of average loans in 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 in 2000.

Noninterest income of $2.891 billion for 2000 increased 28% compared with 1999, excluding non-core items from the prior year, and represented 57% of total revenue. 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 13% compared with the prior year.

Noninterest expense was $3.071 billion and the efficiency ratio was 57% in 2000 compared with $2.703 billion and 55%, respectively, in 1999, excluding non-core items. The increases were primarily due to the ISG acquisition. Excluding ISG, noninterest expense increased 2% compared with the prior year.

Total assets were $69.8 billion at December 31, 2000 compared with $69.3 billion at December 31, 1999. Average earning assets were $59.9 billion for 2000 compared with $61.3 billion for 1999. Average earning assets declined primarily due to a decrease in loans that resulted from the downsizing and exiting of certain non-strategic lending businesses.

Shareholders' equity totaled $6.7 billion at December 31, 2000. The regulatory capital ratios were 8.03% for leverage, 8.60% for tier I risk-based and 12.57% for total risk-based capital. During 2000, PNC repurchased 6.7 million shares of common stock.

The ratio of nonperforming assets to total loans, loans held for sale and foreclosed assets was .71% at December 31, 2000 compared with .61% at December 31, 1999. Nonperforming assets were $372 million at December 31, 2000 compared with $325 million at December 31, 1999. The increase was primarily due to higher commercial nonperforming loans partially offset by lower commercial real estate and residential mortgage nonperforming loans.

The allowance for credit losses was $675 million and represented 1.33% of total loans and 209% of nonaccrual loans at December 31, 2000. The comparable ratios were 1.36% and 232%, respectively, at December 31, 1999.

REVIEW OF BUSINESSES

PNC operates seven major businesses engaged in community banking, corporate banking, real estate finance, asset-based lending, wealth management, asset management and global fund services: Community 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 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 to reflect the Corporation's operating structure during 2000. Middle market and equipment leasing activities (previously included in Community 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 Community Banking) are reported in PNC Real Estate Finance. Business financial results for 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 consolidated 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 the "Other" category. The results of the residential mortgage banking business, previously PNC Mortgage, are included in results from discontinued operations.

RESULTS OF BUSINESSES

<TABLE>
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	Earnings		Revenue (taxable-equivalent basis)		Return on Assigned Capital		Average Assets	
Year ended December 31 - dollars in millions	2000	1999	2000	1999	2000	1999	2000	1999
PNC Bank								
Community Banking	$590	$543	$2,033	$1,968	22%	21%	$38,958	$37,502
Corporate Banking	244	246	839	745	20	21	16,382	15,587
Total PNC Bank	834	789	2,872	2,713	22	21	55,340	53,089
PNC Secured Finance								
PNC Real Estate Finance	82	74	220	212	21	19	5,506	5,554
PNC Business Credit	49	29	119	82	32	25	2,271	1,759
Total PNC Secured Finance	131	103	339	294	24	20	7,777	7,313
Asset Management								
PNC Advisors	173	147	792	738	32	27	3,500	3,353
BlackRock	87	59	477	381	27	36	537	448
PFPC	47	45	690	264	22	40	1,578	308
Total Asset Management	307	251	1,959	1,383	28	30	5,615	4,109
Total businesses	1,272	1,143	5,170	4,390	23	23	68,732	64,511
Other	(58)	(6)	(97)	227			(241)	3,403
Results from continuing operations - core ..	1,214	1,137	5,073	4,617	21	20	68,491	67,914
Gain on sale of credit card business		125		193				
Gain on sale of equity interest in EPS		63		97				
BlackRock IPO gain		59		64				
Branch gains		17		27				
Gain on sale of Concord stock net of PNC Foundation contribution		16		41				
Wholesale lending repositioning		(126)		(195)				
Costs related to efficiency initiatives		(64)						
Write-down of an equity investment		(18)		(28)				
Mall ATM buyout		(7)						
Results from continuing operations - reported	1,214	1,202	5,073	4,816	21	21		

							68,491	67,914
Results from discontinued operations	65	62	307	384	13	14	487	449
Total consolidated - reported	$1,279	$1,264	$5,380	$5,200	22	22	$68,978	$68,363

</TABLE>

COMMUNITY BANKING

Year ended December 31 Dollars in millions	2000	1999
INCOME STATEMENT		
Net interest income	$1,414	$1,418
Noninterest income	619	550
Total revenue	2,033	1,968
Provision for credit losses	45	61
Noninterest expense	1,071	1,057
Pretax earnings	917	850
Income taxes	327	307
Earnings	$590	$543
AVERAGE BALANCE SHEET		
Loans		
Consumer		
Home equity	$5,419	$5,176
Indirect	1,215	1,945
Education	102	849
Other consumer	795	727
Total consumer	7,531	8,697
Commercial	3,649	3,708
Residential mortgage	11,619	11,285
Other	1,466	1,254
Total loans	24,265	24,944
Securities available for sale	5,539	5,735
Loans held for sale	1,297	510
Assigned assets and other assets	7,857	6,313
Total assets	$38,958	$37,502
Deposits		
Noninterest-bearing demand	$4,548	$5,000
Interest-bearing demand	5,428	4,894
Money market	10,253	8,990
Savings	1,992	2,328
Certificates	13,745	13,280
Total deposits	35,966	34,492
Other liabilities	363	479
Assigned capital	2,629	2,531
Total funds	$38,958	$37,502
PERFORMANCE RATIOS		
Return on assigned capital	22%	21%
Noninterest income to total revenue	30	28
Efficiency	51	52

Community Banking provides deposit, branch-based brokerage, electronic banking and credit 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.

Community Banking's strategic focus is on driving sustainable revenue growth while aggressively managing the revenue/expense relationship. Community 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.

Community Banking has also invested heavily in building a sales culture and infrastructure while improving efficiency. Capital investments have been strategically directed towards the expansion of multi-channel distribution, consistent with customer preferences, as well as the delivery of relevant customer information to all distribution channels.

Community Banking contributed 46% of total business earnings for 2000 compared with 48% for 1999. Earnings increased $47 million or 9% to $590 million for 2000 and the noninterest income to total revenue and efficiency 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 11% in the comparison.

Total revenue was $2.033 billion for 2000 compared with $1.968 billion for 1999. The increase was primarily due to a $69 million or 13% increase in noninterest income that was driven by higher consumer transaction volume.

The provision for credit losses for 2000 decreased $16 million or 26% compared with the prior year. 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. There was a shift from noninterest-bearing demand deposits to interest-bearing demand deposits due to strategies designed to increase customer satisfaction and retention. Money market deposits increased $1.3 billion or 14% primarily due to successful consumer marketing initiatives.

Corporate Banking

Year ended December 31 Dollars in millions	2000	1999
INCOME STATEMENT		
Credit-related revenue	$406	$372
Noncredit revenue	433	373
Total revenue	839	745
Provision for credit losses	79	16
Noninterest expense	384	360
Pretax earnings	376	369
Income taxes	132	123
Earnings	$244	$246
AVERAGE BALANCE SHEET		
Loans		
Middle market	$5,866	$5,655
Specialized industries	3,780	3,975
Large corporate	2,564	2,276
Leasing	1,844	1,340
Other	254	454
Total loans	14,308	13,700
Other assets	2,074	1,887
Total assets	$16,382	$15,587
Deposits	$4,701	$4,499
Assigned funds and other liabilities	10,452	9,919
Assigned capital	1,229	1,169
Total funds	$16,382	$15,587
PERFORMANCE RATIOS		
Return on assigned capital	20%	21%
Noncredit revenue to total revenue	52	50
Efficiency	45	48

Corporate Banking provides 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. Lending activities are focused primarily within PNC's geographic region with consideration given to risk/return characteristics and are a complement to sales of noncredit products and services. Loans are syndicated to meet the credit needs of larger borrowers and to reduce and diversify credit exposure. Approximately 40% of the total loan portfolio at December 31, 2000 was the result of syndications.

Corporate Banking made the decision to exit certain non-strategic lending businesses during 1999. These activities are excluded from business results in both periods presented. Management continues to evaluate opportunities to reduce lending exposure and improve the risk/return characteristics of this business, including the downsizing of certain specialized industry portfolios.

Corporate Banking contributed 19% of total business earnings for 2000 compared with 21% for 1999. Earnings of $244 million for 2000 were comparable with earnings of $246 million for 1999.

Total revenue of $839 million for 2000 increased $94 million or 13% compared with the prior year. Average loans and credit-related revenue increased in the period-to-period comparison primarily driven by loans to middle market and 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 $60 million or 16% compared with 1999 primarily driven by increases in treasury management and capital markets fees and income associated with equity investments. Noncredit revenue comprised 52% of total revenue for 2000 compared with 50% last year, reflecting the emphasis on sales of fee-based products.

The provision for credit losses was $79 million for 2000 compared with $16 million for 1999. The higher provision reflected an increase in net charge-offs associated with the impact of a slowing economy primarily on the specialized industry portfolios. The provision for credit losses for 2001 could increase further if the economy continues to deteriorate or asset quality otherwise declines. See Credit Risk in the Risk Management section of this Financial Review for additional information regarding credit risk.

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 $341 million for 2000, an 11% increase compared with 1999. Consolidated revenue from capital markets was $133 million for 2000, a 21% increase compared with 1999.

PNC REAL ESTATE FINANCE

Year ended December 31 Dollars in millions	2000	1999
INCOME STATEMENT		
Net interest income	$115	$112
Noninterest income		
Net commercial mortgage banking	68	64
Other	37	36
Total noninterest income	105	100
Total revenue	220	212
Provision for credit losses	(7)	(5)
Noninterest expense	139	126
Pretax earnings	88	91
Income taxes	6	17
Earnings	$82	$74
AVERAGE BALANCE SHEET		
Loans		
Commercial - real estate related	$1,970	$2,156
Commercial real estate	2,424	2,515
Total loans	4,394	4,671
Commercial mortgages held for sale	174	124
Other assets	938	759

Total assets	$5,506	$5,554
Deposits	$288	$315
Assigned funds and other liabilities	4,834	4,848
Assigned capital	384	391
Total funds	$5,506	$5,554
PERFORMANCE RATIOS		
Return on assigned capital	21%	19%
Noninterest income to total revenue	48	47
Efficiency	51	47

PNC Real Estate Finance provides credit, capital markets, 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"), one of the largest national servicers of commercial mortgage loans, and Columbia Housing Partners, LP, a national syndicator of affordable housing equity, among other businesses.

On October 27, 2000, Midland acquired Univest, a privately held provider of technology and data management services to the commercial real estate finance industry. The combined company created one of the nation's leading providers 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 three years, PNC Real Estate Finance has been strategically shifting to a more balanced and valuable revenue stream by focusing on real estate processing businesses, including commercial loan servicing. During 2000, 48% of total revenue was generated by fee-based activities.

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

PNC Real Estate Finance contributed 6% of total business earnings for both 2000 and 1999. Earnings increased $8 million or 11% in the year-to-year comparison primarily due to growth in commercial mortgage servicing and the affordable housing business. Average loans decreased 6% reflecting management's strategy to reduce balance sheet leverage.

Total revenue was $220 million for 2000 compared with $212 million in the prior year. Increases in treasury management and commercial mortgage servicing fees were partially offset by lower commercial mortgage-backed securitization gains.

The provision for credit losses positively impacted earnings in 2000 and 1999 due to net recoveries in both years. Management does not expect to be in a net recovery position in 2001. See Credit Risk in the Risk Management section of this Financial Review for additional information regarding credit risk.

Noninterest expense was $139 million and the efficiency ratio was 51% for 2000 compared with $126 million and 47%, respectively, in 1999. The increases were primarily due to non-cash losses on affordable housing equity investments and investments in technology to support the loan servicing platform. The increase in non-cash losses on low income housing investments was more than offset by related income tax credits.

COMMERCIAL MORTGAGE SERVICING PORTFOLIO

In billions	2000	1999
January 1	$45	$39
Acquisitions/additions	17	17
Repayments/transfers	(8)	(11)
December 31	$54	$45

PNC BUSINESS CREDIT

<TABLE>
<CAPTION>

Year ended December 31 Dollars in millions	2000	1999
<S>	<C>	<C>
INCOME STATEMENT		
Net interest income	$99	$71
Noninterest income	20	11
Total revenue	119	82
Provision for credit losses	12	11
Noninterest expense	30	25
Pretax earnings	77	46
Income taxes	28	17
Earnings	$49	$29
AVERAGE BALANCE SHEET		
Loans	$2,197	$1,726
Other assets	74	33
Total assets	$2,271	$1,759
Deposits	$66	$50
Assigned funds and other liabilities	2,053	1,591
Assigned capital	152	118
Total funds	$2,271	$1,759
PERFORMANCE RATIOS		
Return on assigned capital	32%	25%
Efficiency	24	28

</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 customers 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. At December 31, 2000, PNC Business Credit operated 15 offices in 13 states. PNC Business Credit continues to emphasize risk management practices. In addition, a centralized back office is intended to provide consistency to the control environment as well as cost efficiencies.

PNC Business Credit contributed 4% of total business earnings for 2000 compared with 3% for 1999. Earnings increased $20 million or 69% in the year-to-year comparison to $49 million for 2000.

Revenue was $119 million for 2000, a $37 million or 45% increase compared with 1999 primarily due to the impact of higher average loans associated with business expansion.

Noninterest expense was $30 million and the efficiency ratio improved to 24% for 2000 compared with $25 million and 28%, respectively, in 1999. The efficiency ratio improved in the comparison primarily due to economies of scale. The return on assigned capital improved to 32% for 2000 due to strong revenue growth and improved efficiency.

Management expects the provision for credit losses to increase in 2001 commensurate with a larger loan portfolio. See Credit Risk in the Risk Management section of this Financial Review for additional information regarding credit risk.

PNC ADVISORS

Year ended December 31 Dollars in millions	2000	1999
INCOME STATEMENT		
Net interest income	$136	$130

Noninterest income		
Investment management and trust	421	388
Brokerage	171	149
Other	64	71
Total noninterest income	656	608
Total revenue	792	738
Provision for credit losses	5	7
Noninterest expense	511	494
Pretax earnings	276	237
Income taxes	103	90
Earnings	$173	$147
AVERAGE BALANCE SHEET		
Loans		
Residential mortgage	$962	$959
Consumer	965	940
Commercial	602	631
Other	532	389
Total loans	3,061	2,919
Other assets	439	434
Total assets	$3,500	$3,353
Deposits	$2,034	$2,164
Assigned funds and other liabilities	917	641
Assigned capital	549	548
Total funds	$3,500	$3,353
PERFORMANCE RATIOS		
Return on assigned capital	32%	27%
Noninterest income to total revenue	83	82
Efficiency	64	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") and investment advisory services to the ultra-affluent through Hawthorn. 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 2000 compared with 13% for 1999. Earnings of $173 million for 2000 increased $26 million or 18% compared with last year.

Revenue increased $54 million or 7% in the year-to-year comparison despite the impact of weak equity market conditions. The increase was primarily driven by growth in brokerage revenue, resulting from the continued expansion of Hilliard Lyons' distribution network and strong investment management sales. Noninterest expense increased 3% in the year-to-year comparison primarily due to effective expense management initiatives that resulted in improved operating efficiency.

ASSETS UNDER MANAGEMENT (a)

December 31 - in billions	2000	1999 (b)
Personal investment management and trust	$50	$52
Institutional trust	15	14
Total	$65	$66

(a) Assets under management do not include brokerage assets administered.
(b) Restated to reflect the transfer of assets under management between PNC businesses.

Personal assets under management decreased primarily due to the equity component of customers' portfolios. The weak equity market in 2000 reduced assets under management by approximately $3 billion. This decline was partially offset by new

customers' assets added during the year as a result of strong investment sales activity.

Brokerage assets administered by PNC Advisors were $28 billion at December 31, 2000 compared with $27 billion at December 31, 1999.

BLACKROCK

Year ended December 31 Dollars in millions	2000	1999
INCOME STATEMENT		
Investment advisory and administrative fees	$453	$362
Other income	24	19
Total revenue	477	381
Operating expense	248	181
Fund administration and servicing costs - affiliates	76	79
Amortization	10	10
Total expense	334	270
Operating income	143	111
Nonoperating income (expense)	7	(8)
Pretax earnings	150	103
Income taxes	63	44
Earnings	$87	$59
PERIOD-END BALANCE SHEET		
Intangible assets	$192	$194
Other assets	345	254
Total assets	$537	$448
Borrowings		$28
Other liabilities	$169	139
Stockholders' equity	368	281
Total liabilities and stockholders' equity	$537	$448
PERFORMANCE DATA		
Return on equity	27%	36%
Operating margin (a)	36	37
Diluted earnings per share	$1.35	$1.04(b)

(a) Excludes the impact of fund administration and servicing costs - affiliates.
(b) Proforma diluted earnings per share reflecting the impact of BlackRock's initial public offering ("IPO") were $0.99.

BlackRock is one of the largest publicly traded investment management firms in the United States with $204 billion of assets under management at December 31, 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 BlackRock 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 2000 compared with 5% for 1999. Earnings of $87 million for 2000 increased 47% compared with 1999. Total revenue for 2000 increased $96 million or 25% compared with 1999 primarily due to strong growth in investment advisory and administrative fees resulting from higher assets under management. Net asset growth for 2000, including new client mandates and additional funding from existing clients, was $33 billion or 85% of the $39 billion increase in assets under management. The increase in operating expense in the period-to-period comparison supported revenue growth.

ASSETS UNDER MANAGEMENT

December 31 - in billions	2000	1999
Separate accounts		
Fixed income (a)	$107	$75

Liquidity	18	21
Equity (a)	9	3
Total separate accounts	134	99
Mutual funds		
Fixed income	13	13
Liquidity	43	37
Equity	14	16
Total mutual funds	70	66
Total assets under management	$204	$165
Proprietary mutual funds		
BlackRock Funds	$26	$27
BlackRock Provident Institutional Funds	36	26
Total proprietary mutual funds	$62	$53

(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 Securities and Exchange Commission ("SEC") and may be obtained electronically at the SEC's home page at www.sec.gov.

PFPC

Year ended December 31 Dollars in millions	2000	1999
INCOME STATEMENT		
Revenue	$690	$264
Operating expense	501	181
Amortization	31	4
Operating income	158	79
Debt financing	80	7
Pretax earnings	78	72
Income taxes	31	27
Earnings	$47	$45
AVERAGE BALANCE SHEET		
Intangible assets	$1,107	$103
Other assets	471	205
Total assets	$1,578	$308
Assigned funds and other liabilities	$1,369	$196
Assigned capital	209	112
Total funds	$1,578	$308
PERFORMANCE RATIOS		
Return on assigned capital	22%	40%
Operating margin	23	30

Providing a wide range of global fund services to the investment management industry, 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 and Luxembourg operations.

To meet the growing needs of the European marketplace, PFPC will continue its pursuit of offshore expansion. Additionally, PFPC will continue focusing technological resources on targeted Web-based initiatives and exploring strategic alliances.

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 the acquisition was accretive to PNC's earnings in the fourth quarter of 2000. During 2001, PFPC will continue to execute its ISG integration strategy.

On May 31, 2000, PFPC completed the acquisition of ABD, the leading provider of blue sky compliance services to the mutual fund industry.

PFPC contributed 4% of total business earnings for both 2000 and 1999. Earnings increased $2 million in the year-to-year comparison primarily due to the impact of the ISG acquisition. Excluding ISG, earnings increased 21% in the period-to-period comparison. Cash earnings, which exclude goodwill amortization, increased 81% to $87 million for 2000, including ISG.

Revenue of $690 million for 2000 increased $426 million compared with 1999. The acquisition of ISG accounted for $406 million of the increase in revenue. Excluding ISG, revenue increased 22% primarily driven by new and existing client growth. Operating expense increased in the period-to-period comparison and performance ratios were impacted as a result of the ISG acquisition. Excluding ISG, noninterest expense increased 21% commensurate with fee-based revenue growth.

