

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

**FORM 8-K**

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

May 1, 2003

Date of Report (Date of earliest event reported)

**THE PNC FINANCIAL SERVICES GROUP, INC.**

(Exact name of registrant as specified in its charter)

Commission File Number 1-9718

**Pennsylvania**  
(State or other jurisdiction of  
incorporation or organization)

**25-1435979**  
(I.R.S. Employer  
Identification No.)

**One PNC Plaza**  
**249 Fifth Avenue**  
**Pittsburgh, Pennsylvania 15222-2707**  
(Address of principal executive offices, including zip code)

**(412) 762-2000**  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

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**Item 7. Financial Statements and Exhibits**

(c) The exhibit listed on the Exhibit Index accompanying this Form 8-K is furnished herewith.

**Item 9. Regulation FD Disclosure**

On May 1, 2003, certain executives of the Regional Community Banking business of The PNC Financial Services Group, Inc. (the "Corporation") gave a presentation to investors at the Goldman Sachs Bank Field Trip in Tenafly, New Jersey. This presentation was accompanied by a series of electronic slides that included information pertaining to the financial results of the Corporation. A copy of these slides is attached hereto as Exhibit 99.1.

In accordance with the Securities and Exchange Commission's ("SEC") Release No. 33-8176, the information being furnished under Item 9 of this Current Report on Form 8-K ("Form 8-K") is being furnished pursuant to Item 12, "Disclosure of Results of Operations and Financial Condition," of Form 8-K. In accordance with the SEC's Release No. 33-8216, compliance with the Item 12 requirements is met by including such disclosures under Item 9.

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**SIGNATURES**

Pursuant to the requirements 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)*

Date: May 1, 2003

By: /s/ Samuel R. Patterson

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Samuel R. Patterson  
*Controller*

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**EXHIBIT INDEX**

<u>Number</u>	<u>Description</u>	<u>Method of Filing</u>
99.1	Slide presentation for Goldman Sachs Bank Field Trip	Filed Herewith



The PNC Financial Services Group, Inc.

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Goldman Sachs  
Bank Field Trip

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Tenafly, NJ  
May 1, 2003

# Forward-Looking Information

This presentation and other statements made by PNC may contain forward-looking statements with respect to PNC's outlook or expectations for earnings, revenues, expenses, capital levels, asset quality or other future financial or business performance, strategies or expectations, or the impact of legal, regulatory and supervisory matters on PNC's business operations and performance. Forward-looking statements are typically identified by words or phrases such as "believe," "feel," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," "position," "target," "assume," "achievable," "potential," "strategy," "goal," "objective," "plan," "aspiration," "outcome," "continue," "remain," "maintain," "seek," "strive," "trend," and variations of such words and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "might," "can," "may" or similar expressions. Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change overtime. Forward-looking statements speak only as of the date they are made, and PNC assumes no duty and does not undertake to update them.

In addition to factors mentioned in this presentation or previously disclosed in PNC's SEC reports (accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and on PNC's website at [www.pnc.com](http://www.pnc.com)), the following factors, among others, could cause actual results to differ materially from those anticipated in forward-looking statements or from historical performance:

