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

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**FORM 8-K**

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**CURRENT REPORT**

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

**April 5, 2004**  
Date of Report (Date of earliest event reported)

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

(Exact name of registrant as specified in its charter)

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Commission File Number 001-09718

**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 12. Disclosure of Results of Operations and Financial Condition**

On April 5, 2004, The PNC Financial Services Group, Inc. (the "Corporation") will host a conference call with investors at 11:00 a.m. (EST) to review first quarter 2004 enhancements to its segment reporting. Copies of the electronic slides for this investor conference call and other related materials available on the Corporation's website are attached hereto as Exhibit 99.1.

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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: April 5, 2004

By: /s/ Samuel R. Patterson

\_\_\_\_\_  
Samuel R. Patterson  
*Controller*

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**EXHIBIT INDEX**

<u>Number</u>	<u>Description</u>	<u>Method of Filing</u>
99.1	The PNC Financial Services Group, Inc. Segment Reporting Investor Conference Call Materials	Furnished Herewith



The PNC Financial Services Group, Inc.

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Segment Reporting  
Investor Conference Call

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April 5, 2004

# Cautionary Statement Regarding Forward-Looking Information

This presentation may contain forward-looking statements with respect to PNC's outlook or expectations relating to its future business, operations, financial condition, financial performance and asset quality. Forward-looking statements are necessarily subject to numerous assumptions, risks and uncertainties.

Any forward-looking statements in this presentation are qualified by the factors affecting forward-looking statements identified in the more detailed Cautionary Statement included in the appendix to these slides 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 at [www.pnc.com](http://www.pnc.com)).

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.



# Today's Discussion

- ▶ Enhancing PNC segment reporting

Bill Demchak  
Vice Chairman & CFO

- ▶ Reviewing management accounting and reporting methodologies

Rick Johnson  
Director of Finance

- ▶ Questions and answers



# Enhancing PNC Segment Reporting

## Highlights

- ▶ Evolved funds transfer pricing
  - Replaced assignment of securities or borrowings with transaction driven approach
  - Removed impact of asset and liability management activities from businesses
- ▶ Aligned businesses with how PNC manages them internally
  - Consolidated Wholesale Banking businesses
- ▶ Revised capital measurement methodologies
- ▶ Businesses remain focused on acquiring, growing and retaining clients





# Enhancing PNC Segment Reporting

## What would 2003 have looked like?

### Results of Businesses - Summary

Year ended-dollars in millions

Earnings (Loss)	December 31, 2003		
	New	Annual Report	Difference
<b>Banking Businesses</b>			
Regional Community Banking	\$477	\$608	(\$131)
Wholesale Banking	391	306	85
PNC Advisors	89	72	17
Total banking businesses	957	986	(29)
<b>Asset management and processing businesses</b>			
BlackRock	155	155	-
PFPC	64	61	3
Total asset management and processing businesses	219	216	3
Total business earnings	1,176	1,202	(26)
Intercompany eliminations	(6)	(6)	-
Other	(141)	(167)	26
Results before cumulative effect of accounting change	1,029	1,029	-
Cumulative effect of accounting change	(28)	(28)	-
Total consolidated	\$1,001	\$1,001	\$0



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# Funds Transfer Pricing

## Goals

- ▶ Centralize the impact of interest rate risk management
- ▶ Report business results consistent with internal management practices

## Principles

- ▶ Transaction-based earnings credit/funding
- ▶ Transfer rates based on repricing, maturity and convexity characteristics

## Results

- ▶ Asset and liability management activities separated from business results and reported in Other
- ▶ Business managers can speak to the results they manage



# Enhanced Capital Measurement Methodologies

## Goals

- ▶ Incorporate economic capital measurements into segment financial reporting, as appropriate

## Principles

- ▶ Corporate assessments of capital based on coverage of unexpected losses
  - Transaction/portfolio level assignment of credit and market risk capital
  - Top down assignment of operational risk capital
- ▶ Benchmark capital measurement results to market comparables