SERVICING STATISTICS

December 31	2000	1999
Accounting/administration assets ($in billions)	$463	$412
Custody assets ($in billions)	437	388
Shareholder accounts (in millions)	43	34

CONSOLIDATED INCOME STATEMENT REVIEW

NET INTEREST INCOME ANALYSIS

<TABLE>
<CAPTION>

Taxable-equivalent basis	Average Balances			Interest Income/Expense			Average Yields/Rates		
Year ended December 31 - dollars in millions	2000	1999	Change	2000	1999	Change	2000	1999	Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Interest-earning assets									
Loans held for sale	$2,507	$1,392	$1,115	$204	$104	$100	8.14%	7.47%	67bp
Securities available for sale	6,061	6,084	(23)	389	366	23	6.42	6.02	40
Loans, net of unearned income									
Consumer	9,177	10,310	(1,133)	791	844	(53)	8.62	8.19	43
Credit card		672	(672)		100	(100)		14.88	NM
Residential mortgage	12,599	12,258	341	900	859	41	7.14	7.01	13
Commercial	21,685	23,082	(1,397)	1,839	1,792	47	8.48	7.76	72
Commercial real estate	2,685	3,362	(677)	240	265	(25)	8.94	7.88	106
Lease financing	3,222	2,564	658	235	182	53	7.29	7.10	19
Other	650	532	118	55	40	15	8.46	7.52	94
Total loans, net of unearned income	50,018	52,780	(2,762)	4,060	4,082	(22)	8.12	7.73	39
Other	1,289	1,045	244	97	53	44	7.53	5.07	246
Total interest-earning assets/ interest income	59,875	61,301	(1,426)	4,750	4,605	145	7.93		

	Average Balance 2000	Average Balance 1999	Change	Interest 2000	Interest 1999	Change	Rate 2000	Rate 1999	Change
								7.51	42
Noninterest-earning assets	8,616	6,613	2,003						
Investment in discontinued operations	487	449	38						
Total assets	$68,978	$68,363	$615						
Interest-bearing liabilities									
Deposits									
Demand and money market	$18,735	$16,921	$1,814	658	493	165	3.51	2.91	60
Savings	2,050	2,390	(340)	36	39	(3)	1.76	1.63	13
Retail certificates of deposit	14,642	14,220	422	826	708	118	5.64	4.98	66
Other time	621	1,515	(894)	40	85	(45)	6.44	5.61	83
Deposits in foreign offices	1,473	872	601	93	44	49	6.31	5.05	126
Total interest-bearing deposits	37,521	35,918	1,603	1,653	1,369	284	4.41	3.81	60
Borrowed funds	13,746	15,466	(1,720)	915	870	45	6.66	5.63	103
Total interest-bearing liabilities/ interest expense	51,267	51,384	(117)	2,568	2,239	329	5.01	4.36	65
Noninterest-bearing liabilities, capital securities and shareholders' equity	17,711	16,979	732						
Total liabilities, capital securities and shareholders' equity	$68,978	$68,363	$615						
Interest rate spread							2.92	3.15	(23)
Impact of noninterest-bearing sources							.72	.71	1
Net interest income/margin				$2,182	$2,366	$(184)	3.64%	3.86%	(22)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 $2.182 billion for 2000, a $184 million decrease compared with 1999. The net interest margin was 3.64% for 2000 compared with 3.86% for 1999. The decreases were primarily due to funding costs related to the ISG acquisition, changes in balance sheet composition and a higher interest rate environment in 2000.

As a result of the sale of the credit card business and exiting or downsizing certain non-strategic lending businesses, average loans decreased $2.8 billion and represented 84% of average earning assets for 2000 compared with 86% for the prior year. Average loans held for sale increased $1.1 billion in the year-to-year comparison, reflecting the decisions to exit certain non-strategic lending businesses and to sell student loans in repayment.

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 2000 and 1999, respectively, with the remainder primarily comprised of wholesale funding obtained at prevailing market rates.

Average demand and money market deposits increased $1.8 billion or 11% to $18.7 billion for 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 2000 decreased $1.7 billion compared with 1999 as lower bank notes and Federal Home Loan Bank borrowings more than offset increases in federal funds purchased, subordinated debt and other borrowed funds. The overall decrease in average borrowed funds was primarily due to the combined impact of deposit growth and a stable level of total assets.

PROVISION FOR CREDIT LOSSES

The provision for credit losses was $136 million for 2000 compared with $163 million for 1999. Net charge-offs were $135 million or .27% of average loans for 2000 compared with $161 million or .31%, respectively, for 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 in 2000. PNC's provision for credit losses fully covered net charge-offs in both years. See Credit Risk in the Risk Management section of this Financial Review for additional information regarding credit risk.

NONINTEREST INCOME

Noninterest income was $2.891 billion for 2000 and represented 57% of total revenue. On a comparable basis, noninterest income increased $640 million or 28% compared with full year 1999, excluding the non-core items that are detailed in the 1999 Versus 1998 section of this Financial Review. The increase was primarily driven by growth in certain fee-based businesses, the benefit of the ISG acquisition and higher equity management income. Excluding ISG, noninterest income increased 13% compared with the prior year.

Asset management fees of $809 million for 2000 increased $128 million or 19% primarily driven by new business. Assets under management were $253 billion at December 31, 2000, a 19% increase compared with December 31, 1999. Fund servicing fees were $654 million for 2000, a $403 million increase compared with the prior year primarily driven by the ISG acquisition. Excluding ISG, fund servicing fees increased 22% mainly due to existing and new client growth.

Brokerage fees of $249 million for 2000 increased $30 million or 14% reflecting the continued expansion of Hilliard Lyons' distribution network. Consumer services revenue of $209 million for 2000 increased 7% compared with the prior year, excluding credit card fees. The increase was primarily due to higher consumer transaction volume.

Corporate services revenue of $342 million for 2000 increased 7% compared with the prior year, excluding the impact of valuation adjustments in 1999. The increase was primarily driven by higher treasury management and commercial mortgage servicing fees that were partially offset by a lower level of commercial mortgage-backed securitization gains.

Equity management income was $133 million for 2000 compared with $100 million in the prior year. Equity investments are carried at estimated fair value and, accordingly, revenue related to these investments may be affected by market volatility. While equity management income was strong in the first half of 2000, weak capital markets caused the second half to be near break even.

Net securities gains were $20 million for 2000 compared with $22 million for 1999. The net securities gains in 1999 included a $41 million gain from the sale of Concord EFS, Inc. ("Concord") stock that was partially offset by a $28 million write-down of an equity investment.

Sale of subsidiary stock of $64 million in 1999 reflected the gain from the BlackRock IPO.

Other noninterest income of $269 million for 2000 increased $24 million or 10% compared with the prior year excluding non-core items, primarily due to growth in customer derivative and foreign exchange activity.

NONINTEREST EXPENSE

Noninterest expense was $3.071 billion for 2000 compared with $2.703 billion for 1999, excluding non-core items that are detailed in the 1999 Versus 1998 section of this Financial Review. The efficiency ratio was 57% for 2000 compared with 55% for the prior year, also excluding non-core items. The increases were primarily related to the ISG acquisition. Excluding ISG, noninterest expense increased 2% compared with the prior year. Average full-time equivalent employees totaled approximately 24,900 and 22,700 for 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 were $50.6 billion at December 31, 2000, a $928 million increase from year-end 1999 as increases in residential mortgage loans and lease financing were partially offset by lower consumer, commercial and commercial real estate loans.

DETAILS OF LOANS

December 31 - in millions	2000	1999
Consumer		
Home equity	$6,228	$6,059
Automobile	1,166	1,691
Other	1,739	1,598
Total consumer	9,133	9,348
Residential mortgage	13,264	12,506
Commercial		
Manufacturing	5,581	5,355
Retail/wholesale	4,413	4,301
Service providers	2,900	3,208
Real estate related	2,689	2,862
Communications	1,286	1,370
Health care	766	772
Financial services	823	1,300
Other	2,749	2,300
Total commercial	21,207	21,468
Commercial real estate		
Mortgage	673	761
Real estate project	1,910	1,969
Total commercial real estate	2,583	2,730
Lease financing	4,845	3,663
Other	568	682
Unearned income	(999)	(724)
Total, net of unearned income	$50,601	$49,673

LOANS HELD FOR SALE

Loans held for sale were $1.7 billion at December 31, 2000 compared with $3.5 billion at December 31, 1999. The decrease was primarily due to dispositions of loans designated for exit. Total outstandings and exposure designated for exit during 1999 totaled $3.7 billion and $10.5 billion, respectively. At December 31, 2000, total outstandings associated with this initiative were $1.0 billion of which $286 million were classified as loans held for sale, with the remainder included in loans. Total exposure relating to this initiative was $2.7 billion at December 31, 2000.

DETAILS OF LOANS HELD FOR SALE

December 31 - in millions	2000	1999
Loans designated for exit	$286	$1,813
Student loans in repayment	1,201	1,344
Other	168	320
Total loans held for sale	$1,655	$3,477

SECURITIES AVAILABLE FOR SALE

The fair value of securities available for sale at December 31, 2000 was $5.9 billion compared with $6.0 billion at December 31, 1999. Securities represented 8% of total assets at December 31, 2000. The expected weighted-average life of securities available for sale was 4 years and 5 months at December 31, 2000 compared with 4 years and 7 months at year-end 1999.

At December 31, 2000, the securities available for sale balance included a net unrealized loss of $54 million, which represented the difference between

fair value and amortized cost. The comparable amount at December 31, 1999 was a net unrealized loss of $184 million. Net unrealized gains and losses in the securities available for sale portfolio are included in accumulated other comprehensive income or loss, net of tax.

DETAILS OF SECURITIES AVAILABLE FOR SALE

In millions	Amortized Cost	Fair Value
December 31, 2000		
Debt securities		
U.S. Treasury and government agencies	$313	$313
Mortgage-backed	4,037	4,002
Asset-backed	902	893
State and municipal	94	96
Other debt	73	73
Corporate stocks and other	537	525
Total securities available for sale	$5,956	$5,902
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

FUNDING SOURCES

Total funding sources were $59.4 billion at December 31, 2000 and $60.0 billion at December 31, 1999. Increases in demand and money market deposits allowed PNC to reduce higher-cost funding sources including deposits in foreign offices, Federal Home Loan Bank borrowings and bank notes and senior debt.

DETAILS OF FUNDING SOURCES

December 31 - in millions	2000	1999
Deposits		
Demand, savings and money market	$30,686	$27,823
Retail certificates of deposit	14,175	14,153
Other time	567	633
Deposits in foreign offices	2,236	3,193
Total deposits	47,664	45,802
Borrowed funds		
Federal funds purchased	1,445	1,281
Repurchase agreements	607	402
Bank notes and senior debt	6,110	6,975
Federal Home Loan Bank borrowings	500	2,258
Subordinated debt	2,407	2,327
Other borrowed funds	649	986
Total borrowed funds	11,718	14,229
Total	$59,382	$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 December 31, 2000, the Corporation and each bank subsidiary were considered well capitalized based on regulatory capital ratio requirements.

RISK-BASED CAPITAL

December 31 - dollars in millions	2000	1999 (a)
Capital components		
Shareholders' equity		
Common	$6,344	$5,633
Preferred	312	313
Trust preferred capital securities	848	848
Goodwill and other	(2,214)	(2,318)
Net unrealized securities losses	77	255
Tier I risk-based capital	5,367	4,731
Subordinated debt	1,824	2,040
Eligible allowance for credit losses	667	667
Investment in unconsolidated finance subsidiary	(13)	
Total risk-based capital	$7,845	$7,438
Assets		
Risk-weighted assets and off-balance-sheet instruments	$62,430	$67,118
Average tangible assets	66,809	71,617
Capital ratios		
Tier I risk-based	8.60%	7.05%
Total risk-based	12.57	11.08
Leverage	8.03	6.61

(a) Includes 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 2000, PNC repurchased 6.7 million shares of common stock. On February 15, 2001, the Board of Directors authorized the Corporation to purchase up to 15 million shares of common stock through February 28, 2002. This new program replaces the prior program that was rescinded.

RISK FACTORS

The Corporation is subject to a number of risk factors, including among others, those described below and in the Risk Management and Forward-Looking Statements sections of this Financial Review. 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 provision for credit losses. 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. Also, changes in equity markets could affect the value of equity investments and the net asset value of assets under management and administration. A decline in the equity markets could negatively affect noninterest revenues.

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 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.

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 local, regional and national banks, thrifts, credit unions and 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. Disintermediation could result in, among others, the loss of customer deposits and decreases in transactions that generate fee income.

ASSET MANAGEMENT PERFORMANCE

Asset management revenue is 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 an important factor for the level 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 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 rise in interest rates or a 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 and the number of shareholder accounts 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 from time to time by acquiring other financial services companies. Factors pertaining to acquisitions that could adversely affect the Corporation's business and earnings include, among others:

- anticipated cost savings or potential revenue enhancements that may not be fully realized or realized within the expected time frame;

- customer loss or revenue loss following an acquisition that may be greater than expected; and
- costs or difficulties related to the integration of businesses that may be greater than expected.

RISK MANAGEMENT

In the normal course of business, the Corporation assumes various types of risk, which include, among others, credit risk, interest rate risk, liquidity risk, and risk associated with trading activities and financial derivatives. PNC has risk management processes designed to provide for risk identification, measurement and monitoring.

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

December 31 - dollars in millions	2000	1999
Nonaccrual loans		
Commercial	$312	$219
Commercial real estate	3	21
Residential mortgage	4	48
Consumer	2	2
Lease financing	2	1
Total nonaccrual loans	323	291
Foreclosed and other assets		
Commercial real estate	3	5
Residential mortgage	8	7
Other	38	22
Total foreclosed and other assets	49	34
Total nonperforming assets	$372	$325
Nonaccrual loans to total loans	.64%	.59%
Nonperforming assets to total loans, loans held for sale and foreclosed assets	.71	.61
Nonperforming assets to total assets	.53	.47

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

The amount of nonperforming loans that were current as to principal and interest was $67 million at December 31, 2000 and $42 million at December 31, 1999. There were no troubled debt restructured loans outstanding as of either period end.

The increase in nonaccrual loans during 2000 was primarily in specialized industry segments. A sustained or further weakening of the economy, among other things, could result in an increase in the number of delinquencies, bankruptcies or defaults, which could result in a higher level of nonperforming assets, net charge-offs and provision for credit losses in future periods. See the Forward-Looking Statements section of this Financial Review for additional factors that could cause actual results to differ materially from forward-looking statements or historical performance.

CHANGE IN NONPERFORMING ASSETS

In millions	2000	1999
January 1	$325	$319

Transferred from accrual	471	394
Returned to performing	(13)	(8)
Principal reductions	(184)	(265)
Sales	(79)	(31)
Charge-offs and other	(148)	(84)
December 31	$372	$325

ACCRUING LOANS PAST DUE 90 DAYS OR MORE

	Amount		Percent of Loans	
December 31 - dollars in millions	2000	1999	2000	1999
Commercial	$46	$30	.22%	.14%
Commercial real estate	6	5	.23	.18
Residential mortgage	36	24	.27	.19
Consumer	24	25	.26	.27
Lease financing	1	2	.03	.07
Total	$113	$86	.22	.17

Loans not included in nonaccrual or past due categories, but where information about possible credit problems causes management to be uncertain about the borrower's ability to comply with existing repayment terms over the next six months totaled $182 million at December 31, 2000.

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, 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 economic conditions.

While PNC's 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 are designed to 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 2000 and the evaluation of the allowance for credit losses as of December 31, 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 .26% of total loans at December 31, 2000 compared with 20% and .27%, respectively, at December 31, 1999.

ROLLFORWARD OF ALLOWANCE FOR CREDIT LOSSES

In millions	2000	1999
January 1	$674	$753
Charge-offs	(186)	(216)
Recoveries	51	55
Net charge-offs	(135)	(161)
Provision for credit losses	136	163
Divestitures		(81)
December 31	$675	$674

The allowance as a percent of nonaccrual loans and total loans was 209% and 1.33%, respectively, at December 31, 2000. The comparable year-end 1999 percentages were 232% and 1.36%, respectively.

CHARGE-OFFS AND RECOVERIES

Year ended December 31 Dollars in millions	Charge-offs	Recoveries	Net Charge-offs	Percent of Average Loans
2000				
Commercial	$121	$21	$100	.46%
Commercial real estate ..	3	4	(1)	(.04)
Residential mortgage	8	2	6	.05
Consumer	46	22	24	.26
Lease financing	8	2	6	.19
Total	$186	$51	$135	.27
1999				
Commercial	$72	$22	$50	.22%
Commercial real estate ..	4	4		
Residential mortgage	8	1	7	.06
Consumer	63	25	38	.37
Credit card	60	2	58	8.63
Lease financing	9	1	8	.31
Total	$216	$55	$161	.31

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 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, short-term and long-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. The Corporation measures and manages both the short-term and long-term effects of changing interest rates. An income simulation model is designed 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 designed to measure the sensitivity of the value of existing on-balance-sheet and off-balance-sheet positions to changing interest rates.

The income simulation model is the primary tool used to measure the direction and magnitude of changes in net interest income resulting from changes in interest rates. Forecasting net interest income and its sensitivity to changes in interest rates requires that the Corporation make assumptions about the volume and characteristics of new business and the behavior of existing positions. These business assumptions are based on the Corporation's experience, business plans and published industry experience. Key assumptions employed in the model include prepayment speeds on mortgage-related assets and consumer loans, loan volumes and pricing, deposit volumes and pricing, the expected life and repricing characteristics of nonmaturity loans and deposits, and management's financial and capital plans.

Because these assumptions are inherently uncertain, the model cannot precisely estimate net interest income or precisely predict the effect of higher or lower interest rates on net interest income. Actual results will differ from simulated results due to the timing, magnitude and frequency of interest rate changes, the difference between actual experience and the assumed volume and characteristics of new business and behavior of existing positions, and changes in market conditions and management strategies, among other factors.

The Corporation's interest rate risk management policies provide that net interest income should not decrease by more than 3% if interest rates gradually increase or decrease from current rates by 100 basis points over a twelve-month period. At December 31, 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 .3%. 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 .4%.

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 December 31, 2000, if interest rates were to instantaneously increase by 200 basis points, the model indicated that the economic value of existing on-balance-sheet and off-balance-sheet positions would decline by .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 decrease by .1% 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 December 31, 2000, such assets totaled $8.7 billion, with $3.8 billion pledged as collateral for borrowings, trust and other commitments. Liquidity can also be obtained through secured advances from the Federal Home Loan Bank, of which PNC Bank, N.A., PNC's largest bank subsidiary, is a member. These borrowings are generally secured by residential mortgages and mortgage-backed securities. At December 31, 2000, approximately $7.3 billion of residential mortgages were available as collateral for borrowings from the Federal Home Loan Bank. 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 December 31, 2000, the Corporation had unused capacity under effective shelf registration statements of approximately $1.4 billion of debt and equity securities and $400 million of trust preferred capital securities. In addition, the Corporation had an unused line of credit of $500 million.

The principal source of parent company revenue and cash flow is dividends from subsidiary banks. PNC Bancorp, Inc. is a wholly-owned subsidiary of the parent company and is the holding company for all bank subsidiaries. There are legal limitations on the ability of bank subsidiaries to pay dividends and make other distributions to PNC Bancorp, Inc. and in turn to the parent company. Without regulatory approval, the amount available for dividend payments to PNC Bancorp, Inc. by all bank subsidiaries was $634 million at December 31, 2000. Dividends may also be impacted by capital needs, regulatory requirements, corporate policies, contractual restrictions and other factors.

Management believes the Corporation has sufficient liquidity to meet current obligations to borrowers, depositors, debt holders and others. The impact of replacing maturing liabilities is reflected in the income simulation model in the overall asset and liability management process.

TRADING ACTIVITIES

Most of PNC's trading activities are designed to provide capital markets services to customers and not to position the Corporation's portfolio for gains from market movements. PNC participates in derivatives and foreign exchange trading as well as "market making" in equity securities as an accommodation to customers. PNC also engages in trading activities as part of risk management strategies.

