

Filed by The PNC Financial Services Group, Inc.  
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Subject Company: United National Bancorp  
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On September 8, 2003, James E. Rohr, chairman and chief executive officer of The PNC Financial Services Group, Inc. (the "Corporation") gave a presentation to investors at the Lehman Brothers 2003 Financial Services Conference in New York, New York. 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 and related material is attached hereto as Exhibit 99.1.



The PNC Financial Services Group, Inc.

Lehman Brothers  
2003 Financial Services Conference

September 8, 2003

## Cautionary Statement Regarding Forward-Looking Information

This presentation contains forward-looking statements with respect to PNC's outlook or expectations relating to its future business, operations, financial condition, financial performance, asset quality, and the effects of the pending acquisition of United National Bancorp. Forward-looking statements are necessarily subject to numerous assumptions, risks and uncertainties.

The forward-looking statements in this presentation are qualified by the factors affecting forward-looking statements identified in the Appendix included in PNC's written materials distributed at this conference and in the version of these slides posted on PNC's website at [www.pnc.com](http://www.pnc.com) as well as those factors 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).

Future events or circumstances may change PNC's outlook or expectations and may also affect the nature of the assumptions, risks and uncertainties to which the forward-looking statements are subject. The forward-looking statements in this presentation speak only as of the date of this presentation, and PNC assumes no duty and does not undertake to update them.





## Our Vision

PNC will be a premier financial services marketing company reflecting in our actions a deep understanding of the needs, values and aspirations of our customers, employees, communities and shareholders

PNC will be defined as a company with:

**Moderate  
Risk Profile**

**High-Return  
Business Mix**

**Above Average  
Growth**



# Building an Integrated Risk Management Foundation

## Principles

- ▶ Only risks intended to increase shareholder value are acceptable
- ▶ Business decisions are limited by a set of “boundaries”
- ▶ Balance cautionary risk taking with the need to grow

## Goal

- ▶ To be one of the more highly-rated financial services companies in the U.S.



# Disciplined Approach to Managing Interest Rate Risk

## Objective

Limit reliance on a particular interest rate scenario as source of earnings

### 2003 Balance Sheet Initiatives

- ▶ First half...maintained sensitivity to lower rates and limited extension risk
- ▶ Second half ... with recent rate increases, have added fixed rate assets to produce a more balanced risk position



# Conservative Credit Risk Profile

## PNC Compares Favorably to Banks Rated One Level Higher

June 30, 2003

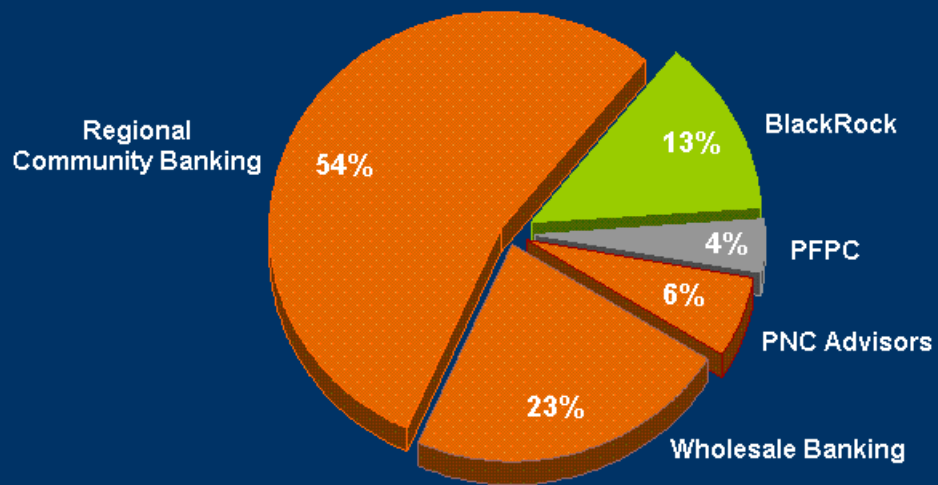
	<b>PNC A-/A2</b>	<b>S&amp;P A</b>	<b>Moody's A1</b>
Nonperforming loans to loans	0.95%	0.98%	0.84%
Net charge-offs to average loans (YTD)	0.57%	0.90%	0.86%
Allowance for credit losses to loans	1.95%	1.66%	2.00%
Allowance to net charge-offs (YTD)	3.4x	2.3x	2.5x

Source: SNL DataSource; PNC as reported  
S&P and Moody's peer groups defined in Appendix