## Results

- ▶ Economic capital measurements used for Wholesale Banking, PNC Advisors and PFPC
- ▶ Capital of Regional Community Banking set at 6% of total funds
- ▶ Book equity used for BlackRock – no change



# Impact on Assigned Capital

## Results of Businesses - Summary

Year ended average balances-dollars in millions

Capital Assignments	December 31, 2003		
	New	Annual Report	Difference
<b>Banking Businesses</b>			
Regional Community Banking	\$2,231	\$2,597	(\$366)
Wholesale Banking	1,994	1,446	548
PNC Advisors	313	528	(215)
<b>Total banking businesses</b>	<b>4,538</b>	<b>4,571</b>	<b>(33)</b>
<b>Asset management and processing businesses</b>			
BlackRock *	713	713	-
PFPC	294	208	86
<b>Total asset management and processing businesses</b>	<b>1,007</b>	<b>921</b>	<b>86</b>
<b>Total business</b>	<b>5,545</b>	<b>5,492</b>	<b>53</b>
<b>Other</b>	<b>1,106</b>	<b>1,159</b>	<b>(53)</b>
<b>Total consolidated</b>	<b>\$6,651</b>	<b>\$6,651</b>	<b>\$0</b>

\* BlackRock reflects period-end balances



# Impact on Net Interest Income

## Results of Businesses - Summary

Year ended-dollars in millions

Net Interest Income (Taxable-equivalent basis)	December 31, 2003		
	New	Annual Report	Difference
<b>Banking Businesses</b>			
Regional Community Banking	\$1,223	\$1,267	(\$44)
Wholesale Banking	680	540	140
PNC Advisors	107	82	25
<b>Total banking businesses</b>	<b>2,010</b>	<b>1,889</b>	<b>121</b>
<b>Asset management and processing businesses</b>			
BlackRock	23	23	-
PFPC	(54)	(60)	6
<b>Total asset management and processing businesses</b>	<b>(31)</b>	<b>(37)</b>	<b>6</b>
<b>Total business</b>	<b>1,979</b>	<b>1,852</b>	<b>127</b>
<b>Other</b>	<b>27</b>	<b>154</b>	<b>(127)</b>
<b>Total consolidated</b>	<b>\$2,006</b>	<b>\$2,006</b>	<b>\$0</b>

Changes to net interest income for each business segment reflect both the introduction of new capital assessments as well as changes to the funds transfer pricing methodology. Net interest income on a taxable-equivalent basis is reconciled to GAAP in an appendix to these slides.



## Other Changes to Noninterest Income and Expenses

- ▶ Net securities gains and other noninterest income related to A&L activities moved from Regional Community Banking to Other
- ▶ Certain other reclassifications have been made for comparative purposes related to our vehicle leasing and retail brokerage businesses



# Today's Discussion

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Every day is an opportunity to do more.<sup>sm</sup>

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# Appendix

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# Cautionary Statement Regarding Forward-Looking Information

This presentation and other statements that the Corporation may make may contain forward-looking statements with respect to the Corporation'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 the Corporation's business operations or 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.

The Corporation 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 the Corporation assumes no duty and does not undertake to update forward-looking statements. Actual results or future events could differ, possibly materially, from those anticipated in forward-looking statements and future results could differ materially from historical performance.

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

(1) changes in political, economic or industry conditions, the interest rate environment or financial and capital markets (including as a result of actions of the Federal Reserve Board affecting interest rates, money supply or otherwise reflecting changes in monetary policy), which could affect: (a) credit quality and the extent of credit losses; (b) the extent of funding of unfunded loan commitments and letters of credit; (c) allowances for credit losses and unfunded loan commitments and letters of credit; (d) demand for credit or fee-based products and services; (e) net interest income; (f) value of assets under management and assets serviced, of private equity investments, of other debt and equity investments, of loans held for sale, or of other on-balance sheet and off-balance sheet assets; or (g) the availability and terms of funding necessary to meet PNC's liquidity needs;