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. Using this approach, exposure is measured as the potential loss due to a two standard deviation, one-day move in interest rates. The combined period-end value-at-risk of all trading operations using this measurement was estimated as less than $500 thousand at December 31, 2000.

FINANCIAL DERIVATIVES

The Corporation uses a variety of off-balance-sheet financial derivatives 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 mitigate credit risk and lower the required 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.

Not all elements of interest rate, market and credit risk are addressed through the use of financial derivatives, and such instruments may be ineffective for their intended purposes due to unanticipated market characteristics among other reasons.

During 2000, financial derivatives used in interest rate risk management decreased net interest income by $57 million compared with a $43 million increase in the prior year.

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

FINANCIAL DERIVATIVES ACTIVITY

<TABLE>
<CAPTION>

Weighted-

Average

2000 - dollars in millions	January 1	Additions	Maturities	Terminations	December 31	Maturity
Interest rate risk management						
Interest rate swaps						
Receive fixed	$7,413	$368	$(2,025)	$(1,000)	$4,756	2 yrs. 9 mos.
Pay fixed	5		(4)		1	9 mos.
Basis swaps	1,650	773	(193)		2,230	3 yrs. 6 mos.
Interest rate caps	474		(134)	(32)	308	3 yrs. 10 mos.
Interest rate floors	3,311		(55)	(18)	3,238	1 yr. 5 mos.
Total interest rate risk management	12,853	1,141	(2,411)	(1,050)	10,533	
Commercial mortgage banking risk management						
Interest rate swaps	643	1,617	(228)	(1,646)	386	7 yrs. 4 mos.
Student lending activities - Forward contracts	681	143	(3)	(474)	347	1 yr. 10 mos.
Credit-related activities - Credit default swaps	4,315	169	(88)	(5)	4,391	8 mos.
Total	$18,492	$3,070	$(2,730)	$(3,175)	$15,657	

</TABLE>

The following table sets forth, by designated assets and liabilities, the notional value and the estimated fair value of financial derivatives used for risk management. Weighted-average interest rates presented are based on the implied forward yield curve at December 31, 2000.

FINANCIAL DERIVATIVES

<TABLE>
<CAPTION>

December 31, 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	$3,250	$27	5.96%	5.56%
Basis swaps designated to other earning assets	226	3	5.63	5.85
Interest rate caps designated to loans (2)	308	4	NM	NM
Interest rate floors designated to loans (3)	3,238	(1)	NM	NM
Total asset rate conversion	7,022	33		
Liability rate conversion				
Interest rate swaps (1)				
Receive fixed designated to:				
Interest-bearing deposits	125	4	5.85	6.73
Borrowed funds	1,381	57	5.96	6.60
Pay fixed designated to borrowed funds	1		5.88	

				5.78
Basis swaps designated to borrowed funds	2,004	10	5.76	5.79
Total liability rate conversion	3,511	71		
Total interest rate risk management	10,533	104		
Commercial mortgage banking risk management				
Pay fixed interest rate swaps designated to securities (1)	135	(8)	6.94	6.04
Pay fixed interest rate swaps designated to loans (1)	251	(2)	6.27	6.04
Total commercial mortgage banking risk management	386	(10)		
Student lending activities - Forward contracts	347		NM	NM
Credit-related activities - Credit default swaps	4,391	(2)	NM	NM
Total financial derivatives	$15,657	$92		

</TABLE>

(1) The floating rate portion of interest rate contracts is based on money-market indices. As a percent of notional value, 62% were based on 1-month LIBOR, 36% on 3-month LIBOR and the remainder on other short-term indices.

(2) Interest rate caps with notional values of $61 million, $95 million and $150 million require the counterparty to pay the Corporation the excess, if any, of 3-month LIBOR over a weighted-average strike of 6.00%, 1-month LIBOR over a weighted-average strike of 5.68% and Prime over a weighted-average strike of 8.76%, respectively. At December 31, 2000, 3-month LIBOR was 6.40%, 1-month LIBOR was 6.56% 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, of the weighted-average strike of 4.63% over 3-month LIBOR. At December 31, 2000, 3-month LIBOR was 6.40%.

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

<TABLE>
<CAPTION>

	At December 31, 2000				2000
In millions	Notional Value	Positive Fair Value	Negative Fair Value	Net Asset (Liability)	Average Fair Value
<S>	<C>	<C>	<C>	<C>	<C>
Customer-related					
Interest rate					
Swaps	$13,567	$120	$(127)	$(7)	$(1)
Caps/floors					

Sold	5,145		(17)	(17)	(23)
Purchased	3,914	15		15	21
Foreign exchange	6,108	79	(82)	(3)	7
Other	2,544	59	(59)		4
Total customer-related	31,278	273	(285)	(12)	8
Other	1,207	13	(1)	12	8
Total other derivatives ...	$32,485	$286	$(286)		$16

</TABLE>

The following table sets forth, by designated assets and liabilities, the notional value and the estimated fair value of financial derivatives used for risk management. Weighted-average interest rates presented are based on the implied forward yield curve at December 31, 1999.

FINANCIAL DERIVATIVES

<TABLE>
<CAPTION>

December 31, 1999 - dollars in millions	Notional Value	Estimated Fair Value	Weighted-Average Interest Rates Paid	Received
<S>	<C>	<C>	<C>	<C>
Interest rate risk management				
Asset rate conversion				
Interest rate swaps (1)				
Receive fixed designated to loans	$5,550	$(48)	6.53%	5.49%
Basis swaps designated to other earning assets	226	3	6.44	6.72
Interest rate caps designated to loans (2)	474	12	NM	NM
Interest rate floors designated to loans (3)	3,311		NM	NM
Total asset rate conversion	9,561	(33)		
Liability rate conversion				
Interest rate swaps (1)				
Receive fixed designated to:				
Interest-bearing deposits	150	(2)	6.85	6.65
Borrowed funds	1,713	(23)	6.75	6.24
Pay fixed designated to borrowed funds	5	1	6.09	7.04
Basis swaps designated to borrowed funds	1,424	7	6.70	6.71
Total liability rate conversion	3,292	(17)		
Total interest rate risk management	12,853	(50)		
Commercial mortgage banking risk management				
Pay fixed interest rate swaps designated to securities (1) ..	144	3	7.16	6.08
Pay fixed interest rate swaps designated to loans (1)	499	48	5.49	7.05
Total commercial mortgage banking risk management	643	51		
Student lending activities - Forward contracts	681		NM	NM
Credit-related activities - Credit default swaps	4,315	(4)	NM	NM
Total financial derivatives	$18,492	$(3)		

</TABLE>

(1) The floating rate portion of interest rate contracts is based on money-market indices. As a percent of notional value, 27% were based on 1-month LIBOR, 70% on 3-month LIBOR and the remainder on other short-term

indices.

(2) Interest rate caps with notional values of $142 million, $129 million and $199 million require the counterparty to pay the Corporation the excess, if any, of 3-month LIBOR over a weighted-average strike of 6.16%, 1-month LIBOR over a weighted-average strike of 5.72% and Prime over a weighted-average strike of 8.76%, respectively. At December 31, 1999, 3-month LIBOR was 6.00%, 1-month LIBOR was 5.82% and Prime was 8.50%.

(3) Interest rate floors with notional values of $3.0 billion require the counterparty to pay the Corporation the excess, if any, of the weighted-average strike of 4.63% over 3-month LIBOR. At December 31, 1999, 3-month LIBOR was 6.00%.

NM - Not meaningful

1999 VERSUS 1998

CONSOLIDATED INCOME STATEMENT REVIEW

OVERVIEW

Earnings for 1999 were $1.202 billion or $3.94 per diluted share and included one-time gains that were partially offset by the cost of certain strategic initiatives. Cash earnings per diluted share were $4.21 for 1999, a 14% increase compared with 1998.

Core earnings, which exclude one-time gains and the cost of certain strategic initiatives, were $1.137 billion or $3.72 per diluted share, a 7% increase compared with 1998. On a core basis, return on average common shareholders' equity was 20.12% and return on average assets was 1.66% compared with 20.14% and 1.55%, respectively, in the prior year. Core cash earnings per diluted share were $4.00 for 1999, an 8% increase compared with 1998.

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

Year ended December 31, 1999 - in millions	Pretax	After-tax
Reported earnings	$1,788	$1,202
Gain on sale of credit card business	(193)	(125)
Gain on sale of equity interest in EPS	(97)	(63)
BlackRock IPO gain	(64)	(59)
Branch gains	(27)	(17)
Gain on sale of Concord stock, net of PNC Foundation contribution	(11)	(16)
Wholesale lending repositioning	195	126
Costs related to efficiency initiatives	98	64
Write-down of an equity investment	28	18
Mall ATM buyout	12	7
Core earnings	$1,729	$1,137

NET INTEREST INCOME

Taxable-equivalent net interest income was $2.366 billion for 1999, a $148 million decrease compared with 1998. The net interest margin was 3.86% for 1999 compared with 3.99% in the prior year. These declines were primarily due to the sale of the credit card business in the first quarter of 1999. Excluding the credit card business, net interest income for 1999 increased $107 million or 5% and the net interest margin widened nine basis points compared with the prior year. The increases were primarily due to higher commercial and other loans that resulted from strong growth in middle market lending and the strategic expansion of secured and equipment lease financing.

PROVISION FOR CREDIT LOSSES

The provision for credit losses was $163 million in 1999 compared with $225 million in 1998. Net charge-offs were $161 million or .31% of average loans for 1999 compared with $447 million or .80%, respectively, in 1998. The decreases were primarily due to the sale of the credit card business in the first quarter of 1999. Excluding credit cards, net charge-offs were .20% of average loans for 1999 compared with .32% in 1998.

NONINTEREST INCOME

Noninterest income was $2.450 billion for 1999 and represented 51% of total revenue compared with $2.086 billion and 45%, respectively, in 1998. The increases were primarily due to strong growth in fee-based businesses.

Asset management fees of $681 million for 1999 increased $143 million or 26% compared with 1998, excluding performance fees associated with BAI, a pooled investment fund that was liquidated in 1999, and revenue from the corporate trust business that was sold in 1998. Assets under management increased to approximately $213 billion at December 31, 1999 compared with $174 billion at December 31, 1998.

Mutual fund servicing fees of $251 million for 1999 increased $69 million or 38% compared with 1998 of which $30 million was attributable to the one-month impact of the ISG acquisition. The remaining increase was primarily due to new and existing client growth as well as market appreciation.

Service charges on deposits of $207 million were consistent with the prior year. Brokerage income of $219 million in 1999 increased $128 million compared with 1998 primarily due to the acquisition of Hilliard Lyons. Consumer services revenue of $218 million for 1999 decreased $67 million compared with 1998 primarily due to the sale of the credit card business in the first quarter of 1999.

The decrease in corporate services revenue primarily reflected the impact of $188 million of valuation adjustments in 1999 associated with the exit of certain non-strategic lending businesses. Excluding valuation adjustments in both years, corporate services revenue was $321 million and $275 million for 1999 and 1998, respectively, a 17% increase primarily due to growth in commercial mortgage banking, capital markets and treasury management fees.

Equity management income was $100 million for 1999 and $96 million for 1998. Both years benefited from strong equity market conditions. Net securities gains for 1999 were $22 million and included a $41 million gain from the sale of Concord stock that was partially offset by a $28 million write-down of an equity investment. Sale of subsidiary stock of $64 million in 1999 reflected the gain from the BlackRock IPO.

Other noninterest income included a $193 million gain from the sale of the credit card business in the first quarter of 1999. Also included in other noninterest income was a $97 million gain from the sale of an equity interest in Electronic Payment Services, Inc. ("EPS"), $27 million of gains from the sale of retail branches and $7 million of valuation adjustments. During 1998, other noninterest income included a $97 million gain from the sale of the corporate trust business, $86 million of branch gains and a $21 million loss from the sale of a credit card portfolio. Excluding these items, other noninterest income increased $65 million in the comparison primarily due to the Hilliard Lyons acquisition.

NONINTEREST EXPENSE

Noninterest expense was $2.843 billion for 1999 compared with $2.698 billion in 1998. The increase was primarily to support revenue growth in fee-based businesses. On a comparable basis, noninterest expense increased $81 million or 3% excluding $98 million of costs related to efficiency initiatives (compensation - $22 million, net occupancy - $35 million, equipment - $38 million and other - $3 million), a $30 million contribution to the PNC Foundation and $12 million of expense associated with the buyout of PNC's mall ATM marketing representative from 1999. For 1998, $55 million of costs related to consumer banking initiatives and $21 million of merger and acquisition integration costs were excluded from the comparison. The efficiency ratio was 55% for 1999 and 1998 reflecting a continued focus on improving returns in traditional businesses. Average full-time equivalent employees were relatively consistent in the year-to-year comparison and totaled approximately 22,700 and 23,000 in 1999 and 1998, respectively.

CONSOLIDATED BALANCE SHEET REVIEW

LOANS

Loans were $49.7 billion at December 31, 1999, an $8.0 billion decrease from year-end 1998 primarily due to the impact of strategies designed to reduce balance sheet leverage in lower-return businesses.

SECURITIES AVAILABLE FOR SALE

Securities available for sale increased $1.5 billion from December 31, 1998, to $6.0 billion at December 31, 1999. The expected weighted-average life of securities available for sale increased to 4 years and 7 months at December 31, 1999, compared with 2 years and 8 months at year-end 1998.

FUNDING SOURCES

Total funding sources were $60.0 billion at December 31, 1999, a decrease of $2.1 billion compared with December 31, 1998 primarily resulting from reduced wholesale funding related to the credit card business that was sold in the first quarter of 1999.

Total demand, savings and money market deposits decreased approximately $190 million in the year-to-year comparison as increases in money market deposits were more than offset by decreases in time deposits, primarily due to decreases in higher-rate certificates of deposit.

ASSET QUALITY

The ratio of nonperforming assets to total loans, loans held for sale and foreclosed assets was .61% at December 31, 1999 and .55% at December 31, 1998. Nonperforming assets were $325 million at December 31, 1999 compared with $319 million at December 31, 1998. The allowance for credit losses was $674 million and represented 232% of nonaccrual loans and 1.36% of total loans at December 31, 1999. The comparable ratios were 263% and 1.31%, respectively, at December 31, 1998.

CAPITAL

Shareholders' equity totaled $5.9 billion and $6.0 billion at December 31, 1999 and 1998, respectively, and the leverage ratio was 6.61% and 7.28% in the comparison. Tier I and total risk-based capital ratios were 7.05% and 11.08%, respectively, at December 31, 1999, compared with 7.80% and 11.16%, respectively, at December 31, 1998, computed on a basis including discontinued operations.

FORWARD-LOOKING STATEMENTS

This report and other documents filed by the Corporation with the SEC include forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to future financial or business performance, conditions, strategies, expectations and goals. In addition, the Corporation may also include forward-looking statements in other written or oral statements. Forward-looking statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "intend," "estimate," "position," "target," "mission," "assume," "achievable," "potential," "strategy," "goal," "objective," "plan," "aspiration," "outlook," "outcome," "continue," "remain," "maintain," "strive," "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.

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: decisions the Corporation makes with respect to the redeployment of available capital; changes in asset quality and credit risk; economic conditions; changes in financial and capital markets; the inability to sustain revenue and earnings growth; changes in interest rates; 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 inability to successfully manage risks inherent in the Corporation's business; the introduction, withdrawal, success and timing of business initiatives and strategies; the extent and cost of any share repurchases; decisions the Corporation makes with respect to further 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, restructurings and divestitures; 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 of this Financial Review and factors relating to credit risk, interest rate risk, liquidity risk, trading activities and financial derivatives are discussed in the Risk Management section of this Financial Review. Other factors

are described elsewhere in this report.

REPORTS ON CONSOLIDATED FINANCIAL STATEMENTS
The PNC Financial Services Group, Inc.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The PNC Financial Services Group, Inc. is responsible for the preparation, integrity and fair presentation of its published financial statements. The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States and, as such, include judgments and estimates of management. The PNC Financial Services Group, Inc. also prepared the other information included in the Annual Report and is responsible for its accuracy and consistency with the consolidated financial statements.

Management is responsible for establishing and maintaining effective internal control over financial reporting. The internal control system is augmented by written policies and procedures and by audits performed by an internal audit staff, which reports to the Audit Committee of the Board of Directors. The Audit Committee, composed solely of independent directors, provides oversight to management's conduct of the financial reporting process.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and circumvention or overriding of controls. Accordingly, even effective internal control can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time.

Management assessed The PNC Financial Services Group, Inc.'s internal control over financial reporting as of December 31, 2000. This assessment was based on criteria for effective internal control over financial reporting described in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management believes that The PNC Financial Services Group, Inc. maintained an effective internal control system over financial reporting as of December 31, 2000.

/s/ James E. Rohr	/s/ Robert L. Haunschild
James E. Rohr President and Chief Executive Officer	Robert L. Haunschild Senior Vice President and Chief Financial Officer

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

Shareholders and Board of Directors
The PNC Financial Services Group, Inc.

We have audited the accompanying consolidated balance sheet of The PNC Financial Services Group, Inc. and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of The PNC Financial Services Group, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The PNC Financial Services Group, Inc. and subsidiaries at December 31, 2000 and 1999, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with

accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP

Pittsburgh, Pennsylvania
January 31, 2001

CONSOLIDATED STATEMENT OF INCOME
The PNC Financial Services Group, Inc.

<TABLE>
<CAPTION>

In millions, except per share data	Year ended December 31 2000	1999	1998
<S>	<C>	<C>	<C>
INTEREST INCOME			
Loans and fees on loans	$4,045	$4,064	$4,585
Securities available for sale	386	362	361
Loans held for sale	204	104	21
Other	97	53	57
Total interest income	4,732	4,583	5,024
INTEREST EXPENSE			
Deposits	1,653	1,369	1,471
Borrowed funds	915	870	1,065
Total interest expense	2,568	2,239	2,536
Net interest income	2,164	2,344	2,488
Provision for credit losses	136	163	225
Net interest income less provision for credit losses	2,028	2,181	2,263
NONINTEREST INCOME			
Asset management	809	681	626
Fund servicing	654	251	182
Service charges on deposits	206	207	203
Brokerage	249	219	91
Consumer services	209	218	285
Corporate services	342	133	245
Equity management	133	100	96
Net securities gains	20	22	16
Sale of subsidiary stock		64	
Other	269	555	342
Total noninterest income	2,891	2,450	2,086
NONINTEREST EXPENSE			
Staff expense	1,616	1,380	1,269
Net occupancy	203	224	189
Equipment	224	232	192
Amortization	110	92	110
Marketing	70	70	92
Distributions on capital securities	67	65	60
Other	781	780	786
Total noninterest expense	3,071	2,843	2,698
Income from continuing operations before income taxes	1,848	1,788	1,651
Income taxes	634	586	571
Income from continuing operations	1,214	1,202	1,080
Income from discontinued operations (less applicable income taxes of $44, $41, and $24)	65	62	35
Net income	$1,279	$1,264	$1,115
EARNINGS PER COMMON SHARE			
CONTINUING OPERATIONS			
Basic	$4.12	$3.98	$3.53
Diluted	4.09	3.94	3.49
NET INCOME			
Basic	4.35	4.19	3.64
Diluted	4.31	4.15	3.60

CASH DIVIDENDS DECLARED PER COMMON SHARE	1.83	1.68	1.58
AVERAGE COMMON SHARES OUTSTANDING			
Basic	290.0	296.9	300.8
Diluted	292.8	300.0	305.1

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

CONSOLIDATED BALANCE SHEET
The PNC Financial Services Group, Inc.