# PNC's Valuable Business Mix

## Percentage of First Half 2003 Total Business Earnings



Total Business Earnings are reconciled to GAAP in Appendix





# A Differentiated Franchise Positioned for Growth

## A Core Funded Bank...

## That's Fee Driven...

## With Capital Flexibility

### Loans to Deposits

BK	59%
PNC	74%
ONE	78%
WB	81%
FITB	88%
WFC	93%
USB	95%
FBF	95%
STI	97%
NCC	114%
KEY	127%

### Noninterest Income to Total Revenue

BK	71%
PNC	60%
ONE	51%
NCC	49%
USB	48%
WB	46%
FITB	45%
FBF	42%
STI	42%
WFC	40%
KEY	38%

### Tier I Ratio

FITB	11.3%
ONE	9.7%
PNC	8.9%
FBF	8.4%
WB	8.4%
USB	8.3%
KEY	8.2%
NCC	8.1%
WFC	7.9%
STI	7.4%
BK	6.9%

Information as of or for the quarter ended 6/30/03  
Source: SNL DataSource, PNC as reported



# Our Growth Goals

## Three to Five Year Horizon

	<u>Annualized Earnings Growth</u>
Banking businesses	5 - 7%
Asset management and processing	15 - 20%
Capital management	1 - 3%
Consolidated PNC	10 - 12%



## Growth Drivers

- ▶ Expand deposit households and deepen relationships
- ▶ Grow middle market relationships in our region
- ▶ Improve operating leverage at PNC Advisors and PFPC
- ▶ Continue BlackRock growth trend



# Regional Community Bank Aspiration

To be a leading regional bank with...

- ▶ Fast growing checking account customer base
- ▶ Demonstrated success in increasing share of wallet of loans, deposits and investments, and having a reputation for:
  - Quality execution
  - Strong risk management
  - Outstanding customer service
  - Strong ties to communities
  - High levels of employee commitment

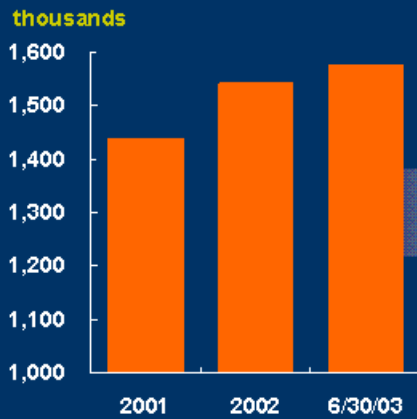


# Selling More to Customers

Regional Community Bank

## Proven Success in Growing Valuable Customer Base

### Checking Relationships



### Provides Opportunities for Growth and Improved Retention

YTD 6/30/03  
vs  
YTD 6/30/02

Annuity fees	+5%
ATM / debit card fees	+20%
Online banking penetration rate	+23%

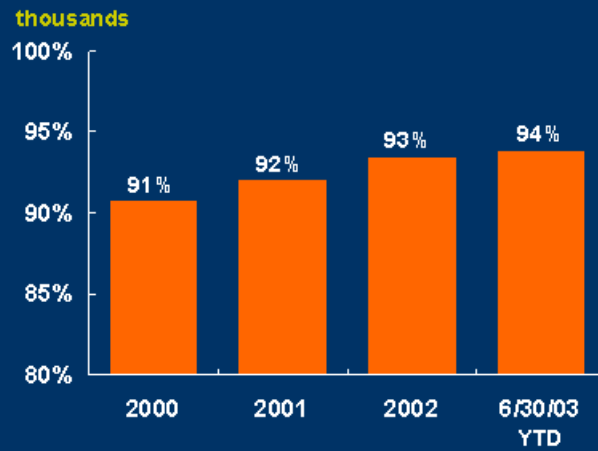


# Keeping More Customers

Regional Community  
Bank

## Retention Has Improved

### DDA Households - Retention

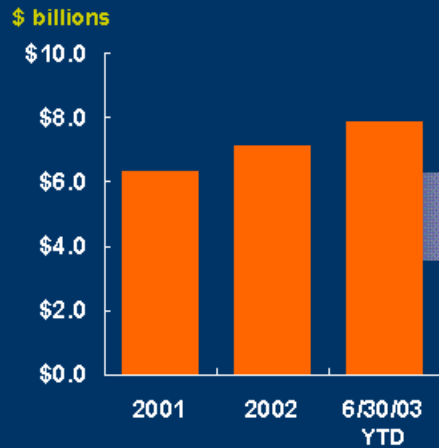


# Growing and Deepening Relationships

Regional Community Bank

## Strong Growth in Home Equity Lending

### Average Home Equity Loans



### Home Equity Credit Statistics

First lien positions *	46%
Loan-to-value ratios**	72%
FICO scores**	712

\* As of 6/30/03

\*\* Weighted average for six months ended 6/30/03



## United National Offers Compelling Strategic Opportunities

- ▶ Accelerates PNC expansion in fast-growing, affluent region
- ▶ Leverages PNC business mix, product lines, distribution capabilities, technology platform and customer insights
- ▶ Offers comparatively low integration risk
- ▶ Expected to be accretive in 2004, with IRR of approximately 15% which exceeds the return from share repurchases