- ▶ Changes in political, economic or industry conditions, the interest rate environment or financial and capital markets, which if adverse could result in: a deterioration in credit quality, increased credit losses, and increased funding of unfunded loan commitments and letters of credit; an adverse effect on the allowances for credit losses and unfunded loan commitments and letters of credit; a reduction in demand for credit or fee-based products and services; a reduction in net interest income, value of assets under management and assets serviced, value of private equity investments and of other debt and equity investments, value of loans held for sale, or value of other on-balance-sheet and off-balance-sheet assets; or changes in the availability and terms of funding necessary to meet PNC's liquidity needs;
- ▶ Relative and absolute investment performance of assets under management;
- ▶ The introduction, withdrawal, success and timing of business initiatives and strategies, decisions regarding further reductions in balance sheet leverage, the timing and pricing of any sales of loans held for sale, and PNC's inability to realize cost savings or revenue enhancements or to implement integration plans relating to or resulting from mergers, acquisitions, restructurings and divestitures;
- ▶ Customer borrowing, repayment, investment and deposit practices and their acceptance of PNC's products and services;
- ▶ The impact of increased competition, how PNC chooses to redeploy available capital, including the extent and timing of any share repurchases and investments in PNC businesses; and the inability to manage risks inherent in PNC's business;
- ▶ The unfavorable resolution of legal proceedings or government inquiries; the impact of increased litigation risk from recent regulatory developments; the impact of reputational risk created by recent regulatory developments on such matters as business generation and retention, the ability to attract and retain management, liquidity and funding; and the denial of insurance coverage for claims made by PNC;
- ▶ An increase in the number of customer or counterparty delinquencies, bankruptcies or defaults that could result in, among other things, increased credit and asset quality risk, a higher provision for credit losses and reduced profitability;
- ▶ The impact, extent and timing of technological changes, the adequacy of intellectual property protection and costs associated with obtaining rights in intellectual property claimed by others;
- ▶ Actions of the Federal Reserve Board; and the impact of legislative and regulatory reforms and changes in accounting policies and principles;
- ▶ The impact of the regulatory examination process, PNC's failure to satisfy the requirements of written agreements with regulatory agencies, and regulators' future use of supervisory and enforcement tools; and
- ▶ Terrorist activities and international hostilities, including the situations surrounding Iraq and North Korea, which may adversely affect the general economy, financial and capital markets, specific industries, and PNC.

Any annualized, proforma, estimated, third party or consensus numbers in this presentation are used for illustrative or comparative purposes only and may not reflect actual results. Consensus earnings estimates are calculated based on the earnings projections made by analysts who cover that company. The analysts' opinions, estimates or forecasts (and therefore the consensus earnings estimates) are theirs alone, are not those of PNC or its management, and may not reflect PNC's actual or anticipated results.





**Neil Hall**

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Chief Executive Officer  
Regional Community Banking

# Today's Discussion

## Regional Community Banking

- ▶ Strategic overview Neil Hall
- ▶ Regional President Model Pete Classen
- ▶ Execution
  - Business Banking Jeff Schmidt
  - Customer experience Dan Tuccillo and Ellen van der Horst
- ▶ Summary Neil Hall
- ▶ Q & A
- ▶ Branch visit

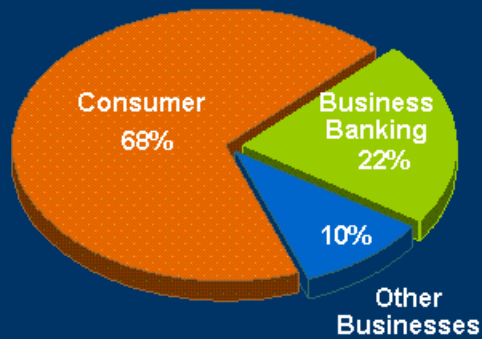




# Regional Community Banking Franchise

**2002 Revenue - \$2.2 Billion**

## Regional Community Banking



**2002 Business Highlights**

## Serves two million relationships

- ▶ 1.8 million households
- ▶ 193 thousand businesses

## High quality loan portfolio

- ▶ Home equity (average) \$7 billion
- ▶ Business banking (average) \$3 billion
- ▶ Other commercial (average) \$1 billion

- ▶ Net charge-offs to average loans 0.31%

## Stable deposit base

- ▶ Total average deposits \$35 billion
- ▶ Average transaction deposits \$23 billion (47% of transaction deposits are DDA)

## Efficiently managed

- ▶ Efficiency ratio 49%



# Our Aspiration ...

## **To be a leading regional bank**

- ▶ With fast growing checking account customer base
- ▶ Demonstrated success in increasing share of wallet
  - Loans
  - Deposits
  - Investments

## **We recognize our challenges**

- ▶ Growing share in low growth footprint
- ▶ Balancing business investments with earnings growth
- ▶ Generating assets within desired risk profile

## **We're building on our strengths**

- ▶ A highly committed workforce
- ▶ A growing base of customers to increase share of wallet and cross sell
- ▶ An efficient business model and technology platform
- ▶ An established, integrated, multi-channel distribution network