<TABLE>
<CAPTION>

In millions, except par value	December 31 2000	December 31 1999
<S>	<C>	<C>
ASSETS		
Cash and due from banks	$3,662	$3,080
Short-term investments	1,151	1,100
Loans held for sale	1,655	3,477
Securities available for sale	5,902	5,960
Loans, net of unearned income of $999 and $724	50,601	49,673
Allowance for credit losses	(675)	(674)
Net loans	49,926	48,999
Goodwill and other amortizable assets	2,468	2,512
Investment in discontinued operations	356	263
Other	4,724	3,895
Total assets	$69,844	$69,286
LIABILITIES		
Deposits		
Noninterest-bearing	$8,490	$8,161
Interest-bearing	39,174	37,641
Total deposits	47,664	45,802
Borrowed funds		
Federal funds purchased	1,445	1,281
Repurchase agreements	607	402
Bank notes and senior debt	6,110	6,975
Federal Home Loan Bank borrowings	500	2,258
Subordinated debt	2,407	2,327
Other borrowed funds	649	986
Total borrowed funds	11,718	14,229
Other	2,958	2,461
Total liabilities	62,340	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	1,303	1,276
Retained earnings	6,736	6,006
Deferred benefit expense	(25)	(17)
Accumulated other comprehensive loss from continuing operations	(43)	(132)
Accumulated other comprehensive loss from discontinued operations	(45)	(135)
Common stock held in treasury at cost: 63 and 60 shares	(3,041)	(2,823)
Total shareholders' equity	6,656	5,946
Total liabilities, capital securities and shareholders' equity	$69,844	$69,286

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

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
The PNC Financial Services Group, Inc.

<TABLE>
<CAPTION>

						Accumulated Other Comprehensive Loss from			
In millions	Preferred Stock	Common Stock	Capital Surplus	Retained Earnings	Deferred Benefit Expense	Continuing Operations	Discontinued Operations	Treasury Stock	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at January 1, 1998	$7	$1,742	$1,042	$4,641	$(41)	$(19)	$(4)	$(1,984)	$5,384
Net income				1,115					1,115
Net unrealized securities gains (losses) ..						2	(15)		(13)
Minimum pension liability adjustment						(7)			(7)
Comprehensive income									1,095
Cash dividends declared									
Common				(476)					(476)
Preferred				(19)					(19)
Common stock issued (4.4 shares)		22	99						121
Treasury stock activity (1.1 net shares purchased)			90					(177)	(87)
Tax benefit of ESOP and stock option plans			19	1					20
Deferred benefit expense					5				5
Balance at December 31, 1998	7	1,764	1,250	5,262	(36)	(24)	(19)	(2,161)	6,043
Net income				1,264					1,264
Net unrealized securities losses						(103)	(116)		(219)
Minimum pension liability adjustment						(5)			(5)
Comprehensive income									1,040
Cash dividends declared									
Common				(501)					(501)
Preferred				(19)					(19)
Treasury stock activity (11.0 net shares purchased)			13					(662)	(649)
Tax benefit of ESOP and stock option plans			13						13
Deferred benefit expense					19				19
Balance at December 31, 1999	7	1,764	1,276	6,006	(17)	(132)	(135)	(2,823)	5,946
Net income				1,279					1,279
Net unrealized securities gains						88	90		178

Minimum pension liability adjustment						1			1
Comprehensive income									1,458
Cash dividends declared									
Common				(530)					(530)
Preferred				(19)					(19)
Treasury stock activity (3.1 net shares purchased)			6					(218)	(212)
Tax benefit of ESOP and stock option plans			21						21
Deferred benefit expense					(8)				(8)
BALANCE AT DECEMBER 31, 2000	$7	$1,764	$1,303	$6,736	$(25)	$(43)	$(45)	$(3,041)	$6,656

</TABLE>

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
The PNC Financial Services Group, Inc.

<TABLE>
<CAPTION>

	Year ended December 31		
In millions	2000	1999	1998
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net income	$1,279	$1,264	$1,115
Income from discontinued operations	(65)	(62)	(35)
Net income from continuing operations	1,214	1,202	1,080
Adjustments to reconcile net income from continuing operations to net cash provided by operating activities			
Provision for credit losses	136	163	225
Depreciation, amortization and accretion	340	305	310
Deferred income taxes	376	97	207
Net securities gains	(29)	(25)	(16)
Gain on sale of businesses		(317)	(162)
Valuation adjustments	27	195	30
Change in			
Loans held for sale	1,652	175	(878)
Other	(668)	(23)	(70)
Net cash provided by operating activities	3,048	1,772	726
INVESTING ACTIVITIES			
Net change in loans	(1,505)	348	(6,020)
Repayment of securities available for sale	920	1,303	813
Sales			
Securities available for sale	8,427	7,553	9,646
Loans	551	648	3,030
Foreclosed assets	24	36	63
Purchases			
Securities available for sale	(9,147)	(9,576)	(6,864)
Loans		(363)	(129)
Net cash (paid) received for divestitures/acquisitions	(30)	1,854	(1,031)
Other	(301)	(139)	(241)
Net cash (used) provided by investing activities	(1,061)	1,664	(733)
FINANCING ACTIVITIES			
Net change in			
Noninterest-bearing deposits	329	(1,289)	(444)

Interest-bearing deposits	1,533	1,328	272
Federal funds purchased	164	891	(3,242)
Sale/issuance			
Repurchase agreements	171,850	131,084	94,297
Bank notes and senior debt	2,849	2,416	9,229
Federal Home Loan Bank borrowings	1,781	1,696	4,326
Subordinated debt	100	650	140
Other borrowed funds	37,060	32,997	92,859
Capital securities			198
Common stock	189	141	123
Repayment/maturity			
Repurchase agreements	(171,645)	(131,129)	(94,336)
Bank notes and senior debt	(3,715)	(5,827)	(8,672)
Federal Home Loan Bank borrowings	(3,539)	(1,802)	(2,253)
Subordinated debt	(20)	(104)	
Other borrowed funds	(37,367)	(32,614)	(93,363)
Acquisition of treasury stock	(428)	(803)	(342)
Cash dividends paid	(546)	(520)	(495)
Net cash used by financing activities	(1,405)	(2,885)	(1,703)
INCREASE (DECREASE) IN CASH AND DUE FROM BANKS	582	551	(1,710)
Cash and due from banks at beginning of year	3,080	2,529	4,239
Cash and due from banks at end of year	$3,662	$3,080	$2,529
CASH PAID FOR			
Interest	$2,598	$2,237	$2,540
Income taxes	289	344	362
NON-CASH ITEMS			
Transfer to (from) loans from (to) loans held for sale	143	(3,378)	429
Transfer from loans to other assets	23	37	40
Conversion of debt to equity			55

</TABLE>

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
The PNC Financial Services Group, Inc.

BUSINESS

The PNC Financial Services Group, Inc. ("Corporation" or "PNC") is one of the largest diversified financial services companies in the United States, operating community banking, corporate banking, real estate finance, asset-based lending, wealth management, asset management and global fund services businesses. The Corporation provides certain products and services nationally and others in PNC's primary geographic markets in Pennsylvania, New Jersey, Delaware, Ohio and Kentucky. The Corporation also provides certain products and services internationally. PNC is subject to intense competition from other financial services companies and is subject to regulation by certain federal and state agencies and undergoes periodic examinations by those authorities.

NOTE 1 ACCOUNTING POLICIES

BASIS OF FINANCIAL STATEMENT PRESENTATION

The consolidated financial statements include the accounts of PNC and its subsidiaries, most of which are wholly owned. Such statements have been prepared in accordance with accounting principles generally accepted in the United States. All significant intercompany accounts and transactions have been eliminated. Certain prior-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 Consolidated Financial Statements and Notes to Consolidated Financial Statements reflect the residential mortgage banking business, which was sold on January 31, 2001, as discontinued operations, unless otherwise noted.

LOANS HELD FOR SALE

Loans are designated as held for sale when the Corporation has a positive intent to sell them. Loans are transferred at the lower of cost or market to the loans held for sale category. Upon the transfer, related write-downs on loans classified as nonaccrual are charged against the allowance for credit losses and for all other loans write-downs are charged to noninterest income. Such loans are carried at the lower of cost or aggregate market value and related valuation adjustments subsequent to transfer are included in noninterest income.

SECURITIES

Securities purchased with the intention of recognizing short-term profits are placed in the trading account, carried at market value and classified as short-term investments. Gains and losses on trading securities are included in noninterest income. Securities not classified as trading are designated as securities available for sale and carried at fair value with unrealized gains and losses, net of income taxes, reflected in accumulated other comprehensive income or loss. Gains and losses realized on the sale of securities available for sale are computed on a specific security basis and included in noninterest income.

LOANS

Loans are stated at the principal amounts outstanding, net of unearned income. Interest income with respect to loans is accrued on the principal amount outstanding, except for lease financing income which is recognized over its respective terms using methods which approximate the level yield method. Significant loan fees are deferred and accreted to interest income over the respective lives of the loans.

LOAN SECURITIZATIONS AND RETAINED INTERESTS

The Corporation sells mortgage and other loans through secondary market securitizations. In certain cases, the Corporation will retain interest-only strips, servicing rights and cash reserve accounts, all of which are associated with the securitized asset. Any gain or loss recognized on the sale of the loans depends in part on the previous carrying amount, allocated between the loans sold and the retained interests, based on their relative fair market values at the date of transfer. The Corporation generally estimates fair value based on the present value of future expected cash flows using assumptions as to discount rates, prepayment speeds, credit losses and servicing costs, if applicable.

Servicing rights are maintained at the lower of carrying value or fair market value and are amortized in proportion to estimated net servicing income. Retained interests in loan securitizations are carried at fair market value and, if included in securities available for sale, adjusted to fair market value through accumulated other comprehensive income or loss. Fair market value adjustments for all other retained interests are recorded in noninterest income. For servicing rights retained, the Corporation generally receives a fee for servicing the securitized loans.

NONPERFORMING ASSETS

Nonperforming assets are comprised of nonaccrual loans, troubled debt restructurings, nonaccrual loans held for sale and foreclosed assets. Generally, loans other than consumer are classified as nonaccrual when it is determined that the collection of interest or principal is doubtful or when a default of interest or principal has existed for 90 days or more, unless the loans are well secured and in the process of collection. When interest accrual is discontinued, accrued but uncollected interest credited to income in the current year is reversed and unpaid interest accrued in the prior year, if any, is charged against the allowance for credit losses. Consumer loans are generally charged off when payments are past due 120 days.

A loan is categorized as a troubled debt restructuring in the year of restructuring if a concession is granted to the borrower due to a deterioration in the financial condition of the borrower.

Nonperforming loans are generally not returned to performing status until the obligation is brought current and has performed in accordance with the contractual terms for a reasonable period of time and collection of the contractual principal and interest is no longer doubtful.

Loans held for sale, which are carried at lower of cost or aggregate market value, are considered nonaccrual when it is determined that the collection of interest or principal is doubtful or when a default of interest or principal has

existed for 90 days or more, unless the loans are well secured and in the process of collection. Nonaccrual loans held for sale are reported as other nonperforming assets.

Foreclosed assets are comprised of property acquired through a foreclosure proceeding or acceptance of a deed-in-lieu of foreclosure. These assets are recorded on the date acquired at the lower of the related loan balance or market value of the collateral less estimated disposition costs. Market values are estimated primarily based on appraisals. Subsequently, foreclosed assets are valued at the lower of the amount recorded at acquisition date or the current market value less estimated disposition costs. Gains or losses realized from disposition of such property are reflected in noninterest expense.

Impaired loans consist of nonaccrual commercial and commercial real estate loans and troubled debt restructurings. Interest collected on these loans is recognized on the cash basis or cost recovery method.

ALLOWANCE FOR CREDIT LOSSES

The allowance for credit losses is established through provisions charged against income. Loans deemed to be uncollectible are charged against the allowance and recoveries of previously charged-off loans are credited to the allowance.

The allowance is maintained at a level believed by management to be sufficient to absorb estimated probable credit losses. Management's determination of the adequacy of the allowance is based on periodic evaluations of the credit portfolio and other relevant factors. This evaluation is inherently subjective as it requires material estimates, including, among others, the amounts and timing of expected future cash flows on impaired loans, estimated losses on consumer loans and residential mortgages, and general amounts for historical loss experience, economic conditions, uncertainties in estimating losses and inherent risks in the various credit portfolios, all of which may be susceptible to significant change.

In determining the adequacy of the allowance for credit losses, the Corporation makes specific allocations to impaired loans and to pools of watchlist and nonwatchlist loans for various credit risk factors. Allocations to loan pools are developed by business segment and risk rating and are based on historical loss trends and management's judgment concerning those trends and other relevant factors. These factors may include, among others, actual versus estimated losses, regional and national economic conditions, business segment portfolio concentrations, industry competition and consolidation, and the impact of government regulations. Consumer and residential mortgage loan allocations are made at a total portfolio level based on historical loss experience adjusted for portfolio activity and economic conditions.

While PNC's 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 are designed to 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.

EQUITY MANAGEMENT ASSETS

Equity management assets are included in other assets. These investments are carried at estimated fair value with changes in fair value recognized in noninterest income.

GOODWILL AND OTHER AMORTIZABLE ASSETS

Goodwill is amortized to expense on a straight-line basis over periods ranging from 15 to 25 years. Other amortizable assets are amortized to expense using accelerated or straight-line methods over their respective estimated useful lives. On a periodic basis, management reviews goodwill and other amortizable assets and evaluates events or changes in circumstances that may indicate impairment in the carrying amount of such assets. In such instances, impairment, if any, is measured on a discounted future cash flow basis.

DEPRECIATION AND AMORTIZATION

For financial reporting purposes, premises and equipment are depreciated principally using the straight-line method over the estimated useful lives ranging from one to 39 years. Accelerated methods are used for federal income tax purposes. Leasehold improvements are amortized over their estimated useful lives or the respective lease terms, whichever is shorter.

REPURCHASE AND RESALE AGREEMENTS

Repurchase and resale agreements are treated as collateralized financing transactions and are carried at the amounts that the securities will be subsequently reacquired or resold, including accrued interest, as specified in the respective agreements. The Corporation's policy is to take possession of securities purchased under agreements to resell. The market value of securities to be repurchased and resold is monitored, and additional collateral may be obtained where considered appropriate to protect against credit exposure.

TREASURY STOCK

The Corporation records common stock purchased for treasury at cost. At the date of subsequent reissue, the treasury stock account is reduced by the cost of such stock on the first-in, first-out basis.

FINANCIAL DERIVATIVES

The Corporation uses off-balance-sheet financial derivatives as part of the overall asset and liability management process, for commercial mortgage banking risk management and to manage credit risk. Substantially all such instruments are used to manage risk related to changes in interest rates. Financial derivatives primarily consist of interest rate swaps, purchased interest rate caps and floors, forward contracts and credit default swaps.

Interest rate swaps are agreements with a counterparty to exchange periodic interest payments calculated on a notional principal amount. Purchased interest rate caps and floors are agreements where, for a fee, the counterparty agrees to pay the Corporation the amount, if any, by which a specified market interest rate is higher or lower than a defined rate applied to a notional amount.

Interest rate swaps, caps and floors that modify the interest rate characteristics (such as from fixed to variable, variable to fixed, or one variable index to another) of designated interest-bearing assets or liabilities are accounted for under the accrual method. The net amount payable or receivable from the derivative contract is accrued as an adjustment to interest income or interest expense of the designated instrument. Premiums on contracts are deferred and amortized over the life of the agreement as an adjustment to interest income or interest expense of the designated instruments. Unamortized premiums are included in other assets.

Changes in the fair value of financial derivatives accounted for under the accrual method are not reflected in results of operations. Realized gains and losses, except losses on terminated interest rate caps and floors, are deferred as an adjustment to the carrying amount of the designated instruments and amortized over the shorter of the remaining original life of the agreements or the designated instruments. Losses on terminated interest rate caps and floors are recognized immediately in results of operations. If the designated instruments are disposed, the fair value of the associated derivative contracts and any unamortized deferred gains or losses are included in the determination of gain or loss on the disposition of such instruments. Contracts not qualifying for accrual accounting are marked to market with gains or losses included in noninterest income.

Forward contracts provide for the delivery of financial instruments at a specified future date and at a specified price or yield. The Corporation uses forward contracts primarily to manage risk associated with its student lending activities. Realized gains and losses on mandatory and optional delivery forward commitments are recorded in noninterest income in the period settlement occurs. Unrealized gains or losses are considered in the lower of cost or market valuation of loans held for sale.

Credit-related derivatives are entered into to mitigate credit risk and lower the required regulatory capital associated with commercial lending activities. If the credit-related derivative qualifies for hedge accounting treatment, the premium paid to enter the credit-related derivative is recorded in other assets and is deferred and amortized to noninterest expense over the life of the agreement. Changes in the fair value of credit-related derivatives qualifying for hedge accounting treatment are not reflected in the Corporation's financial position and have no impact on results of operations.

If the credit-related derivative does not qualify for hedge accounting treatment or if the Corporation is the seller of credit protection, the credit-related derivative is marked to market with gains or losses included in noninterest income.

To accommodate customer needs, PNC also enters into financial derivative transactions primarily consisting of interest rate swaps, caps, floors and foreign exchange contracts. Interest rate risk exposure from customer positions is managed through transactions with other dealers. These positions are recorded

at estimated fair value and changes in value are included in noninterest income.

Additionally, the Corporation enters into other derivative transactions for risk management purposes that do not qualify for accrual accounting. These transactions are recorded at estimated fair value and changes in value are included in noninterest income.

INCOME TAXES

Income taxes are accounted for under the liability method. Deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

STOCK OPTIONS

For stock options granted at exercise prices not less than the fair market value of common stock on the date of grant, no compensation expense is recognized.

EARNINGS PER COMMON SHARE

Basic earnings per common share is calculated by dividing net income adjusted for preferred stock dividends declared by the weighted-average number of shares of common stock outstanding.

Diluted earnings per common share is based on net income adjusted for dividends declared on nonconvertible preferred stock. The weighted-average number of shares of common stock outstanding is increased by the assumed conversion of outstanding convertible preferred stock and debentures from the beginning of the year or date of issuance, if later, and the number of shares of common stock that would be issued assuming the exercise of stock options and the issuance of incentive shares. Such adjustments to net income and the weighted-average number of shares of common stock outstanding are made only when such adjustments are expected to dilute earnings per common share.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137 and No. 138, which is required to be adopted 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 their fair value through earnings. If the derivative is designated as a hedge, depending on the nature of the hedge, changes in its fair value either will be 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 accumulated other comprehensive income until the hedged items are recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings.

The Corporation adopted the new statement effective January 1, 2001. As a result, the Corporation recognized an after-tax loss from the cumulative effect of a change in accounting principle of $5 million, to be reported in the consolidated statement of income for the quarter ended March 31, 2001, and an after-tax increase in accumulated other comprehensive loss of $4 million. The impact of the adoption of this standard related to the residential mortgage banking business that was sold will be reflected in the results of discontinued operations in the first quarter of 2001.

SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" (a replacement of SFAS No. 125) was issued in September 2000 and replaces SFAS No. 125. Although SFAS No. 140 has changed many of the rules regarding securitizations, it continues to require an entity to recognize the financial and servicing assets it controls and the liabilities it has incurred and to derecognize financial assets when control has been surrendered in accordance with the criteria provided in the standard. As required, the Corporation will apply the new rules prospectively to transactions beginning in the second quarter of 2001. Based on current circumstances, management believes that the application of the new rules will not have a material impact on the Corporation's financial position or results of operations. SFAS No. 140 requires certain disclosures pertaining to securitization transactions effective for fiscal years ending after December 15, 2000. These disclosures are included in Note 12.

NOTE 2 DISCONTINUED OPERATIONS

On October 2, 2000, PNC announced that it reached a definitive agreement to sell its residential mortgage banking business. The capital made available by the sale will be redeployed in a number of ways, which may include repurchasing common stock, continuing to reduce balance sheet leverage, reducing debt and making targeted investments in higher-growth businesses. The amount of capital available for redeployment and the income statement impact of the sale will depend on fair market values and other factors, and will not be determined until final settlement. The transaction closed on January 31, 2001.