(2) the impact of legal and regulatory developments (including (a) the resolution of legal proceedings or regulatory and other governmental inquiries; (b) increased litigation risk from recent regulatory and other governmental developments; (c) the results of regulatory examination process, PNC's failure to satisfy the requirements of agreements with governmental agencies, and regulators' future use of supervisory and enforcement tools; (d) legislative and regulatory reforms; and (e) changes in accounting policies and principles), with the impact of any such developments possibly affecting the ability of PNC to operate its businesses, PNC's financial condition, results of operations, or reputation, which in turn could have an impact on such matters as business generation and retention, the ability to attract and retain management, liquidity and funding;

(3) the impact of changes in the nature or extent of competition;

(4) the introduction, withdrawal, success and timing of business initiatives and strategies.



# Cautionary Statement Regarding Forward-Looking Information (continued)

(5) customer acceptance of PNC's products and services and their borrowing, repayment, investment and deposit practices;

(6) the impact of changes in the extent of customer or counterparty delinquencies, bankruptcies or defaults that could affect, among other things, credit and asset quality risk and the provision for credit losses;

(7) the ability to identify and effectively manage risks inherent in PNC's business;

(8) how PNC chooses to redeploy available capital, including the extent and timing of any share repurchases and acquisitions or other investments in PNC businesses;

(9) 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;

(10) the timing and pricing of any sales of loans or other financial assets held for sale;

(11) the ability of PNC to obtain desirable levels of insurance and whether or not insurance coverage for claims by PNC is denied;

(12) relative and absolute investment performance of assets under management; and

(13) the extent of terrorist activities and international hostilities, increases or continuations of which may adversely affect the economy and financial and capital markets generally or PNC specifically.

In addition, PNC's forward-looking statements are also subject to risks and uncertainties related to the United National Bancorp acquisition and the expected consequences of the integration of its business into that of PNC, including the following: (a) the integration of United National's business and operations into PNC, which will include conversion of UnitedTrust Bank's different systems and procedures, may take longer than anticipated or be more costly than anticipated or have unanticipated adverse results relating to PNC's businesses, including those acquired in the acquisition; (b) the anticipated cost savings of the acquisition may take longer than expected to be realized, may not be achieved, or may not be achieved in their entirety; and (c) the anticipated benefits to PNC are dependent in part on the performance of United National's business 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 the performance of PNC's and United National's businesses (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. Any future mergers, acquisitions, restructurings, divestitures or related transactions will also be subject to similar risks and uncertainties related to the ability to realize expected cost savings or revenue enhancements or to implement integration plans.

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. Any 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.



# Non-GAAP to GAAP Reconciliation

Appendix

## PNC Net Interest Income

	<u>Year Ended 12/31/03</u>
Total consolidated net interest income (GAAP basis)	\$1,996
Taxable-equivalent adjustment	<u>10</u>
Total consolidated net interest income, taxable-equivalent basis	<u><u>\$2,006</u></u>