# Growing the Business

Our people make the difference

**Committed  
Employees**

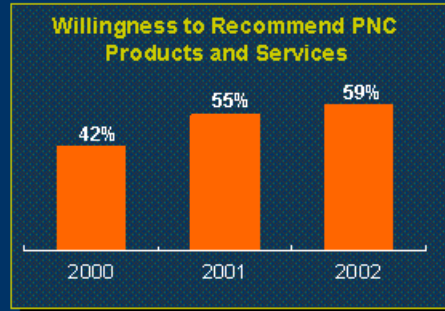
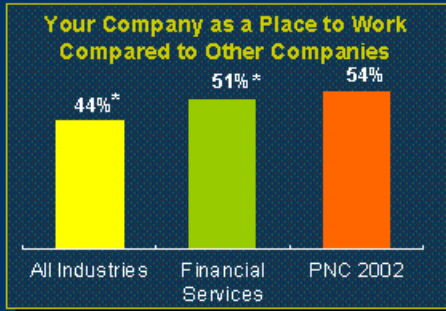
**Satisfied  
Customers**

**Business  
Growth**



# Building a Highly Committed Workforce

## Committed employees will "sell" PNC



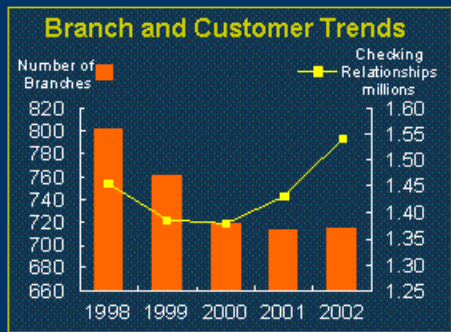
% Rating "One of the Best" or "Above Average"  
\* Source: Watson-Wyatt Work USA 2000 Survey



# Proven Success in Growing Valuable Customer Base

## Best source of sustainable value is growing checking relationships

- ▶ 97% of businesses and households have a checking account need
- ▶ 70%+ consider their checking bank to be primary financial service provider
- ▶ Favorable economics: Fee revenues and low-cost funding source



## Deposit Funding Advantage

2002	Interest Expense on Deposits to Total Average Deposits
PNC	1.49%
Peer median	1.68%

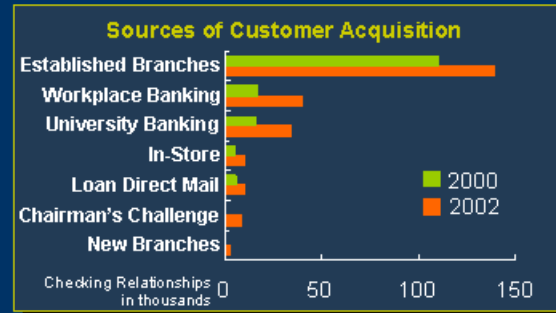
Source: SNL DataSource  
Peer group of 11 super-regional banks defined in appendix



# Focus on Customer Acquisition

## Strategies

- ▶ Competitive and attractive product offerings
- ▶ Advertising positions PNC as the “bank of choice” for checking
- ▶ Targeted channels that leverage our business mix



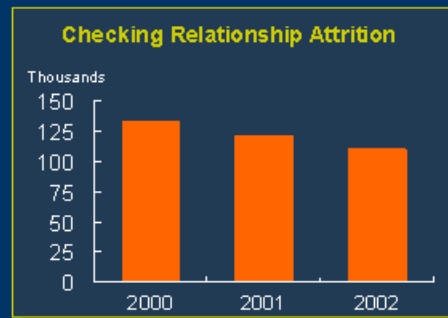
# Improving Retention

## Strategies

- ▶ Focus on drivers of customer satisfaction
- ▶ Utilize a segmentation approach
- ▶ Enhance customer experience