Earnings for the residential mortgage banking business for the years ended December 31, 2000, 1999 and 1998 were $65 million, $62 million and $35 million, respectively, and are reflected in 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

December 31 - in millions	2000	1999
Loans held for sale	$3,003	$2,321
Securities available for sale	3,016	1,651
Loans, net of unrealized income	739	373
Goodwill and other amortizable assets	1,925	1,611
All other assets	1,168	434
Total assets	9,851	6,390
Deposits	1,150	866
Borrowed funds	7,601	5,118
Other liabilities	744	143
Total liabilities	9,495	6,127
Net assets	$356	$263

The notional and fair value of financial derivatives used for residential mortgage banking risk management were $15.2 billion and $124 million, respectively, at December 31, 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 2 years and 2 months at December 31, 2000.

NOTE 3 SALE OF SUBSIDIARY STOCK

PNC recognizes as income the gain from the sale of stock by its subsidiaries. The gain is the difference between PNC's basis in the stock and the proceeds per share received. PNC provides applicable taxes on the gain.

In October 1999, BlackRock, Inc. ("BlackRock"), a majority-owned investment management subsidiary of the Corporation, issued nine million shares of class A common stock at $14.00 per share in an initial public offering ("IPO"). Prior to the IPO, PNC and BlackRock's management owned approximately 82% and 18%, respectively, of BlackRock's outstanding common stock. Proceeds from the sale were approximately $115 million and resulted in PNC recording a pretax gain in the amount of $64 million or $59 million after tax. As of December 31, 2000, PNC owned approximately 70% of BlackRock.

NOTE 4 CASH FLOWS

For the statement of cash flows, cash and cash equivalents are defined as cash and due from banks.

The following table sets forth information pertaining to acquisitions and divestitures that affect cash flows:

Year ended December 31 In millions	2000	1999	1998
Assets acquired (divested)	$4	$(2,062)	$1,007
Liabilities acquired (divested)	4	(208)	(322)
Cash paid	31	1,407	1,184

Cash and due from banks received	1	3,261	153

NOTE 5 TRADING ACTIVITIES

Most of PNC's trading activities are designed to provide capital markets services to customers and not to position the Corporation's portfolio for gains from market movements. PNC participates in derivatives and foreign exchange trading as well as "market making" in equity securities as an accommodation to customers. PNC also engages in trading activities as part of risk management strategies.

Net trading income in 2000, 1999 and 1998 totaled $91 million, $73 million and $26 million, respectively, and was included in noninterest income as follows:

Year ended December 31 In millions	2000	1999	1998
Corporate services	$7		
Other income			
Market making	42	$48	$3
Derivatives trading	20	8	11
Foreign exchange	22	17	12
Net trading income	$91	$73	$26

NOTE 6 SECURITIES AVAILABLE FOR SALE

<TABLE>
<CAPTION>

In millions	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
<S>	<C>	<C>	<C>	<C>
DECEMBER 31, 2000				
Debt securities				
U.S. Treasury and government agencies	$313	$1	$(1)	$313
Mortgage-backed	4,037	13	(48)	4,002
Asset-backed	902	1	(10)	893
State and municipal	94	2		96
Other debt	73	1	(1)	73
Total debt securities	5,419	18	(60)	5,377
Corporate stocks and other	537	2	(14)	525
Total securities available for sale	$5,956	$20	$(74)	$5,902
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
December 31, 1998				
Debt securities				
U.S. Treasury and government agencies	$152	$2	$(2)	$152
Mortgage-backed	2,942	5	(11)	2,936
Asset-backed	709	1	(2)	708
State and municipal	122	6		128
Other debt	33		(2)	31
Total debt securities	3,958	14	(17)	3,955
Corporate stocks and other	542	10	(35)	517
Total securities available for sale	$4,500	$24	$(52)	$4,472

</TABLE>

The expected weighted-average life of securities available for sale was 4 years and 5 months at December 31, 2000 compared with 4 years and 7 months at year-end 1999 and 2 years and 8 months at year-end 1998.

At December 31, 2000, the securities available for sale balance included a net unrealized loss of $54 million that represented the difference between fair value and amortized cost. The comparable amounts at December 31, 1999 and 1998 were net unrealized losses of $184 million and $28 million, respectively. Net unrealized gains and losses in the securities available for sale portfolio are included in accumulated other comprehensive income or loss, net of tax.

Net securities gains, associated with the disposition of securities available for sale, were $20 million in 2000, $22 million in 1999 and $16 million in 1998. Reflected in the 1999 net securities gains was a $41 million gain from the sale of Concord EFS, Inc. ("Concord") stock that was partially offset by a $28 million write-down of an equity investment. Net securities gains of $9 million in 2000 and $3 million in 1999 related to commercial mortgage banking activities were included in corporate services revenue.

Information relating to security sales is set forth in the following table:

Year ended December 31 In millions	Proceeds	Gross Gains	Gross Losses	Net Gains	Taxes
2000	$8,427	$37	$8	$29	$10
1999	7,573	69	44	25	9
1998	9,646	20	4	16	6

The carrying value of securities pledged to secure public and trust deposits, repurchase agreements and for other purposes was $3.8 billion at December 31, 2000.

The following table presents the amortized cost, fair value and weighted-average yield of debt securities at December 31, 2000, by remaining contractual maturity.

CONTRACTUAL MATURITY OF DEBT SECURITIES

<TABLE>
<CAPTION>

December 31, 2000 In millions	Within 1 Year	1 to 5 Years	5 to 10 Years	After 10 Years	Total
U.S. Treasury and government agencies	$87	$101	$115	$10	$313
Mortgage-backed	3	2	241	3,791	4,037
Asset-backed		7	135	760	902
State and municipal	3	14	42	35	94
Other debt	3	35	18	17	73
Total	$96	$159	$551	$4,613	$5,419
Fair value	$106	$156	$544	$4,571	$5,377
Weighted-average yield	5.88%	5.54%	6.41%	6.26%	6.25%

</TABLE>

Based on current interest rates and expected prepayment speeds, the total weighted-average expected maturity of mortgage-backed and asset-backed securities was 4 years and 5 months and 3 years and 9 months, respectively, at December 31, 2000. Weighted-average yields are based on historical cost with effective yields weighted for the contractual maturity of each security.

NOTE 7 LOANS AND COMMITMENTS TO EXTEND CREDIT

Loans outstanding were as follows:

<TABLE>
<CAPTION>

December 31 - in millions	2000	1999	1998	1997	1996
Consumer	$9,133	$9,348	$10,980	$11,205	$12,092
Credit card			2,958	3,830	2,776
Residential mortgage	13,264	12,506	12,253	12,776	12,696
Commercial	21,207	21,468	25,177	19,988	18,588
Commercial real estate	2,583	2,730	3,449	3,974	4,098
Lease financing	4,845	3,663	2,978	2,224	1,641
Other	568	682	392	650	285
Total loans	51,600	50,397	58,187	54,647	52,176
Unearned income	(999)	(724)	(554)	(412)	(385)
Total loans, net of unearned income	$50,601	$49,673	$57,633	$54,235	$51,791

</TABLE>

Loan outstandings and related unfunded commitments are concentrated in PNC's primary geographic markets. At December 31, 2000, no specific industry concentration exceeded 6.5% of total outstandings and unfunded commitments.

NET UNFUNDED COMMITMENTS (a)

December 31 - in millions	2000	1999
Consumer	$4,414	$4,603
Commercial	24,253	23,251
Commercial real estate	1,039	740
Lease financing	123	136
Other	173	1,513
Total	$30,002	$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 $7.2 billion at December 31, 2000 and 1999. Commitments generally have fixed expiration dates, may require payment of a fee, and contain termination clauses in the event the customer's credit quality deteriorates. Based on the Corporation's historical experience, most commitments expire unfunded, and therefore cash requirements are substantially less than the total commitment.

Net outstanding letters of credit totaled $4.0 billion and $4.6 billion at December 31, 2000 and 1999, respectively, and consisted primarily of standby letters of credit that commit the Corporation to make payments on behalf of customers if certain specified future events occur. Such instruments are typically issued to support industrial revenue bonds, commercial paper, and bid-or-performance related contracts. At year-end 2000, the largest industry concentration within standby letters of credit was for educational services, which accounted for approximately 8% of the total. Maturities for standby letters of credit ranged from 2001 to 2011.

Unfunded commitments and letters of credit related to loans designated for exit in 1999 were $1.7 billion at December 31, 2000 and $4.8 billion at December 31, 1999.

At December 31, 2000, $8.0 billion of loans were pledged to secure borrowings and for other purposes.

Certain directors and executive officers of the Corporation and its subsidiaries, as well as certain affiliated companies of these directors and officers, were customers of and had loans with subsidiary banks in the ordinary course of business. All such loans were on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other customers and did not involve more than a normal risk of collectibility. The aggregate dollar amounts of these loans were $29 million and $27 million at December 31, 2000 and 1999, respectively. During 2000, new loans of $16 million were funded and repayments totaled $14 million.

NOTE 8 NONPERFORMING ASSETS

The following table sets forth nonperforming assets and related information:

<TABLE>
<CAPTION>

December 31 - dollars in millions	2000	1999	1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>
Nonaccrual loans	$323	$291	$286	$270	$343
Troubled debt restructured loans					2
Total nonperforming loans	323	291	286	270	345
Foreclosed and other assets	49	34	33	52	106
Total nonperforming assets (a)	$372	$325	$319	$322	$451
Nonperforming loans to total loans	.64%	.59%	.50%	.50%	.67%
Nonperforming assets to total loans, loans held for sale and foreclosed assets	.71	.61	.55	.59	.87
Nonperforming assets to total assets	.53	.47	.45	.45	.63
Interest on nonperforming loans					
Computed on original terms	$42	$28	$25	$31	$34
Recognized	10	11	6	6	10
Past due loans					
Accruing loans past due 90 days or more	$113	$86	$263	$287	$242
As a percentage of total loans	.22%	.17%	.46%	.53%	.47%

</TABLE>

(a) The above table excludes $18 million and $13 million of equity management assets at December 31, 2000 and 1999, respectively, that are carried at estimated fair value.

NOTE 9 ALLOWANCE FOR CREDIT LOSSES

Changes in the allowance for credit losses were as follows:

In millions	2000	1999	1998
January 1	$674	$753	$972
Charge-offs	(186)	(216)	(524)
Recoveries	51	55	77
Net charge-offs	(135)	(161)	(447)
Provision for credit losses ...	136	163	225
Sale of credit card business ..		(81)	
Acquisitions			3
December 31	$675	$674	$753

Impaired loans totaling $316 million and $241 million at December 31, 2000 and 1999, respectively, had a corresponding specific allowance for credit losses of $76 million and $60 million. The average balance of impaired loans was $277 million in 2000, $243 million in 1999, and $223 million in 1998. There was no interest income recognized on impaired loans in 2000 and 1999. Interest income recognized on impaired loans in 1998 was $1 million.

NOTE 10 PREMISES, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Premises, equipment and leasehold improvements, stated at cost less accumulated depreciation and amortization, were as follows:

December 31 - in millions	2000	1999
Land	$86	$83
Buildings	456	427
Equipment	1,373	1,338
Leasehold improvements	190	208
Total	2,105	2,056
Accumulated depreciation and amortization	(1,069)	(1,154)
Net book value	$1,036	$902

Depreciation and amortization expense on premises, equipment and leasehold improvements totaled $149 million in 2000, $204 million in 1999 and $149 million in 1998.

Certain facilities and equipment are leased under agreements expiring at various dates through the year 2071. Substantially all such leases are accounted for as operating leases. Rental expense on such leases amounted to $148 million in 2000, $132 million in 1999 and $101 million in 1998.

At December 31, 2000 and 1999, required minimum annual rentals due on noncancelable leases having terms in excess of one year aggregated $684 million and $749 million, respectively. Minimum annual rentals for each of the years 2001 through 2005 are $106 million, $97 million, $89 million, $77 million and $66 million, respectively.

During 1999, PNC made the decision to sell various branches and office buildings. Buildings that were designated for sale, but not sold during 1999 are classified as held for sale. Initial write-downs were recorded in noninterest expense and generally reflected the difference between book value and appraised value less selling costs. Write-downs totaled $35 million and subsequent net gains from disposals totaled $8 million in 1999.

NOTE 11 GOODWILL AND OTHER AMORTIZABLE ASSETS

Goodwill and other amortizable assets, net of amortization, consisted of the following:

December 31 - in millions	2000	1999
Goodwill	$2,155	$2,222
Customer-related intangibles	157	165
Commercial mortgage servicing rights	156	125
Total	$2,468	$2,512

Amortization of goodwill and other amortizable assets was as follows:

Year ended December 31 - in millions	2000	1999	1998
Goodwill	$116	$80	$67
Purchased credit cards		6	36
Commercial mortgage servicing rights	18	20	12
Other	(6)	6	7
Total	$128	$112	$122

NOTE 12 SECURITIZATIONS

During 2000, the Corporation securitized commercial mortgage loans totaling $865 million and recorded a pretax gain of $13 million. The Corporation retained servicing rights in the securitized loans, all of which were sold and removed from the balance sheet as a part of the securitization, and recorded servicing rights of $7 million. The servicing rights were valued based on expected future cash flows considering a 10% discount rate and an 8% prepayment rate on mortgages with a weighted-average life of 10 years. Cash received from securitization trusts totaled $877 million.

The Corporation also retained interest-only strips related to residential mortgage loans and student loans totaling $16 million and $46 million, respectively, at December 31, 2000. The loans associated with these retained interests were sold and removed from the Corporation's balance sheet at securitization.

NOTE 13 DEPOSITS

The aggregate amount of time deposits with a denomination greater than $100,000 was $5.8 billion and $6.8 billion at December 31, 2000 and 1999, respectively. Remaining contractual maturities of time deposits for the years 2001 through 2005 and thereafter are $14.5 billion, $1.1 billion, $270 million, $261 million and $849 million, respectively.

NOTE 14 BORROWED FUNDS

Bank notes have interest rates ranging from 5.93% to 6.97% with approximately one-third maturing in 2001. Senior and subordinated notes consisted of the following:

December 31, 2000 Dollars in millions	Outstanding	Stated Rate	Maturity
Senior	$597	6.95% - 7.00%	2002-2004
Subordinated			
Nonconvertible	2,407	6.13 - 9.88	2001-2009
Total	$3,004		

Borrowed funds have scheduled repayments for the years 2001 through 2005 and thereafter of $5.3 billion, $1.8 billion, $1.8 billion, $0.5 billion and $2.3 billion, respectively.

Excluded from continuing operations are Federal Home Loan Bank obligations of $4.4 billion at December 31, 2000. These obligations have maturities ranging from 2001 to 2018 and interest rates ranging from 1.00% to 7.91%.

NOTE 15 CAPITAL SECURITIES OF SUBSIDIARY TRUSTS

Mandatorily Redeemable Capital Securities of Subsidiary Trusts ("Capital Securities") include nonvoting preferred beneficial interests in the assets of PNC Institutional Capital Trust A, Trust B and Trust C. Trust A, formed in December 1996, holds $350 million of 7.95% junior subordinated debentures, due December 15, 2026, and redeemable after December 15, 2006, at a declining redemption price ranging from 103.975% to par on or after December 15, 2016.

Trust B, formed in May 1997, holds $300 million of 8.315% junior subordinated debentures due May 15, 2027, and redeemable after May 15, 2007, at a declining redemption price ranging from 104.1575% to par on or after May 15, 2017. Trust C, formed in June 1998, holds $200 million of junior subordinated

debentures due June 1, 2028, bearing interest at a floating rate per annum equal to 3-month LIBOR plus 57 basis points. The rate in effect at December 31, 2000 was 7.31%. Trust C Capital Securities are redeemable on or after June 1, 2008 at par. Cash distributions on the Capital Securities are made to the extent interest on the debentures is received by the Trusts. In the event of certain changes or amendments to regulatory requirements or federal tax rules, the Capital Securities are redeemable in whole.

Trust A is a wholly-owned finance subsidiary of PNC Bank, N.A. and Trust B and Trust C are wholly-owned finance subsidiaries of the Corporation. Distributions on the preferred beneficial interests in the assets of Trust A, Trust B and Trust C are fully and unconditionally guaranteed by their respective parent companies.

NOTE 16 SHAREHOLDERS' EQUITY

Information related to preferred stock is as follows:

December 31 Shares in thousands	Liquidation Value per Share	Preferred Shares 2000	1999
Authorized			
$1 par value		17,224	17,300
Issued and outstanding			
Series A	$40	11	12
Series B	40	3	3
Series C	20	229	255
Series D	20	318	367
Series F	50	6,000	6,000
Total		6,561	6,637

Series A through D are cumulative and, except for Series B, are redeemable at the option of the Corporation. Annual dividends on Series A, B and D preferred stock total $1.80 per share and on Series C preferred stock total $1.60 per share. Holders of Series A through D preferred stock are entitled to a number of votes equal to the number of full shares of common stock into which such preferred stock is convertible. Series A through D preferred stock have the following conversion privileges: (i) one share of Series A or Series B is convertible into eight shares of common stock; and (ii) 2.4 shares of Series C or Series D are convertible into four shares of common stock.

The Series F preferred stock is nonconvertible and nonvoting, except in limited circumstances. Noncumulative dividends are payable quarterly through September 30, 2001, at a rate of 6.05% and, thereafter, indexed to certain market indices at rates not less than 6.55% or greater than 12.55%. The Series F preferred stock is redeemable until September 29, 2001, in the event of certain amendments to the Internal Revenue Code, at a declining redemption price from $51.50 to $50.50 per share. After September 29, 2001, the Series F preferred stock may be redeemed at $50 per share.

During 2000, the Board of Directors adopted a shareholders rights plan providing for issuance of share purchase rights. If a person or group becomes beneficial owner of 10% or more of PNC's common stock, all holders of the rights, other than such person or group, may purchase PNC common stock or equivalent preferred stock at half of market value.

The Corporation has a dividend reinvestment and stock purchase plan. Holders of preferred stock and common stock may participate in the plan, which provides that additional shares of common stock may be purchased at market value with reinvested dividends and voluntary cash payments. Common shares purchased pursuant to this plan were: 649,334 shares in 2000, 567,266 shares in 1999 and 596,179 shares in 1998.

At December 31, 2000, the Corporation had reserved approximately 10.9 million common shares to be issued in connection with certain stock plans and the conversion of certain debt and equity securities.

NOTE 17 REGULATORY MATTERS

The Corporation is subject to the regulations of certain federal and state agencies and undergoes periodic examinations by such regulatory authorities. Neither the Corporation nor any of its subsidiaries is subject to written regulatory agreements.

Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Corporation must meet specific capital guidelines that

involve quantitative measures of assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on PNC's financial condition and results of operations. The Corporation's capital amounts and classification are also subject to qualitative judgments by regulatory agencies about components, risk weightings and other factors.

The following table sets forth regulatory capital ratios for PNC and its only significant bank subsidiary, PNC Bank, N.A.:

REGULATORY CAPITAL

December 31 Dollars in millions	Amount 2000	 1999 (a)	Ratios 2000	 1999 (a)
Risk-based capital				
Tier I				
PNC	$5,367	$4,731	8.60%	7.05%
PNC Bank, N.A.	5,055	4,746	8.74	7.69
Total				
PNC	7,845	7,438	12.57	11.08
PNC Bank, N.A.	7,012	6,815	12.12	11.04
Leverage				
PNC	5,367	4,731	8.03	6.61
PNC Bank, N.A.	5,055	4,746	8.20	7.13

(a) Includes discontinued operations

The access to and cost of funding new business initiatives including acquisitions, 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. The minimum regulatory capital ratios are 4% for Tier I risk-based, 8% for total risk-based and 3% for leverage. However, regulators may require higher capital levels when particular circumstances warrant. To qualify as well capitalized, regulators require banks to maintain capital ratios of at least 6% for Tier I risk-based, 10% for total risk-based and 5% for leverage. At December 31, 2000, the Corporation and each bank subsidiary met the well capitalized capital ratio requirements.