# A Client-Focused Approach to Wholesale Banking

Differentiated by People, Proximity and Product Set

## Financial Highlights

Six months ended June 30, 2003

Earnings (millions)	\$135
Noninterest income / revenue	52%
Average loans (billions)	\$15

## Growth Opportunities

- ▶ Focus on middle market customers in PNC's region
- ▶ Expand relationships with treasury management and capital markets products
- ▶ Continue to improve relationship returns



# PNC Advisors – An Advice-Based Provider Strategy

## Financial Highlights

Six months ended June 30, 2003

Earnings (millions)	\$36
Assets under management (billions)	\$51
Noninterest income / revenue	86%
Efficiency	81%

## Growth Opportunities

- ▶ Enhance sales culture
- ▶ Shift from a product-based to an advice-based provider
- ▶ Strengthen existing client relationships
- ▶ Realign cost structure



## Demographically Attractive Region

PNC Advisors

- ▶ \$1.7 trillion estimated investable assets in footprint with expected growth of 7–10%
- ▶ 350,000 existing and prospective clients with assets greater than \$1 million
  - Opportunity: Over 35,000 have relationships with PNC Bank, but not PNC Advisors



# PFPC – A Leading Global Fund Processor

## Improving Competitive Position

- ▶ Strong management team in place
- ▶ Strengthened marketing organization
- ▶ Excellent technology platform
- ▶ Efficiency initiatives in progress



# Restoring Top-Line Momentum

PFPC

	Fund Accounting Assets (\$ billions)	Shareholder Servicing Accounts	
		Transfer Agency Accounts (millions)	Subaccounting Accounts (millions)
Beginning 12/31/02	\$510	26	25
Won / expanded business	108	0	2
Lost business	(12)	(6)	0
Market / other	12	0	1
Ending 6/30/03	\$618	20	28

Operating margin 21% in second quarter 2003

Operating margin equals operating income divided by total fund servicing revenue

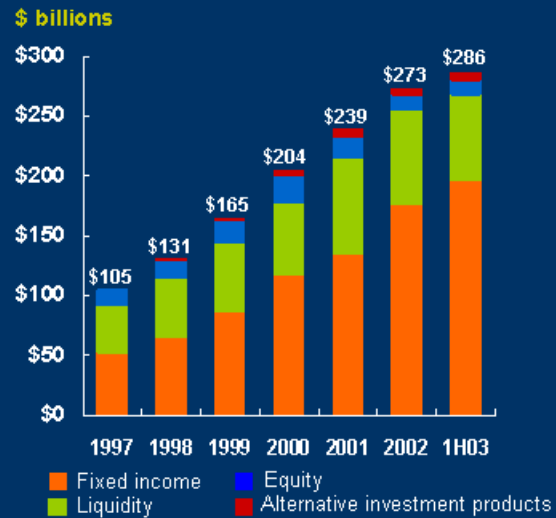


# BlackRock – A World Class Asset Manager

## Growth Opportunities

- ▶ Client-driven consolidation of fixed income managers
- ▶ BlackRock Solutions
- ▶ Leverage unified operating platform

## Assets Under Management



## Summary

PNC is...

- ▶ Building a moderate-risk, high-return franchise
- ▶ Capable of delivering strong returns in this environment
- ▶ Investing in its businesses to drive above average growth over time



# Appendix



# Cautionary Statement Regarding Forward-Looking Information

This presentation contains 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 or supervisory matters on PNC's business operations or performance. It also contains forward-looking statements with respect to PNC's outlook or expectations with respect to the planned acquisition of United National Bancorp, the expected costs to be incurred in connection with the acquisition, United National's future performance, and the anticipated consequences of the integration of United National into PNC. 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.

PNC cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and PNC assumes no duty and does not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements, and future results could differ materially from historical performance.