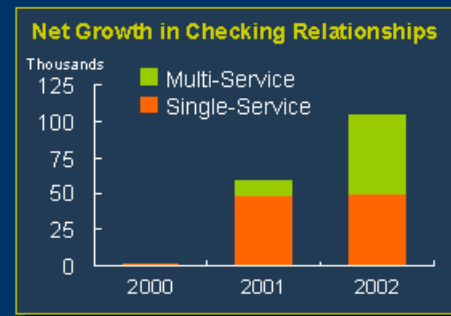
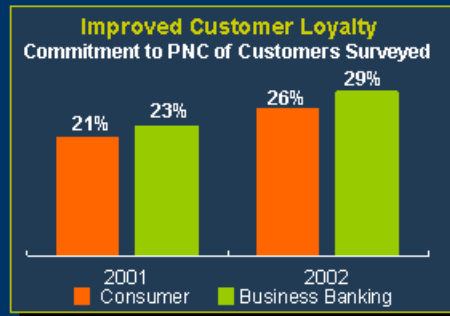
Satisfaction based on customer survey



# Building Deeper Relationships

## Strategies

- ▶ Increase customer loyalty and commitment to gain their trust
- ▶ Knowledgeable employees enabled by customer insight
- ▶ Personalized solutions built from superior conversations





# An Efficient Business Model

- ▶ Investment in single operating platform complete
  - Customer database
  - World-class call center
  - Continued enhancement of web-banking
  - Genesis
- ▶ Balance future investments with efficiency
- ▶ Continue investments that enhance customer experience or extend reach

## 2002 Operating Efficiency

	<u>Community Banking Segment</u>
US Bancorp	43%
Fifth Third	46%
<b>PNC</b>	<b>49%</b>
National City	51%
Bank One	51%
Bank of New York	54%
Wachovia	55%
KeyCorp	58%
FleetBoston	59%
Wells Fargo	59%
SunTrust	59%

Source: Computed by PNC from information in 2002 10-Ks for similar business segments as defined by each institution



# Today's Discussion

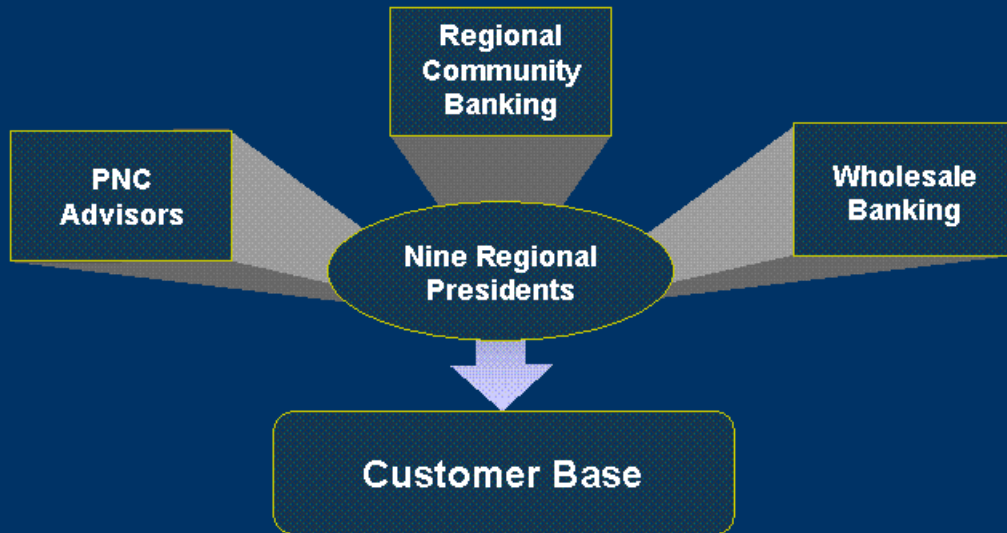
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# PNC's Regional President Model

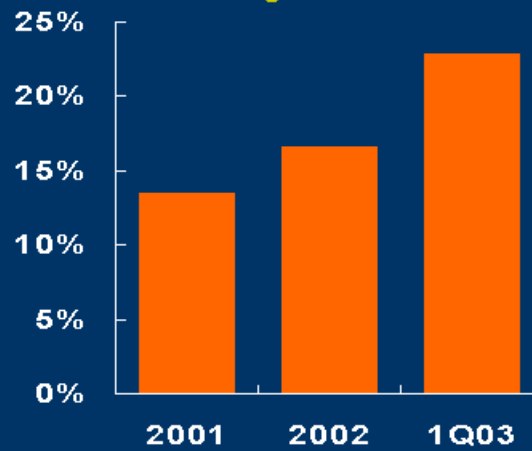
Going to market as one through people, proximity and products