Dividends that may be paid by subsidiary banks to the parent company are subject to certain legal limitations and also may be impacted by capital needs, regulatory requirements, corporate policies, contractual restrictions and other factors. Without regulatory approval, the amount available for payment of dividends by all subsidiary banks was $634 million at December 31, 2000.

Under federal law, bank subsidiaries generally may not extend credit to the parent company or its nonbank subsidiaries on terms and under circumstances that are not substantially the same as comparable extensions of credit to nonaffiliates. No extension of credit may be made to the parent company or a nonbank subsidiary which is in excess of 10% of the capital stock and surplus of such bank subsidiary or in excess of 20% of the capital and surplus of such bank subsidiary as to aggregate extensions of credit to the parent company and its subsidiaries. In certain circumstances, federal regulatory authorities may impose more

restrictive limitations. Such extensions of credit, with limited exceptions, must be fully collateralized. The maximum amount available under statutory limitations for transfer from subsidiary banks to the parent company in the form of loans and dividends approximated 18% of consolidated net assets at December 31, 2000.

Federal Reserve Board regulations require depository institutions to maintain cash reserves with the Federal Reserve Bank. During 2000, subsidiary banks maintained reserves which averaged $113 million.

NOTE 18 FINANCIAL DERIVATIVES

In millions	Notional Value	Positive Fair Value	Notional Value	Negative Fair Value
December 31, 2000				
Interest rate				
Swaps	$5,173	$113	$1,814	$(12)

Caps	308	4		
Floors	3,000	1	238	(2)
Total interest rate risk management	8,481	118	2,052	(14)
Commercial mortgage banking risk management	121	4	265	(14)
Forward contracts	347			
Credit default swaps			4,391	(2)
Total	$8,949	$122	$6,708	$(30)
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)

The Corporation uses a variety of off-balance-sheet financial derivatives as part of the overall risk management process and to manage interest rate, market and credit risk inherent in the Corporation's business activities. Financial derivatives involve, to varying degrees, interest rate and credit risk in excess of the amount recognized on the balance sheet but less than the notional amount of the contract. For interest rate swaps and purchased interest rate caps and floors, only periodic cash payments and, with respect to such caps and floors, premiums are exchanged. Therefore, cash requirements and exposure to credit risk are significantly less than the notional value. The Corporation manages these risks as part of its asset and liability management process and through credit policies and procedures. The Corporation seeks to minimize the credit risk by entering into transactions with only a select number of high-quality institutions, establishing credit limits, requiring bilateral-netting agreements, and, in certain instances, segregated collateral.

The Corporation uses interest rate swaps and purchased caps and floors to modify the interest rate characteristics of designated interest-bearing assets or liabilities from fixed to variable, variable to fixed, or one variable index to another. At December 31, 2000, $7.0 billion of interest rate swaps, caps and floors were designated to loans. At December 31, 2000, $135 million of financial derivatives were designated to securities available for sale. During 2000, derivative contracts modified the average effective yield on interest-earning assets from 7.93% to 7.85%. At December 31, 2000, $3.5 billion of interest rate swaps were designated to interest-bearing liabilities. During 2000, derivative contracts had no impact on the average rate on interest-bearing liabilities of 5.01%.

PNC also uses interest rate swaps to manage interest rate risk associated with its commercial mortgage banking activities.

Forward contracts are used to manage risk positions associated with student lending activities. Substantially all forward contracts mature within 90 days of origination. Forward contracts are traded in over-the-counter markets and do not have standardized terms. In the event the counterparty is unable to meet its contractual obligations, the Corporation may be exposed to selling or purchasing student loans at prevailing market prices. Unrealized gains or losses are considered in the lower of cost or market valuation of loans held for sale.

Credit default swaps are used to mitigate credit risk and lower the required regulatory capital associated with commercial lending activities.

At December 31, 2000 and 1999, the Corporation's exposure to credit losses with respect to financial derivatives was not material.

OTHER DERIVATIVES

The following schedule sets forth information relating to positions with customer-related and other derivatives:

<TABLE>
<CAPTION>

In millions	At December 31, 2000 Notional Value	At December 31, 2000 Positive Fair Value	At December 31, 2000 Negative Fair Value	At December 31, 2000 Net Asset (Liability)	2000 Average Fair Value	At December 31, 1999 Notional Value	At December 31, 1999 Positive Fair Value	At December 31, 1999 Negative Fair Value	At December 31, 1999 Net Asset (Liability)	1999 Average Fair Value
Customer-related										
Interest rate										
Swaps	$13,567	$120	$(127)	$(7)	$(1)	$17,103	$110	$(116)	$(6)	$(13)
Caps/floors										
Sold	5,145		(17)	(17)	(23)	3,440		(25)	(25)	(20)
Purchased	3,914	15		15	21	3,337	22		22	18
Foreign exchange	6,108	79	(82)	(3)	7	3,310	47	(36)	11	7
Other	2,544	59	(59)		4	2,161	22	(9)	13	3
Total customer-related	31,278	273	(285)	(12)	8	29,351	201	(186)	15	(5)
Other	1,207	13	(1)	12	8	1,238	6		6	4
Total other derivatives	$32,485	$286	$(286)		$16	$30,589	$207	$(186)	$21	$(1)

</TABLE>

NOTE 19 EMPLOYEE BENEFIT PLANS

PENSION AND POSTRETIREMENT PLANS

The Corporation has a noncontributory, qualified defined benefit pension plan covering most employees. Retirement benefits are derived from a cash balance formula based upon compensation levels, age and length of service. Pension contributions are based on an actuarially determined amount necessary to fund total benefits payable to plan participants.

The Corporation also maintains nonqualified supplemental retirement plans for certain employees. All retirement benefits provided under these plans are unfunded and any payments to plan participants are made by the Corporation. The Corporation also provides certain health care and life insurance benefits for retired employees ("postretirement benefits") through various plans.

A reconciliation of the changes in the benefit obligation for qualified and nonqualified pension plans and postretirement benefit plans as well as the change in plan assets for the qualified pension plan is as follows:

<TABLE>
<CAPTION>

December 31 - in millions	Qualified and Nonqualified Pensions 2000	Qualified and Nonqualified Pensions 1999	Postretirement Benefits 2000	Postretirement Benefits 1999
Benefit obligation at beginning of year	$840	$866	$198	$187
Service cost	32	24	2	2
Interest cost	65	60	14	12
Actuarial loss (gain)	7	(39)	7	

				13
Settlements	(20)			
Participant contributions			4	3
Benefits paid	(68)	(71)	(22)	(19)
Benefit obligation at end of year	$856	$840	$203	$198
Fair value of plan assets at beginning of year	$939	$758		
Actual (loss) return on plan assets	(29)	147		
Employer contribution	130	105		
Settlements	(20)			
Benefits paid	(68)	(71)		
Fair value of plan assets at end of year	$952	$939		
Funded status	$96	$99	$(203)	$(198)
Unrecognized net actuarial loss (gain)	65	(60)	38	30
Unrecognized prior service credit	(5)	(6)	(63)	(69)
Unrecognized net transition asset		(4)		
Net amount recognized on the balance sheet	$156	$29	$(228)	$(237)
Prepaid pension cost	$156	$29		
Additional minimum liability	(18)	(22)		
Intangible asset	2	3		
Accumulated other comprehensive loss	16	19		
Net amount recognized on the balance sheet	$156	$29		

</TABLE>

The accrued pension benefit liability above includes $34 million and $46 million for the nonqualified plans at December 31, 2000 and 1999, respectively. The accumulated benefit obligation for these plans was $53 million and $68 million at December 31, 2000 and 1999, respectively.

Plan assets primarily consist of listed common stocks, U.S. government and agency securities and collective funds. Plan assets are managed by BlackRock and do not include common stock of the Corporation.

The health care cost trend rate declines until it stabilizes at 5.00% beginning in 2005. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

Year ended December 31, 2000 - in millions	Increase	Decrease
Effect on total service and interest cost	$1	$(1)
Effect on postretirement benefit obligation	10	(9)

The components of net periodic pension and postretirement benefit cost were as follows:

<TABLE>
<CAPTION>

	Qualified and Nonqualified Pensions			Postretirement Benefits		
Year ended December 31 - in millions	2000	1999	1998	2000	1999	1998
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Service cost	$32	$24	$28	$2	$2	$2
Interest cost	65	58	58	14	12	14
Expected return on plan assets	(93)	(75)	(71)			
Transition amount amortization	(4)	(5)	(5)			
Special termination benefits			10			

Amortization of prior service cost	(1)	(1)	1	(6)	(6)	(6)
Recognized net actuarial loss		2	1			
Losses due to settlements	7					
Net periodic cost	$6	$3	$22	$10	$8	$10

</TABLE>

Weighted-average assumptions were as follows:

<TABLE>
<CAPTION>

	Qualified and Nonqualified Pensions			Postretirement Benefits		
Year ended December 31	2000	1999	1998	2000	1999	1998
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Discount rate	7.50%	7.75%	6.75%	7.50%	7.75%	6.75%
Rate of compensation increase	4.50	4.50	4.50			
Expected return on plan assets	9.50	9.50	9.50			
Expected health care cost trend rate						
Medical pre-65				7.00	7.00	5.45
Medical post-65				8.00	8.00	5.45
Dental				7.00	7.00	5.25

</TABLE>

INCENTIVE SAVINGS PLAN

The Corporation sponsors an incentive savings plan that covers substantially all employees. Under this plan, employee contributions up to 6% of biweekly compensation, as defined by the plan are matched, subject to Internal Revenue Code limitations. Contributions to the plan are matched primarily by shares of PNC common stock held by the Corporation's employee stock ownership plan ("ESOP").

The Corporation makes annual contributions to the ESOP that are at least equal to the debt service requirements on the ESOP's borrowings less dividends received by the ESOP. All dividends received by the ESOP are used to pay debt service. Dividends used for debt service totaled $9 million in 2000, 1999 and 1998. To satisfy additional debt service requirements, PNC contributed $9 million in 1999 and $7 million in 1998.

As the ESOP's borrowings are repaid, shares are allocated to employees who made contributions during the year based on the proportion of annual debt service to total debt service. The Corporation includes all ESOP shares as common shares outstanding in the earnings per share computation. Components of ESOP shares are:

As of or for the year ended December 31 - in thousands	2000	1999
Shares		
Unallocated	364	712
Allocated	4,316	4,251
Released for allocation	348	652
Retired	(530)	(587)
Total	4,498	5,028

Compensation expense related to the portion of contributions matched with ESOP shares is determined based on the number of ESOP shares allocated. Compensation expense related to these plans was $30 million, $17 million and $4 million for 2000, 1999 and 1998, respectively.

NOTE 20 STOCK-BASED COMPENSATION PLANS

The Corporation has a senior executive long-term incentive award plan ("Incentive Plan") that provides for the granting of incentive stock options, nonqualified options, stock appreciation rights, performance units and incentive shares. In any given year, the number of shares of common stock available for grant under the Incentive Plan may range from 1.5% to 3% of total issued shares of common stock determined at the end of the preceding calendar year.

STOCK OPTIONS

Options are granted at exercise prices not less than the market value of common

stock on the date of grant. Options granted in 2000 and 1999 become exercisable in installments after the grant date. Options granted prior to 1999 are mainly exercisable twelve months after the grant date. Payment of the option price may be in cash or shares of common stock at market value on the exercise date. A summary of stock option activity follows:

Shares in thousands	Per Option Exercise Price	Per Option Weighted-Average Exercise Price	Shares
January 1, 1998	$11.38 - $43.75	$32.25	8,791
Granted	43.66 - 66.00	55.17	3,449
Exercised	11.38 - 43.75	31.26	(2,449)
Terminated	43.75 - 54.72	52.35	(225)
December 31, 1998	11.38 - 66.00	40.30	9,566
Granted	50.47 - 76.00	51.68	3,612
Exercised	11.38 - 54.72	33.89	(1,856)
Terminated	21.75 - 59.31	51.68	(247)
December 31, 1999	11.38 - 76.00	44.83	11,075
Granted	42.19 - 66.22	44.20	4,171
Exercised	11.38 - 59.31	37.77	(2,952)
Terminated	31.13 - 61.75	48.10	(464)
December 31, 2000	21.63 - 76.00	46.24	11,830

At December 31, 2000, the weighted-average remaining contractual life of outstanding options was 7 years and 7 months and options for 5,834,898 shares of common stock were exercisable at a weighted-average price of $45.96 per share. The grant-date fair value of options granted in 2000 was $9.86 per option. Options for 82,000 shares of common stock were granted in 1999 with an exercise price in excess of the market value on the date of grant. There were no options granted in excess of market value in 2000. Shares of common stock available for the granting of options under the Incentive Plan and the predecessor plans were 10,584,683 at December 31, 2000, 1999 and 1998.

INCENTIVE SHARE AWARDS

In 1998, incentive share awards potentially representing 362,250 shares of common stock were granted to certain senior executives pursuant to the Incentive Plan. Issuance of restricted shares pursuant to these incentive awards is subject to the market price of PNC's common stock equaling or exceeding specified levels for defined periods. The restricted period ends two years after the issue date. During the restricted period, the recipient receives dividends and can vote the shares. If the recipient leaves the Corporation before the end of the restricted period, the shares will be forfeited. At December 31, 2000, the incentive share awards granted in 1998 had not met the specified levels required for issuance of restricted stock. In 2000, incentive share awards potentially representing 606,000 shares of common stock were granted to certain senior executives pursuant to the Incentive Plan. Of this amount, the grant of 105,000 shares is subject to shareholder approval. One-half of any shares of restricted stock issued pursuant to these awards will vest after 3 years and one-half vest after year 4. Shares awarded, if any, under this grant will be offset on a share-for-share basis by any shares received by the executive from the 1998 grant. There were 66,000 incentive shares forfeited in 2000, no forfeitures in 1999 and 12,000 incentive shares forfeited in 1998. In addition, 245,000 shares of restricted stock were granted to senior executives with a 3-year vesting period of which the grant of 60,000 shares is subject to shareholder approval. Compensation expense recognized for incentive share awards was $8 million, $12 million and $15 million in 2000, 1999 and 1998, respectively.

EMPLOYEE STOCK PURCHASE PLAN

The Corporation's employee stock purchase plan ("ESPP") has approximately 3.0 million shares available for issuance. Persons who have been continuously employed for at least one year are eligible to participate. Participants purchase the Corporation's common stock at 85% of the lesser of fair market value on the first or last day of each offering period. No charge to earnings is recorded with respect to the ESPP. Shares issued pursuant to the ESPP were as follows:

Year ended December 31	Shares	Price Per Share
2000	504,988	$42.82 and $45.53
1999	406,740	43.99 and 47.39
1998	315,097	43.83 and 48.34

The following table sets forth pro forma income from continuing operations and diluted earnings per share as if compensation expense was recognized for stock options and the ESPP.

PRO FORMA NET INCOME AND EPS

Year ended December 31	Reported	Pro forma
Net income (in millions)		
2000	$1,214	$1,196
1999	1,202	1,194
1998	1,080	1,064
Diluted earnings per share		
2000	$4.09	$4.02
1999	3.94	3.92
1998	3.49	3.43

For purposes of computing pro forma results, PNC estimated the fair value of stock options and ESPP shares using the Black-Scholes option pricing model.

The model requires the use of numerous assumptions, many of which are highly subjective in nature. Therefore, the pro forma results are estimates of results of operations as if compensation expense had been recognized for all stock-based compensation plans and are not indicative of the impact on future periods. The following assumptions were used in the option pricing model for purposes of estimating pro forma results. The dividend yield represents average yields over the previous three-year period. Volatility is measured using the fluctuation in quarter-end closing stock prices over a five-year period.

Year ended December 31	2000	1999	1998
Risk-free interest rate	6.6%	5.2%	5.5%
Dividend yield	3.1	3.6	4.4
Volatility	21.8	22.1	19.9
Expected life	5 yrs.	6 yrs.	6 yrs.

NOTE 21 INCOME TAXES

The components of income taxes were as follows:

Year ended December 31 In millions	2000	1999	1998
Current			
Federal	$226	$454	$307
State	32	35	57
Total current	258	489	364
Deferred			
Federal	363	102	204
State	13	(5)	3
Total deferred	376	97	207
Total	$634	$586	$571

Significant components of deferred tax assets and liabilities are as follows:

December 31 - in millions	2000	1999
Deferred tax assets		
Allowance for credit losses	$250	$247
Compensation and benefits	85	128
Net unrealized securities losses	19	58
Other	104	158
Total deferred tax assets	458	591
Deferred tax liabilities		
Leasing	824	548

Depreciation	37	29
Other	102	90
Total deferred tax liabilities	963	667
Net deferred tax liability	$505	$76

A reconciliation between the statutory and effective tax rates follows:

Year ended December 31	2000	1999	1998
Statutory tax rate	35.0%	35.0%	35.0%
Increases (decreases) resulting from			
State taxes	1.6	1.1	2.3
Tax-exempt interest	(.6)	(.7)	(1.0)
Goodwill	.9	.9	.9
Other	(2.6)	(3.5)	(2.6)
Effective tax rate	34.3%	32.8%	34.6%

NOTE 22 SEGMENT REPORTING

PNC operates seven major businesses engaged in community banking, corporate banking, real estate finance, asset-based lending, wealth management, asset management and global fund services: Community 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 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 to reflect the Corporation's operating structure during 2000. Middle market and equipment leasing activities (previously included in Community 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 Community Banking) are reported in PNC Real Estate Finance. Business financial results for 2000, 1999 and 1998 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 consolidated 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 the "Other" category.

BUSINESS SEGMENT PRODUCTS AND SERVICES

Community Banking provides deposit, branch-based brokerage, electronic banking and credit 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 credit, equipment leasing, treasury management and capital markets products and services to large and mid-sized corporations, institutions and government entities primarily within PNC's geographic region.

PNC Real Estate Finance provides credit, capital markets, treasury management, 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 customers 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. and investment advisory services to the ultra-affluent through Hawthorn. 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 $204 billion of assets under management at December 31, 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 BlackRock 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 services to the investment management industry, 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 and Luxembourg operations.

RESULTS OF BUSINESSES

<TABLE>
<CAPTION>

Year ended December 31 In millions	Community Banking	Corporate Banking	PNC Real Estate Finance	PNC Business Credit	PNC Advisors	Black-Rock	PFPC	Other	Con-solidated
2000									
INCOME STATEMENT									
Net interest income (a)	$1,414	$562	$115	$99	$136	$7	$(46)	$(105)	$2,182
Noninterest income	619	277	105	20	656	477	656	81	2,891
Total revenue	2,033	839	220	119	792	484	610	(24)	5,073
Provision for credit losses	45	79	(7)	12	5			2	136
Depreciation and amortization ..	85	13	20	2	14	20	49	56	259
Other noninterest expense	986	371	119	28	497	314	483	14	2,812
Pretax earnings	917	376	88	77	276	150	78	(96)	1,866
Income taxes	327	132	6	28	103	63	31	(38)	652
Earnings	$590	$244	$82	$49	$173	$87	$47	$(58)	$1,214
Inter-segment revenue	$3	$5			$13	$84		$(105)	

AVERAGE ASSETS	$38,958	$16,382	$5,506	$2,271	$3,500	$537	$1,578	$(241)	$68,491
1999									
INCOME STATEMENT									
Net interest income (a)	$1,418	$481	$112	$71	$130	$(8)	$6	$156	$2,366
Noninterest income	550	264	100	11	608	381	251	285	2,450
Total revenue	1,968	745	212	82	738	373	257	441	4,816
Provision for credit losses	61	16	(5)	11	7			73	163
Depreciation and amortization ..	88	14	20	2	14	18	10	130	296
Other noninterest expense	969	346	106	23	480	252	175	196	2,547
Pretax earnings	850	369	91	46	237	103	72	42	1,810
Income taxes	307	123	17	17	90	44	27	(17)	608
Earnings	$543	$246	$74	$29	$147	$59	$45	$59	$1,202
Inter-segment revenue	$5	$2		$(1)	$8	$84		$(98)	
AVERAGE ASSETS	$37,502	$15,587	$5,554	$1,759	$3,353	$448	$308	$3,403	$67,914
1998									
INCOME STATEMENT									
Net interest income (a)	$1,391	$416	$114	$55	$121	$(11)	$8	$420	$2,514
Noninterest income	605	211	47	7	368	339	183	326	2,086
Total revenue	1,996	627	161	62	489	328	191	746	4,600
Provision for credit losses	81	84	(5)	3	1			61	225
Depreciation and amortization ..	98	13	15	2	6	13	6	106	259
Other noninterest expense	1,036	306	84	17	290	247	125	334	2,439
Pretax earnings	781	224	67	40	192	68	60	245	1,677
Income taxes	293	81	15	15	73	32	22	66	597
Earnings	$488	$143	$52	$25	$119	$36	$38	$179	$1,080
Inter-segment revenue	$6	$1			$1	$6		$(14)	
AVERAGE ASSETS	$36,942	$14,329	$5,306	$1,380	$2,731	$441	$229	$7,918	$69,276

</TABLE>

(a) Taxable-equivalent basis

Gains in 1999 from the sales of the credit card business, an equity interest in Electronic Payment Services, Inc., the BlackRock IPO, Concord stock and branches totaling $422 million are included in the "Other" category. Also in 1999, valuation adjustments associated with exiting certain non-strategic lending businesses totaling $195 million, costs related to efficiency initiatives of $98

million, a contribution to the PNC Foundation of $30 million, the write-down of an equity investment of $28 million and expense associated with the buyout of PNC's mall ATM representative of $12 million are included in the "Other" category.