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

**Results of Businesses—Summary**

Year ended—dollars in millions

Earnings (Loss)	Earnings (Loss)		Revenue (a)		Return on Capital (b)		Average Assets (c)	
	2003	2002	2003	2002	2003	2002	2003	2002
<b>Banking Businesses</b>								
Regional Community Banking	\$ 477	\$ 469	\$ 1,892	\$ 1,830	21%	21%	\$ 16,749	\$ 16,024
Wholesale Banking	391	387	1,282	1,369	20	16	21,023	22,460
PNC Advisors	89	98	607	618	28	29	2,714	2,970
<b>Total banking businesses</b>	<b>957</b>	<b>954</b>	<b>3,781</b>	<b>3,817</b>	<b>21</b>	<b>19</b>	<b>40,486</b>	<b>41,454</b>
<b>Asset management and processing businesses</b>								
BlackRock	155	133	598	577	23	24	967	864
PFPC	64	69	762	817	22	22	1,909	1,888
<b>Total asset management and processing businesses</b>	<b>219</b>	<b>202</b>	<b>1,360</b>	<b>1,394</b>	<b>22</b>	<b>23</b>	<b>2,876</b>	<b>2,752</b>
<b>Total business earnings</b>	<b>1,176</b>	<b>1,156</b>	<b>5,141</b>	<b>5,211</b>	<b>21</b>	<b>20</b>	<b>43,362</b>	<b>44,206</b>
Intercompany eliminations	(6)	(9)	(89)	(101)			(1,898)	(1,971)
Other	(141)	53	211	297			25,815	24,354
<b>Results from continuing operations</b>	<b>1,029</b>	<b>1,200</b>	<b>5,263</b>	<b>5,407</b>	<b>15</b>	<b>19</b>	<b>67,279</b>	<b>66,589</b>
Discontinued operations		(16)						
<b>Results before cumulative effect of accounting change</b>	<b>1,029</b>	<b>1,184</b>	<b>5,263</b>	<b>5,407</b>	<b>15</b>	<b>19</b>	<b>67,279</b>	<b>66,589</b>
Cumulative effect of accounting change	(28)							
<b>Total consolidated</b>	<b>\$ 1,001</b>	<b>\$ 1,184</b>	<b>\$ 5,263</b>	<b>\$ 5,407</b>	<b>15</b>	<b>19</b>	<b>\$ 67,279</b>	<b>\$ 66,589</b>

(a) Business revenue is presented on a taxable-equivalent basis except for BlackRock and PFPC, which are presented on a book (GAAP) basis. The interest income earned on certain assets is completely or partially exempt from federal income tax. As such, these tax-exempt instruments typically yield lower returns than a taxable investment. In order to provide accurate comparisons of yields and margins for all earning assets, the interest income earned on tax-exempt assets has been increased to make them fully equivalent to other taxable interest income investments. A reconciliation of total consolidated revenue on a book basis to total consolidated revenue on a taxable-equivalent basis is as follows (in millions):

	2003	2002
Total consolidated revenue, book (GAAP) basis	\$ 5,253	\$ 5,394
Taxable-equivalent adjustment	10	13
<b>Total consolidated revenue, taxable-equivalent basis</b>	<b>\$ 5,263</b>	<b>\$ 5,407</b>

(b) Percentages for BlackRock reflect return on equity.

(c) Period-end balances for BlackRock.