# Teamwork Enhances Wealth Management Revenue Growth

## PNC Advisors benefits from quality leads

### Contribution of Referred Business to Total Wealth Management Sales in New Jersey



Sales are measured by estimated first full year annualized revenue from sale



# Rapid Product Development Capabilities

**COMMERCIAL CASH PLAN**  
PNC BANK TREASURY MANAGEMENT



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# Business Banking

## *An unwavering focus on execution*

### Strategic Drivers

- ▶ Build on our dedicated sales force strategy
- ▶ Grow customers through targeted acquisition
- ▶ Deepen relationships through cross-selling
- ▶ Generate quality assets by utilizing customer insights to enhance borrowing experience



# Execution Strategies

*We leverage our insights and technology platform to deliver personalized solutions for small businesses*





## Enhancing the Customer Experience and Improving Efficiency

- ▶ Utilized dedicated in-bound call unit
  - Increased Sales and Service contacts by 145% past two years
- ▶ Leveraged Consumer Loan Center to deliver 24 hour turnaround for small business loans
  - 73% increase in applications processed per employee
  - Improved customer commitment by 38% through enhanced borrowing experience



# Today's Discussion

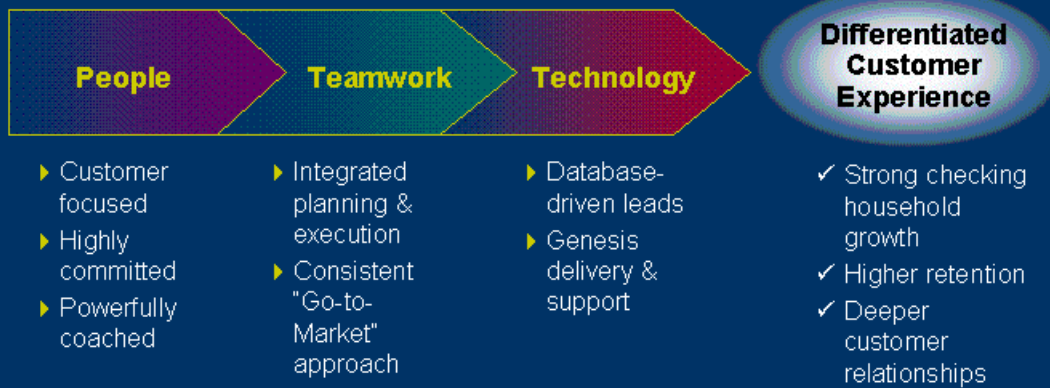
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# Putting the Strategy Into Practice

*Our investments in People and Technology, coupled with our emphasis on Teamwork, create a Differentiated Customer Experience*



# Empowering the Front Line

*Execution Consistent Across All Channels and Distribution Points*



Integrated Merchandising

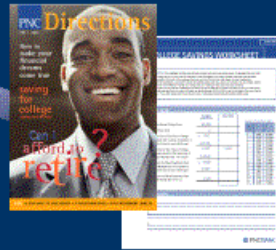


Customer Conversation



Alternative Channels

**Building  
Deeper  
Relationships**



Integrated Sales Tools



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# Summary

## Aspirations

- ▶ A growing customer base
- ▶ Moderate risk, high return business
  - High-quality loan portfolio
  - Lower funding costs than peers
- ▶ Grow earnings: 7 –11%





PNC



## Peer Group of Super-Regional Banks

	<u>Ticker</u>
The Bank of New York Company, Inc.	BK
Bank One Corporation	ONE
Fifth Third Bancorp	FITB
FleetBoston Financial Corporation	FBF
KeyCorp	KEY
National City Corporation	NCC
The PNC Financial Services Group, Inc.	PNC
SunTrust Banks, Inc.	STI
U.S. Bancorp	USB
Wachovia Corporation	WB
Wells Fargo & Company	WFC