The results of the credit card business through the first quarter of 1999, the corporate trust and escrow business in 1998, 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 comprise the remainder of the "Other" category.

NOTE 23 EARNINGS PER SHARE

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

Year ended December 31 - in millions, except share and per share data	2000	1999	1998
CALCULATION OF BASIC EARNINGS PER COMMON SHARE			
Income from continuing operations	$1,214	$1,202	$1,080
Less: Preferred dividends declared	19	19	19
Income from continuing operations applicable to basic earnings per common share	$1,195	$1,183	$1,061
Basic weighted-average common shares outstanding (in thousands)	289,958	296,886	300,761
Basic Earnings Per Common Share from Continuing Operations	$4.12	$3.98	$3.53
Income from discontinued operations applicable to basic earnings per common share	$65	$62	$35
Basic weighted-average common shares outstanding (in thousands)	289,958	296,886	300,761
Basic Earnings Per Common Share from Discontinued Operations	$.23	$.21	$.11
Net income	$1,279	$1,264	$1,115
Less: Preferred dividends declared	19	19	19
Net income applicable to basic earnings per common share	$1,260	$1,245	$1,096
Basic weighted-average common shares outstanding (in thousands)	289,958	296,886	300,761
Basic Earnings Per Common Share	$4.35	$4.19	$3.64

CALCULATION OF DILUTED EARNINGS PER COMMON SHARE

Income from continuing operations	$1,214	$1,202	$1,080
Less: Dividends declared on nonconvertible preferred stock Series F	18	18	17
Income from continuing operations applicable to diluted earnings per common share	$1,196	$1,184	$1,063
Basic weighted-average common shares outstanding (in thousands)	289,958	296,886	300,761
Weighted-average common shares to be issued using average market price and assuming:			
Conversion of preferred stock Series A and B	118	131	148
Conversion of preferred stock Series C and D	986	1,072	1,145
Conversion of debentures	20	24	761
Exercise of stock options	1,531	1,529	1,846
Incentive share awards	173	383	486
Diluted weighted-average common shares outstanding (in thousands)	292,786	300,025	305,147
Diluted Earnings Per Common Share from Continuing Operations	$4.09	$3.94	$3.49
Income from discontinued operations applicable to diluted earnings per common share	$65	$62	$35
Diluted weighted-average common shares outstanding (in thousands)	292,786	300,025	305,147
Diluted Earnings Per Common Share from Discontinued Operations	$.22	$.21	$.11
Net income	$1,279	$1,264	$1,115
Less: Dividends declared on nonconvertible preferred stock Series F	18	18	17
Net income applicable to diluted earnings per common share	$1,261	$1,246	$1,098
Diluted weighted-average common shares outstanding (in thousands)	292,786	300,025	305,147
Diluted Earnings Per Common Share	$4.31	$4.15	$3.60

</TABLE>

NOTE 24 COMPREHENSIVE INCOME

The Corporation's other comprehensive income consists of unrealized gains or losses on securities available for sale and minimum pension liability adjustments. The income effects allocated to each component of other comprehensive income (loss) are as follows:

Year ended December 31 In millions	Pretax Amount	Tax Benefit (Expense)	After-tax Amount
2000			
Unrealized securities gains	$127	$(41)	$86
Less: Reclassification adjustment for losses realized in net income	(3)	1	(2)
Net unrealized securities gains	130	(42)	88
Minimum pension liability adjustment	2	(1)	1
Other comprehensive income from continuing operations	$132	$(43)	$89
1999			
Unrealized securities losses	$(184)	$63	$(121)
Less: Reclassification adjustment for losses realized in net income	(28)	10	(18)
Net unrealized securities losses	(156)	53	(103)
Minimum pension liability adjustment	(8)	3	(5)
Other comprehensive loss from continuing operations	$(164)	$56	$(108)
1998			
Unrealized securities losses	$(12)	$4	$(8)
Less: Reclassification adjustment for losses realized in net income	(15)	5	(10)
Net unrealized securities gains	3	(1)	2
Minimum pension liability adjustment	(11)	4	(7)
Other comprehensive loss from continuing operations	$(8)	$3	$(5)

The accumulated balances related to each component of other comprehensive loss are as follows:

December 31 - in millions	2000	1999
Net unrealized securities losses	$(32)	$(120)
Minimum pension liability adjustment	(11)	(12)
Accumulated other comprehensive loss from continuing operations	$(43)	$(132)

NOTE 25 LITIGATION

The Corporation and persons to whom the Corporation may have indemnification obligations, in the normal course of business, are subject to various pending and threatened lawsuits in which claims for monetary damages are asserted. Management, after consultation with legal counsel, does not at the present time anticipate the ultimate aggregate liability, if any, arising out of such lawsuits will have a material adverse effect on the Corporation's financial 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.

NOTE 26 FAIR VALUE OF FINANCIAL INSTRUMENTS

<TABLE>
<CAPTION>

	2000		1999	
	Carrying	Fair	Carrying	Fair

December 31 - in millions	Amount	Value	Amount	Value
<S>	<C>	<C>	<C>	<C>
ASSETS				
Cash and short-term assets	$5,041	$5,041	$4,465	$4,465
Securities available for sale	5,902	5,902	5,960	5,960
Loans held for sale	1,655	1,655	3,477	3,477
Net loans (excludes leases)	46,066	46,872	46,041	46,398
Commercial mortgage servicing rights	156	267	125	171
LIABILITIES				
Demand, savings and money market deposits	30,686	30,686	27,823	27,823
Time deposits	16,978	17,101	17,979	17,890
Borrowed funds	11,822	12,043	14,389	14,442
OFF-BALANCE-SHEET				
Unfunded loan commitments	(11)	(11)	(5)	(5)
Letters of credit	(10)	(10)	(9)	(9)
Financial derivatives				
Interest rate risk management	63	104	75	(50)
Commercial mortgage banking risk management	(2)	(10)		51
Credit-related activities		(2)		(4)
Customer/other derivatives			21	21

</TABLE>

Real and personal property, lease financing, loan customer relationships, deposit customer intangibles, retail branch networks, fee-based businesses, such as asset management and brokerage, trademarks and brand names are excluded from the amounts set forth in the previous table. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Corporation.

Fair value is defined as the estimated amount at which a financial instrument could be exchanged in a current transaction between willing parties, or other than in a forced or liquidation sale. However, it is not management's intention to immediately dispose of a significant portion of such financial instruments, and unrealized gains or losses should not be interpreted as a forecast of future earnings and cash flows. The derived fair values are subjective in nature, involve uncertainties and significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly impact the derived fair value estimates.

The following methods and assumptions were used in estimating fair value amounts for financial instruments.

GENERAL

For short-term financial instruments realizable in three months or less, the carrying amount reported in the consolidated balance sheet approximates fair value. Unless otherwise stated, the rates used in discounted cash flow analyses are based on market yield curves.

CASH AND SHORT-TERM ASSETS

The carrying amounts reported in the consolidated balance sheet for cash and short-term investments approximate fair values primarily due to their short-term nature. For purposes of this disclosure only, short-term assets include due from banks, interest-earning deposits with banks, federal funds sold and resale agreements, trading securities, customer's acceptance liability and accrued interest receivable.

SECURITIES AVAILABLE FOR SALE

The fair value of securities available for sale is based on quoted market prices, where available. If quoted market prices are not available, fair value

is estimated using the quoted market prices of comparable instruments.

NET LOANS AND LOANS HELD FOR SALE

Fair values are estimated based on the discounted value of expected net cash flows incorporating assumptions about prepayment rates, credit losses and servicing fees and costs. For revolving home equity loans, this fair value does not include any amount for new loans or the related fees that will be generated from the existing customer relationships. In the case of nonaccrual loans, scheduled cash flows exclude interest payments. The carrying value of loans held for sale approximates fair value.

COMMERCIAL MORTGAGE SERVICING RIGHTS

The fair value of commercial mortgage servicing rights is estimated based on the present value of future cash flows.

DEPOSITS

The carrying amounts of noninterest-bearing demand and interest-bearing money market and savings deposits approximate fair values. For time deposits, which include foreign deposits, fair values are estimated based on the discounted value of expected net cash flows taking into account current interest rates.

BORROWED FUNDS

The carrying amounts of federal funds purchased, commercial paper, acceptances outstanding and accrued interest payable are considered to be their fair value because of their short-term nature. For all other borrowed funds, fair values are estimated based on the discounted value of expected net cash flows taking into account current interest rates.

UNFUNDED LOAN COMMITMENTS AND LETTERS OF CREDIT

Fair values for commitments to extend credit and letters of credit are estimated based on the amount of deferred fees and the creditworthiness of the counterparties.

FINANCIAL AND OTHER DERIVATIVES

The fair value of derivatives is estimated based on the discounted value of the expected net cash flows. These fair values represent the estimated amounts the Corporation would receive or pay to terminate the contracts, taking into account current interest rates.

NOTE 27 UNUSED LINE OF CREDIT

At December 31, 2000, the Corporation maintained a line of credit in the amount of $500 million, none of which was drawn. This line is available for general corporate purposes and expires in 2003.

NOTE 28 PARENT COMPANY

Summarized financial information of the parent company is as follows:

STATEMENT OF INCOME

<TABLE>
<CAPTION>

Year ended December 31 - in millions	2000	1999	1998
<S>	<C>	<C>	<C>
OPERATING REVENUE			
Dividends from:			
Bank subsidiaries	$690	$1,139	$774
Nonbank subsidiaries	55	80	21
Interest income	9	9	5
Noninterest income	1	4	1
Total operating revenue	755	1,232	801

OPERATING EXPENSE

Interest expense	54	86	92
Other expense	(6)	52	7
Total operating expense	48	138	99
Income before income taxes and equity in undistributed net income of subsidiaries	707	1,094	702
Income tax benefits	(21)	(47)	(35)
Income before equity in undistributed net income of subsidiaries	728	1,141	737
Bank subsidiaries	386	(7)	312
Nonbank subsidiaries	165	130	66
Net income	$1,279	$1,264	$1,115

BALANCE SHEET

December 31 - in millions	2000	1999
ASSETS		
Cash and due from banks	$1	
Short-term investments with subsidiary bank		$16
Securities available for sale	53	
Investments in:		
Bank subsidiaries	5,640	6,016
Nonbank subsidiaries	1,656	734
Other assets	160	154
Total assets	$7,510	$6,920
LIABILITIES		
Borrowed funds	$100	$100
Nonbank affiliate borrowings	522	613
Accrued expenses and other liabilities	232	261
Total liabilities	854	974
SHAREHOLDERS' EQUITY	6,656	5,946
Total liabilities and shareholders' equity	$7,510	$6,920

Borrowed funds are scheduled for repayment in 2001. Commercial paper and all other debt issued by PNC Funding Corp., a wholly-owned finance subsidiary, is fully and unconditionally guaranteed by the parent company. In addition, in connection with certain affiliates' mortgage servicing operations, the parent company has committed to maintain such affiliates' net worth above minimum requirements.

During 2000, 1999 and 1998, the parent company received net income tax refunds of $36 million, $44 million and $42 million, respectively. Such refunds represent the parent company's portion of consolidated income taxes. During 2000, 1999 and 1998, the parent company paid interest of $56 million, $96 million and $95 million, respectively.

STATEMENT OF CASH FLOWS

Year ended December 31 - in millions	2000	1999	1998
OPERATING ACTIVITIES			
Net income	$1,279	$1,264	$1,115
Adjustments to reconcile net income to net cash provided by operating			

activities:			
Equity in undistributed net earnings of subsidiaries	(551)	(123)	(378)
Other	(24)	(14)	19
Net cash provided by operating activities	704	1,127	756
INVESTING ACTIVITIES			
Net change in short-term investments with subsidiary bank	16	(7)	
Net capital returned from (contributed to) subsidiaries	258	631	(261)
Securities available for sale			
Sales and maturities	372	1,592	1,170
Purchases	(425)	(1,565)	(1,129)
Cash paid in acquisitions		(2)	(83)
Other	(13)	(17)	(22)
Net cash provided (used) by investing activities	208	632	(325)
FINANCING ACTIVITIES			
Borrowings from nonbank subsidiary	314	687	297
Repayments on borrowings from nonbank subsidiary	(440)	(1,080)	(14)
Acquisition of treasury stock	(428)	(803)	(342)
Cash dividends paid to shareholders	(546)	(520)	(495)
Issuance of stock	189	141	123
Repayments on borrowings		(200)	
Other		15	
Net cash used by financing activities	(911)	(1,760)	(431)
Increase (decrease) in cash and due from banks	1	(1)	
Cash and due from banks at beginning of year		$1	1
Cash and due from banks at end of year	$1		$1

</TABLE>

STATISTICAL INFORMATION

The PNC Financial Services Group, Inc.

SELECTED QUARTERLY FINANCIAL DATA

<TABLE>
<CAPTION>

Quarter ended - dollars in millions, except per share data	2000 Fourth	2000 Third	2000 Second	2000 First	1999 Fourth	1999 Third	1999 Second	1999 First
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
SUMMARY OF OPERATIONS								
Interest income	$1,190	$1,201	$1,180	$1,161	$1,137	$1,125	$1,116	$1,205
Interest expense	657	670	635	606	575	552	540	572
Net interest income	533	531	545	555	562	573	576	633
Provision for credit losses	40	30	35	31	30	30	25	78
Noninterest income before net securities gains (losses)	719	693	728	731	647	569	547	

665

Net securities gains (losses)	16	7		(3)	(22)	2	42	
Noninterest expense	752	747	780	792	753	656	684	750
Income from continuing operations before income taxes	476	454	458	460	404	458	456	470
Income taxes	162	155	159	158	117	159	154	156
Income from continuing operations	314	299	299	302	287	299	302	314
Income from discontinued operations	20	23	16	6	17	21	13	11
Net income	$334	$322	$315	$308	$304	$320	$315	$325
PER COMMON SHARE DATA								
Book value	$21.88	$21.01	$20.22	$19.68	$19.23	$18.90	$18.40	$18.78
Basic earnings								
Continuing operations	1.07	1.02	1.01	1.02	.96	1.00	1.00	1.02
Discontinued operations	.07	.08	.06	.02	.06	.07	.04	.04
Net income	1.14	1.10	1.07	1.04	1.02	1.07	1.04	1.06
Diluted earnings								
Continuing operations	1.06	1.01	1.01	1.01	.95	.99	.99	1.01
Discontinued operations	.07	.08	.05	.02	.06	.07	.04	.04
Net income	1.13	1.09	1.06	1.03	1.01	1.06	1.03	1.05
Diluted cash earnings (a)								
Continuing operations	1.16	1.11	1.10	1.11	1.03	1.05	1.06	1.07
Discontinued operations	.06	.08	.06	.02	.06	.07	.04	.04
Net income	1.22	1.19	1.16	1.13	1.09	1.12	1.10	1.11
AVERAGE BALANCE SHEET								
Assets	$68,953	$69,098	$69,105	$68,756	$67,609	$67,054	$68,499	$70,334
Securities available for sale	5,928	6,179	6,009	6,128	6,351	6,386	6,495	5,086
Loans, net of unearned income	49,928	49,951	50,229	49,966	50,716	51,445	52,439	56,596
Deposits	38,660	37,671	37,183	36,555	35,363	35,820	35,530	36,161
Borrowed funds	11,738	13,518	14,422	15,333	15,341	14,903	15,343	16,294
Shareholders' equity	6,425	6,185	6,005	5,927	5,904	5,732	5,873	5,975

</TABLE>

(a) Excluding amortization of goodwill

ANALYSIS OF YEAR-TO-YEAR CHANGES IN NET INTEREST INCOME

<TABLE>
<CAPTION>

Taxable-equivalent basis - in millions	2000/1999 Increase/(Decrease) in Income/Expense Due to Changes in: Volume	Rate	Total	1999/1998 Increase/(Decrease) in Income/Expense Due to Changes in: Volume	Rate	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INTEREST-EARNING ASSETS						
Loans held for sale	$90	$10	$100	$71	$2	$73
Securities available for sale						
U.S. Treasury, government agencies and corporations	(12)	8	(4)	(93)	(7)	(100)
Other debt	19	10	29	96	(2)	94
Other	(7)	5	(2)	8	(2)	6
Total securities available for sale	(1)	24	23	(3)	3	
Loans, net of unearned income						
Consumer	(96)	43	(53)	(64)	(32)	(96)
Credit card	(100)		(100)	(471)	33	(438)
Residential mortgage	25	16	41	(12)	(29)	(41)
Commercial	(112)	159	47	25	(27)	(2)
Commercial real estate	(58)	33	(25)	7	(19)	(12)
Lease financing	48	5	53	38	1	39
Other	10	5	15	25	1	26
Total loans, net of unearned income	(221)	199	(22)	(228)	(296)	(524)
Other	14	30	44	7	(1)	6
Total interest-earning assets	(108)	253	$145	(138)	(307)	$(445)
INTEREST-BEARING LIABILITIES						
Interest-bearing deposits						
Demand and money market	56	109	$165	78	(24)	$54
Savings	(6)	3	(3)	(4)	(8)	(12)
Retail certificates of deposit	22	96	118	(61)	(57)	(118)
Other time	(56)	11	(45)	(15)	(3)	(18)
Deposits in foreign offices	36	13	49	(4)	(4)	(8)
Total interest-bearing deposits	63	221	284	37	(139)	(102)
Borrowed funds						
Federal funds purchased	27	24	51	(45)	(10)	(55)
Repurchase agreements	8	6	14	(8)	(3)	(11)
Bank notes and senior debt	(119)	93	(26)	(116)	(32)	(148)
Federal Home Loan Bank borrowings	(49)	12	(37)	49	(4)	45
Other borrowed funds	7	11	18	(26)	(14)	(40)
Subordinated debt	26	(1)	25	19	(5)	14

Total borrowed funds	(103)	148	45	(140)	(55)	(195)
Total interest-bearing liabilities	(5)	334	$329	(74)	(223)	$(297)
Change in net interest income	(53)	(131)	$(184)	(69)	(79)	$(148)

</TABLE>

Changes attributable to rate/volume are prorated into rate and volume components.