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

**Results of Businesses—Summary (Unaudited) (a)**

Quarter ended—dollars in millions

	December 31 2003	September 30 2003	June 30 2003	March 31 2003	December 31 2002	September 30 2002	June 30 2002	March 31 2002
<b>Earnings (Loss)</b>								
<b>Banking Businesses</b>								
Regional Community Banking	\$ 127	\$ 122	\$ 122	\$ 106	\$ 124	\$ 111	\$ 125	\$ 109
Wholesale Banking	117	97	83	94	106	84	112	85
PNC Advisors	20	25	24	20	13	21	31	33
<b>Total banking businesses</b>	<b>264</b>	<b>244</b>	<b>229</b>	<b>220</b>	<b>243</b>	<b>216</b>	<b>268</b>	<b>227</b>
<b>Asset management and processing businesses</b>								
BlackRock	41	40	39	35	34	33	35	31
PFPC	18	17	16	13	9	19	23	18
<b>Total asset management and processing businesses</b>	<b>59</b>	<b>57</b>	<b>55</b>	<b>48</b>	<b>43</b>	<b>52</b>	<b>58</b>	<b>49</b>
<b>Total business earnings</b>	<b>323</b>	<b>301</b>	<b>284</b>	<b>268</b>	<b>286</b>	<b>268</b>	<b>326</b>	<b>276</b>
Intercompany eliminations	(1)	(2)	(1)	(2)	(2)	(4)	(1)	(2)
Other	(20)	(18)	(99)	(4)	(6)	21	(5)	43
<b>Results from continuing operations</b>	<b>302</b>	<b>281</b>	<b>184</b>	<b>262</b>	<b>278</b>	<b>285</b>	<b>320</b>	<b>317</b>
Discontinued operations					(16)			
<b>Results before cumulative effect of accounting change</b>	<b>302</b>	<b>281</b>	<b>184</b>	<b>262</b>	<b>262</b>	<b>285</b>	<b>320</b>	<b>317</b>
Cumulative effect of accounting change	(28)							
<b>Total consolidated</b>	<b>\$ 274</b>	<b>\$ 281</b>	<b>\$ 184</b>	<b>\$ 262</b>	<b>\$ 262</b>	<b>\$ 285</b>	<b>\$ 320</b>	<b>\$ 317</b>
<b>Revenue (b)</b>								
<b>Banking Businesses</b>								
Regional Community Banking	\$ 489	\$ 478	\$ 479	\$ 446	\$ 470	\$ 455	\$ 461	\$ 444
Wholesale Banking	330	328	300	324	343	316	377	333
PNC Advisors	157	154	152	144	143	143	163	169
<b>Total banking businesses</b>	<b>976</b>	<b>960</b>	<b>931</b>	<b>914</b>	<b>956</b>	<b>914</b>	<b>1,001</b>	<b>946</b>
<b>Asset Management and Processing Businesses</b>								
BlackRock	161	150	144	143	137	137	157	146
PFPC	194	188	187	193	195	192	217	213
<b>Total asset management and processing businesses</b>	<b>355</b>	<b>338</b>	<b>331</b>	<b>336</b>	<b>332</b>	<b>329</b>	<b>374</b>	<b>359</b>
<b>Total business revenue</b>	<b>1,331</b>	<b>1,298</b>	<b>1,262</b>	<b>1,250</b>	<b>1,288</b>	<b>1,243</b>	<b>1,375</b>	<b>1,305</b>
Intercompany eliminations	(21)	(21)	(25)	(22)	(22)	(27)	(23)	(29)
Other	39	37	62	73	27	87	76	107
<b>Total consolidated</b>	<b>\$ 1,349</b>	<b>\$ 1,314</b>	<b>\$1,299</b>	<b>\$ 1,301</b>	<b>\$ 1,293</b>	<b>\$ 1,303</b>	<b>\$1,428</b>	<b>\$ 1,383</b>

**THE FINANCIAL SERVICES GROUP, INC.**

**Results of Business—Summary** (Unaudited) (a)

*Quarter ended—dollars in millions*

- (a) See “Review of Businesses” within the Financial Review section of the Corporation's 2002 Annual Report to Shareholders included as Exhibit 13 in the Corporation's 2002 Annual Report on Form 10-K for additional information regarding presentation of results for the Corporation's major businesses. The Corporation's line of business information is based on management information systems, assumptions and methodologies that are under review on an ongoing basis.
- (b) Business revenue is presented on a taxable-equivalent basis except for BlackRock and PFPC, which are presented on a book (GAAP) basis. The interest income earned on certain assets is completely or partially exempt from federal income tax. As such, these tax-exempt instruments typically yield lower returns than a taxable investment. In order to provide accurate comparisons of yields and margins for all earning assets, the interest income earned on tax-exempt assets has been increased to make them fully equivalent to other taxable interest income investments. A reconciliation of total consolidated revenue on a book basis to total consolidated revenue on a taxable-equivalent basis is as follows (in millions):

	December 31 2003	September 30 2003	June 30 2003	March 31 2003	December 31 2002	September 30 2002	June 30 2002	March 31 2002
Total consolidated revenue, book (GAAP) basis	\$ 1,346	\$ 1,312	\$ 1,297	\$ 1,298	\$ 1,290	\$ 1,299	\$ 1,425	\$ 1,380
Taxable-equivalent adjustment	3	2	2	3	3	4	3	3
Total consolidated revenue, taxable-equivalent basis	\$ 1,349	\$ 1,314	\$ 1,299	\$ 1,301	\$ 1,293	\$ 1,303	\$ 1,428	\$ 1,383