In addition to factors 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)) and otherwise discussed in this presentation, the forward-looking statements in this presentation are subject, among others, to the following risks and uncertainties, which could cause actual results or future events 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;



# Cautionary Statement Regarding Forward-Looking Information (continued)

- ▶ The impact of increased competition;
- ▶ How PNC chooses to redeploy available capital, including the extent and timing of any share repurchases and acquisitions or other investments in PNC businesses;
- ▶ 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 and other governmental developments; and the impact of reputational risk created by recent regulatory and other governmental developments on such matters as business generation and retention, the ability to attract and retain management, liquidity and funding;
- ▶ 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 affecting interest rates, money supply or otherwise reflecting changes in monetary policy;
- ▶ 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 and other governmental agencies, and regulators' future use of supervisory and enforcement tools;
- ▶ Terrorist activities and international hostilities which may adversely affect the general economy, financial and capital markets, specific industries, and PNC; and
- ▶ Issues related to the completion of the pending acquisition of United National Bancorp and the integration of its business into that of PNC, including the following:
  - ▶ Completion of the transaction is dependent on, among other things, receipt of stockholder and regulatory approvals, the timing of which cannot be predicted with precision at this point and which may not be received at all;
  - ▶ The transaction may be materially more expensive to complete than anticipated, including as a result of unexpected factors or events;
  - ▶ The integration of United National's business and operations into PNC, which will include conversion of United National's different systems and procedures, may take longer than anticipated or be more costly than anticipated or have unanticipated adverse results relating to United National's or PNC's existing businesses;
  - ▶ The anticipated cost savings of the acquisition may take longer to be realized or may not be achieved in their entirety; and
  - ▶ The anticipated benefits to PNC are dependent in part on United National's business performance in the future, and there can be no assurance as to actual future results, which could be impacted by various factors, including the risks and uncertainties generally related to PNC's and United National's performance (with respect to United National, see United National's SEC reports, also accessible on the SEC's website) or due to factors related to the acquisition of United National and the process of integrating it into PNC.



## Proxy Statement/Prospectus Information

The PNC Financial Services Group, Inc. and United National Bancorp will be filing a proxy statement/prospectus and other relevant documents concerning the merger with the United States Securities and Exchange Commission (the "SEC"). WE URGE INVESTORS TO READ THE PROXY STATEMENT/PROSPECTUS AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE MERGER OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT/PROSPECTUS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors will be able to obtain these documents free of charge at the SEC's website ([www.sec.gov](http://www.sec.gov)). In addition, documents filed with the SEC by The PNC Financial Services Group, Inc. will be available free of charge from Shareholder Services at (800) 982-7652. Documents filed with the SEC by United National Bancorp will be available free of charge from Shareholder Relations at (908) 429-2406.

The directors, executive officers, and certain other members of management of United National Bancorp may be soliciting proxies in favor of the merger from its shareholders. For information about these directors, executive officers, and members of management, shareholders are asked to refer to United National Bancorp's most recent annual meeting proxy statement, which is available on United National Bancorp's website ([www.unitedtrust.com](http://www.unitedtrust.com)) and at the addresses provided in the preceding paragraph.



# Non-GAAP to GAAP Reconciliation

Appendix

## Results of Businesses

\$ millions	Six Months Ended 6/30/03	
	Earnings (Loss)	Business Earnings Contribution
Banking businesses		
Regional Community Banking	\$311	54%
Wholesale Banking	135	23%
PNC Advisors	36	6%
Total banking businesses	482	83%
Asset management and processing businesses		
BlackRock	74	13%
PFPC	27	4%
Total asset management and processing businesses	101	17%
Total business results	583	100%
Intercompany eliminations	(3)	
Other	(134)	
Total consolidated	\$446	



# Peer Group of Super-Regional Banks

Appendix

	<u>Ticker</u>
The Bank of New York Company, Inc.	BK
Bank One Corporation	ONE
Fifth Third	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



# Rating Agency Peer Groups

Appendix

## Standard & Poor's

	<u>Ticker</u>
Bank One Corporation	ONE
BB&T Corporation	BBT
Comerica Incorporated	CMA
FleetBoston Financial Corporation	FBF
National City Corporation	NCC
Regions Financial Corporation	RF
Wachovia Corporation	WB

S&P peer group includes regional banks with assets greater than \$25 billion and a long-term issuer rating of A

## Moody's

	<u>Ticker</u>
BB&T Corporation	BBT
FleetBoston Financial Corporation	FBF
J.P. Morgan Chase & Co.	JPM
Regions Financial Corporation	RF

Moody's peer group includes regional banks with assets greater than \$25 billion and a senior unsecured issuer rating of A1