AVERAGE CONSOLIDATED BALANCE SHEET AND NET INTEREST ANALYSIS

<TABLE>
<CAPTION>

Dollars in millions Taxable-equivalent basis	2000 Average Balances	 Interest	 Average Yields/ Rates
<S>	<C>	<C>	<C>
ASSETS			
Interest-earning assets			
Loans held for sale	$2,507	$204	8.14%
Securities available for sale			
U.S. Treasury and government agencies and corporations	1,760	104	5.91
Other debt	3,723	245	6.58
Other	578	40	6.92
Total securities available for sale	6,061	389	6.42
Loans, net of unearned income			
Consumer	9,177	791	8.62
Credit card			
Residential mortgage	12,599	900	7.14
Commercial	21,685	1,839	8.48
Commercial real estate	2,685	240	8.94
Lease financing	3,222	235	7.29
Other	650	55	8.46
Total loans, net of unearned income	50,018	4,060	8.12
Other	1,289	97	7.53
Total interest-earning assets/interest income	59,875	4,750	7.93
Noninterest-earning assets			
Investment in discontinued operations	487		
Allowance for credit losses	(683)		
Cash and due from banks	2,718		
Other assets	6,581		
Total assets	$68,978		
LIABILITIES, CAPITAL SECURITIES AND SHAREHOLDERS' EQUITY			
Interest-bearing liabilities			
Interest-bearing deposits			
Demand and money market	$18,735	658	3.51
Savings	2,050	36	1.76
Retail certificates of deposit	14,642	826	5.64
Other time	621	40	6.44
Deposits in foreign offices	1,473	93	6.31
Total interest-bearing deposits	37,521	1,653	4.41
Borrowed funds			
Federal funds purchased	2,139	135	6.31
Repurchase agreements	754	45	5.97
Bank notes and senior debt	6,532	431	6.60
Federal Home Loan Bank borrowings	1,113	68	6.11
Subordinated debt	2,406	179	7.44
Other borrowed funds	802	57	7.11
Total borrowed funds	13,746	915	6.66

	Average Balances	Interest	Average Yields/Rates
Total interest-bearing liabilities/interest expense	51,267	2,568	5.01
Noninterest-bearing liabilities and shareholders' equity			
Demand and other noninterest-bearing deposits	8,151		
Accrued expenses and other liabilities	2,575		
Mandatorily redeemable capital securities of subsidiary trusts	848		
Shareholders' equity	6,137		
Total liabilities, capital securities and shareholders' equity	$68,978		
Interest rate spread			2.92
Impact of noninterest-bearing sources			.72
Net interest income/margin		$2,182	3.64%

</TABLE>

Nonaccrual loans are included in loans, net of unearned income. The impact of financial derivatives used in interest rate risk management is included in the interest income/expense and average yields/rates of the related assets and liabilities. Average balances of securities available for sale are based on amortized historical cost (excluding SFAS No. 115 Adjustments to Fair Value).

Loan fees for each of the years ended December 31, 2000, 1999, 1998, 1997 and 1996 were $115 million, $120 million, $107 million, $89 million and $93 million, respectively.

<TABLE>
<CAPTION>

1999			1998			1997			1996		
Average Balances	Interest	Average Yields/ Rates	Average Balances	Interest	Average Yields/ Rates	Average Balances	Interest	Average Yields/ Rates	Average Balances	Interest	Average Yields/ Rates
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
$1,392	$104	7.47%	$436	$31	7.11%	$24	$2	8.33%	$163	$10	6.13%
1,970	108	5.48	3,665	208	5.68	5,643	336	5.95	10,059	611	6.07
3,441	216	6.28	1,913	122	6.38	2,094	139	6.62	2,719	184	6.78
673	42	6.24	551	36	6.53	579	43	7.45	606	48	7.91
6,084	366	6.02	6,129	366	5.97	8,316	518	6.23	13,384	843	6.30
10,310	844	8.19	11,073	940	8.49	11,291	958	8.48	12,192	1,028	8.43
672	100	14.88	3,849	538	13.98	3,558	459	12.92	1,165	163	13.94
12,258	859	7.01	12,421	900	7.25	13,097	976	7.45	11,690	873	7.47
23,082	1,792	7.76	22,768	1,794	7.88	19,014	1,494	7.86	17,727	1,388	7.83
3,362	265	7.88	3,279	277	8.45	4,068	359	8.82	4,186	373	8.92
2,564	182	7.10	2,028	143	7.05	1,587	112	7.06	1,116	75	6.72
532	40	7.52	195	14	7.18	284	18	6.34	681	44	6.46

52,780	4,082	7.73	55,613	4,606	8.28	52,899	4,376	8.27	48,757	3,944	8.09
1,045	53	5.07	899	47	5.23	843	45	5.34	865	50	5.78
61,301	4,605	7.51	63,077	5,050	8.01	62,082	4,941	7.96	63,169	4,847	7.67
449			348			168			99		
(695)			(863)			(1,077)			(1,197)		
2,082			2,211			2,935			3,154		
5,226			4,851			4,127			3,763		
$68,363			$69,624			$68,235			$68,988		
$16,921	493	2.91	$14,285	439	3.07	$13,079	391	2.99	$12,254	332	2.71
2,390	39	1.63	2,620	51	1.95	2,852	57	1.97	3,445	69	2.02
14,220	708	4.98	15,420	826	5.36	15,959	859	5.38	16,636	884	5.31
1,515	85	5.61	1,786	103	5.77	1,482	89	6.01	1,671	97	5.80
872	44	5.05	935	52	5.56	1,094	61	5.58	846	46	5.44
35,918	1,369	3.81	35,046	1,471	4.20	34,466	1,457	4.23	34,852	1,428	4.10
1,662	84	5.05	2,526	139	5.50	2,834	159	5.61	3,157	171	5.41
621	31	4.99	791	42	5.31	587	32	5.45	1,893	104	5.49
8,517	457	5.37	10,657	605	5.68	9,130	523	5.72	8,139	454	5.57
1,929	105	5.44	1,026	60	5.85	1,051	67	6.37	1,062	42	3.95
2,051	154	7.51	1,799	140	7.78	1,514	119	7.87	1,358	108	7.98
686	39	5.69	1,109	79	7.12	1,759	110	6.25	1,573	106	6.74
15,466	870	5.63	17,908	1,065	5.95	16,875	1,010	5.99	17,182	985	5.73
51,384	2,239	4.36	52,954	2,536	4.79	51,341	2,467	4.81	52,034	2,413	4.64
8,234			8,848			9,465			9,647		
2,027			1,479			1,414			1,460		
848			762			537			19		
5,870			5,581			5,478			5,828		
$68,363			$69,624			$68,235			$68,988		
		3.15			3.22			3.15			3.03
.		.71			.77			.83			.82
	$2,366	3.86%		$2,514	3.99%		$2,474	3.98%		$2,434	3.85%

</TABLE>

ALLOWANCE FOR CREDIT LOSSES

SUMMARY OF LOAN LOSS EXPERIENCE

<TABLE>
<CAPTION>

Year ended December 31 - dollars in millions	2000	1999	1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>
Allowance at beginning of year	$674	$753	$972	$1,166	$1,259
Charge-offs					
Consumer	46	63	83	104	100
Credit card		60	297	208	66
Residential mortgage	8	8	7	9	9
Commercial	121	72	122	48	52
Commercial real estate					
Commercial mortgage	2	1	6	8	10
Real estate project	1	3	2	4	8
Lease financing	8	9	7	4	2
Total charge-offs	186	216	524	385	247
Recoveries					
Consumer	22	25	34	36	34
Credit card		2	17	25	7
Residential mortgage	2	1	1	1	2
Commercial	21	22	20	38	28
Commercial real estate					
Commercial mortgage	3	1	2	10	6
Real estate project	1	3	1	2	4
Lease financing	2	1	2		1
Other				1	1
Total recoveries	51	55	77	113	83
Net charge-offs	135	161	447	272	164
Provision for credit losses	136	163	225	70	
(Divestitures)/acquisitions		(81)	3	8	71
Allowance at end of year	$675	$674	$753	$972	$1,166
Allowance as a percent of period-end					
Loans	1.33%	1.36%	1.31%	1.79%	2.25%
Nonperforming loans	208.98	231.62	263.29	360.00	

337.97

As a percent of average loans					
Net charge-offs	.27	.31	.80	.51	.34
Provision for credit losses	.27	.31	.40	.13	
Allowance for credit losses	1.35	1.28	1.35	1.84	2.39
Allowance as a multiple of net charge-offs	5.00x	4.19x	1.68x	3.57x	7.11x

</TABLE>

The following table presents the allocation of allowance for credit losses and the categories of loans as a percentage of total loans. For purposes of this presentation, the unallocated portion of the allowance for credit losses has been assigned to loan categories based on the relative specific and pool allocation amounts.

ALLOCATION OF ALLOWANCE FOR CREDIT LOSSES

<TABLE>
<CAPTION>

	2000		1999		1998		1997		1996	
December 31 Dollars in millions	Allowance	Loans to Total Loans	Allowance	Loans to Total Loans	Allowance	Loans to Total Loans	Allowance	Loans to Total Loans	Allowance	Loans to Total Loans
Consumer	$51	18.0%	$58	18.8%	$74	19.0%	$107	20.7%	$139	23.3%
Credit card					136	5.1	258	7.0	141	5.4
Residential mortgage	10	26.2	10	25.2	8	21.3	42	23.6	80	24.5
Commercial	536	41.9	510	43.2	446	43.7	406	36.9	606	35.9
Commercial real estate	53	5.1	64	5.5	59	6.0	141	7.3	173	7.9
Other	25	8.8	32	7.3	30	4.9	18	4.5	27	3.0
Total	$675	100.0%	$674	100.0%	$753	100.0%	$972	100.0%	$1,166	100.0%

</TABLE>

SHORT-TERM BORROWINGS

Federal funds purchased include overnight borrowings and term federal funds, which are payable on demand. Repurchase agreements generally have maturities of 18 months or less. Presented below are total bank notes of the Corporation, of which approximately one-third mature in 2001. Other short-term borrowings primarily consist of U.S. Treasury, tax and loan borrowings, which are payable on demand and commercial paper, which is issued in maturities not to exceed nine months. At December 31, 2000, 1999 and 1998, $3.4 billion, $3.1 billion and $3.4 billion, respectively, notional value of interest rate swaps were designated to borrowed funds. The effect of these swaps is included in the rates set forth in the table.

SHORT-TERM BORROWINGS

<TABLE>
<CAPTION>

	2000		1999		1998	
Dollars in millions	Amount	Rate	Amount	Rate	Amount	Rate

Federal funds purchased						
Year-end balance	$1,445	4.89%	$1,281	4.05%	$390	5.17%
Average during year	2,139	6.31	1,662	5.05	2,526	5.50
Maximum month-end balance during year	2,778		2,671		3,139	
Repurchase agreements						
Year-end balance	607	5.77	402	4.77	477	3.47
Average during year	754	5.97	621	4.99	791	5.31
Maximum month-end balance during year	864		725		1,682	
Bank notes						
Year-end balance	5,512	6.74	6,354	6.25	10,234	5.32
Average during year	5,934	6.55	8,224	5.29	10,505	5.65
Maximum month-end balance during year	6,527		9,775		12,008	
Other						
Year-end balance	632	6.31	956	5.64	513	4.16
Average during year	784	6.87	654	6.00	1,047	5.84
Maximum month-end balance during year	1,368		1,192		2,069	

</TABLE>

LOAN MATURITIES AND INTEREST SENSITIVITY

<TABLE>
<CAPTION>

December 31, 2000 In millions	1 Year or Less	1 Through 5 Years	After 5 Years	Gross Loans
Commercial	$8,271	$10,397	$2,539	$21,207
Real estate project	957	826	127	1,910
Total	$9,228	$11,223	$2,666	$23,117
Loans with				
Predetermined rate	$1,021	$1,354	$736	$3,111
Floating rate	8,207	9,869	1,930	20,006
Total	$9,228	$11,223	$2,666	$23,117

</TABLE>

At December 31, 2000, $7.0 billion notional value of interest rate swaps, caps and floors designated to commercial and commercial real estate loans altered the interest rate characteristics of such loans, the impact of which is not reflected in the above table.

TIME DEPOSITS OF $100,000 OR MORE

Time deposits in foreign offices totaled $2.2 billion at December 31, 2000, substantially all of which are in denominations of $100,000 or more. The following table sets forth maturities of domestic time deposits of $100,000 or more:

<TABLE>
<CAPTION>

December 31, 2000 - in millions	Certificates of Deposit
Three months or less	$1,202
Over three through six months	783
Over six through twelve months	785
Over twelve months	786
Total	$3,556

</TABLE>

CORPORATE INFORMATION
The PNC Financial Services Group, Inc.

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. At the close of business on February 9, 2001, there were 57,065 common shareholders of record.

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.

TRUST PROXY VOTING

Reports of 2000 nonroutine proxy voting by the trust divisions of The PNC Financial Services Group, Inc. are available by writing to Thomas R. Moore, Vice President and Corporate Secretary, at corporate headquarters.

ANNUAL SHAREHOLDERS MEETING

All shareholders are invited to attend The PNC Financial Services Group, Inc. annual meeting on Tuesday, April 24, 2001, at 11 a.m., Eastern Daylight Time, at PNC Firstside Center, 500 First Avenue, Pittsburgh, Pennsylvania.

COMMON STOCK PRICES/DIVIDENDS DECLARED

The table below sets forth by quarter the range of high and low sale and quarter-end closing prices for The PNC Financial Services Group, Inc. common stock and the cash dividends declared per common share.

<TABLE>
<CAPTION>

	High	Low	Close	Cash Dividends Declared
2000 Quarter				
<S>	<C>	<C>	<C>	<C>
First	$48.500	$36.000	$45.063	$.45
Second	57.500	41.000	46.875	.45
Third	66.375	47.625	65.000	.45
Fourth	75.000	56.375	73.063	.48
Total				$1.83
1999 Quarter				
First	$59.750	$47.000	$55.563	$.41
Second	60.125	54.375	57.625	.41
Third	58.063	49.688	52.688	.41

Fourth	62.000	43.000	44.500	.45
Total				$1.68

</TABLE>

DIVIDEND POLICY

Holders of The PNC Financial Services Group, Inc. common stock are entitled to receive dividends when declared by the Board of Directors out of funds legally available. The Board presently intends to continue the policy of paying quarterly cash dividends. However, future dividends will depend on earnings, the financial condition of The PNC Financial Services Group, Inc. and other factors including applicable government regulations and policies and contractual restrictions.

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

The PNC Financial Services Group, Inc. Dividend Reinvestment and Stock Purchase Plan enables holders of common and preferred stock to purchase additional shares of common stock conveniently and without paying brokerage commissions or service charges. A prospectus and enrollment card may be obtained by writing to Shareholder Relations at corporate headquarters.

REGISTRAR AND TRANSFER AGENT
The Chase Manhattan Bank
85 Challenger Road
Ridgefield Park, New Jersey 07660
(800) 982-7652

EXHIBIT 21

THE PNC FINANCIAL SERVICES GROUP, INC.
SCHEDULE OF CERTAIN SUBSIDIARIES
(AS OF JANUARY 31, 2001)

NAME	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION
PNC Bancorp, Inc.	Delaware
PNC Advisors, National Association	United States
PNC Bank, Delaware (1)	Delaware
PNC Bank, National Association (1)	United States
PNC Bank Capital Securities, LLC	Delaware
PNC Commercial Management, Inc.	Delaware
BlackRock, Inc. (1)	Delaware
PNC Leasing, LLC	Delaware
PNC Capital Leasing, LLC	Delaware
PNC Holding, LLC	Delaware
PFPC Worldwide Inc.	Delaware
PNC Funding Corp (1)	Pennsylvania
PNC Investment Corp. (1)	Delaware

(1) The names of the subsidiaries of the indicated entities are omitted because such subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference, in the Registration Statements listed below, of our report dated January 31, 2001, with respect to the consolidated financial statements of The PNC Financial Services Group, Inc. and subsidiaries incorporated by reference in this Annual Report on Form 10-K of The PNC Financial Services Group, Inc. (the "Corporation") for the year ended December 31, 2000.

Form S-3 relating to the Corporation's Dividend Reinvestment and Stock Purchase Plan (No. 333-19003)

Form S-8 relating to the PNC Bank Corp. Supplemental Incentive Savings Plan and PNC Bank Corp. and Affiliates Deferred Compensation Plan (No. 333-18069)

Form S-8 relating to the PNC Retirement Savings Plan (No. 333-03901)

Form S-8 relating to the Corporation's 1997 Long-Term Incentive Award Plan (No. 333-53806)

Form S-8 relating to the Corporation's 1997 Long-Term Incentive Award Plan (No. 33-54960)

Form S-8 relating to the 1987 Senior Executive Long-Term Award Plan of PNC Bank Corp. (as amended, the PNC Bank Corp. 1992 Long-Term Incentive Award Plan) (No. 33-28828)

Form S-8 relating to the Corporation's Incentive Savings Plan (No. 33-25140)

Form S-8 relating to the Stock Option Plan of PNC Bank Corp. (No. 2-92181)

Form S-8 relating to the Corporation's Employee Stock Purchase Plan (No. 333-25867)

Form S-3 relating to the shelf registration of capital securities of PNC Capital Trust C, PNC Capital Trust D, PNC Capital Trust E and PNC Capital Trust F, unconditionally guaranteed, to the extent described therein, by PNC Bank Corp. (No. 333-50651, 333-50651-01, 333-50651-02, 333-50651-03, and 333-50651-04)

Form S-3 relating to the shelf registration of debt securities of PNC Funding Corp, unconditionally guaranteed by the Corporation, and/or common stock and/or preferred stock and/or depositary shares of the Corporation (No. 333-88479)

Pittsburgh, Pennsylvania
March 12, 2001

POWER OF ATTORNEY EXHIBIT 24

THE PNC FINANCIAL SERVICES GROUP, INC.
ANNUAL REPORT ON FORM 10-K FOR YEAR ENDED DECEMBER 31, 2000

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned Directors and/or Officers of The PNC Financial Services Group, Inc. (the "Corporation"), a Pennsylvania corporation, hereby names, constitutes and appoints Walter E. Gregg, Jr., Thomas R. Moore and Karen M. Barrett, or each of them, with full power of substitution, such person's true and lawful attorney-in-fact and agent to execute in such person's name, place and stead, in any and all capacities, the Corporation's Annual Report on Form 10-K for the year ended December 31, 2000.

And such persons hereby ratify and confirm all acts that any said attorney or attorney-in-fact, or any substitute, shall lawfully do or cause to be done by virtue hereof.

Witness the due execution hereof by the following persons in the capacities indicated as of this 9th day of March, 2001.

Name/Signature	Capacity
/s/ James E. Rohr James E. Rohr	Director and President and Chief Executive Officer
/s/ Thomas H. O'Brien Thomas H. O'Brien	Chairman and Director
/s/ Paul W. Chellgren Paul W. Chellgren	Director
/s/ Robert N. Clay Robert N. Clay	Director
/s/ George A. Davidson, Jr. George A. Davidson, Jr.	Director
/s/ David F. Girard-diCarlo David F. Girard-diCarlo	Director
/s/ Walter E. Gregg, Jr. Walter E. Gregg, Jr.	Vice Chairman and Director
/s/ Robert L. Haunschild Robert L. Haunschild	Chief Financial Officer
/s/ William R. Johnson William R. Johnson	Director
/s/ Bruce C. Lindsay Bruce C. Lindsay	Director
/s/ W. Craig McClelland W. Craig McClelland	Director

/s/ Samuel R. Patterson - ------------------------------------ Samuel R. Patterson	Controller
/s/ Jane G. Pepper - ------------------------------------ Jane G. Pepper	Director
/s/ Jackson H. Randolph - ------------------------------------ Jackson H. Randolph	Director
/s/ Roderic H. Ross - ------------------------------------ Roderic H. Ross	Director
/s/ Lorene K. Steffes - ------------------------------------ Lorene K. Steffes	Director
/s/ Thomas J. Usher - ------------------------------------ Thomas J. Usher	Director
/s/ Milton A. Washington - ------------------------------------ Milton A. Washington	Director
/s/ Helge H. Wehmeier - ------------------------------------ Helge H. Wehmeier	Director