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

**Regional Community Banking (Unaudited)**

*Quarter ended*

<i>Taxable-equivalent basis Dollars in millions</i>	December 31 2003	September 30 2003	June 30 2003	March 31 2003	December 31 2002	September 30 2002	June 30 2002	March 31 2002
<b>INCOME STATEMENT</b>								
Net interest income	\$ 314	\$ 310	\$ 307	\$ 292	\$ 297	\$ 290	\$ 297	\$ 290
Noninterest income	175	168	172	154	173	165	164	154
<b>Total revenue</b>	<b>489</b>	<b>478</b>	<b>479</b>	<b>446</b>	<b>470</b>	<b>455</b>	<b>461</b>	<b>444</b>
Provision for credit losses	14	9	11	6	13	14	9	10
Noninterest expense	276	277	276	273	262	265	255	261
<b>Pretax earnings</b>	<b>199</b>	<b>192</b>	<b>192</b>	<b>167</b>	<b>195</b>	<b>176</b>	<b>197</b>	<b>173</b>
Income taxes	72	70	70	61	71	65	72	64
<b>Earnings</b>	<b>\$ 127</b>	<b>\$ 122</b>	<b>\$ 122</b>	<b>\$ 106</b>	<b>\$ 124</b>	<b>\$ 111</b>	<b>\$ 125</b>	<b>\$ 109</b>
<b>AVERAGE BALANCE SHEET</b>								
<b>Loans</b>								
<b>Consumer</b>								
Home equity	\$ 8,926	\$ 8,476	\$ 8,047	\$ 7,675	\$ 7,395	\$ 7,238	\$ 7,031	\$ 6,733
Indirect	510	492	468	438	457	508	567	633
Other consumer	474	504	516	546	584	611	641	698
<b>Total consumer</b>	<b>9,910</b>	<b>9,472</b>	<b>9,031</b>	<b>8,659</b>	<b>8,436</b>	<b>8,357</b>	<b>8,239</b>	<b>8,064</b>
Commercial	3,934	3,911	4,001	3,939	3,856	3,754	3,576	3,511
Other	526	586	633	676	736	967	1,054	1,115
<b>Total loans</b>	<b>14,370</b>	<b>13,969</b>	<b>13,665</b>	<b>13,274</b>	<b>13,028</b>	<b>13,078</b>	<b>12,869</b>	<b>12,690</b>
<b>Securities</b>								
Education and other loans held for sale	1,158	1,105	1,197	1,197	1,215	1,180	1,397	1,488
Other assets	1,750	1,808	1,738	1,750	1,752	1,804	1,767	1,828
<b>Total assets</b>	<b>\$ 17,278</b>	<b>\$ 16,882</b>	<b>\$ 16,600</b>	<b>\$ 16,221</b>	<b>\$ 15,995</b>	<b>\$ 16,062</b>	<b>\$ 16,033</b>	<b>\$ 16,006</b>
<b>Deposits</b>								
Noninterest-bearing demand	\$ 5,799	\$ 5,739	\$ 5,471	\$ 5,264	\$ 5,228	\$ 5,103	\$ 4,999	\$ 4,879
Interest-bearing demand	6,601	6,397	6,136	6,112	6,191	6,008	6,002	6,053
Money market	12,140	12,307	12,407	12,361	12,182	12,299	12,348	12,292
<b>Total transaction deposits</b>	<b>24,540</b>	<b>24,443</b>	<b>24,014</b>	<b>23,737</b>	<b>23,601</b>	<b>23,410</b>	<b>23,349</b>	<b>23,224</b>
Savings	2,020	2,050	2,046	1,976	1,949	1,979	1,995	1,924
Certificates	8,047	8,234	8,666	9,360	9,670	10,017	10,207	10,310
<b>Total deposits</b>	<b>34,607</b>	<b>34,727</b>	<b>34,726</b>	<b>35,073</b>	<b>35,220</b>	<b>35,406</b>	<b>35,551</b>	<b>35,458</b>
Other liabilities	147	158	177	190	196	209	231	264
Capital	2,218	2,227	2,228	2,251	2,261	2,273	2,284	2,280
<b>Total funds</b>	<b>\$ 36,972</b>	<b>\$ 37,112</b>	<b>\$ 37,131</b>	<b>\$ 37,514</b>	<b>\$ 37,678</b>	<b>\$ 37,888</b>	<b>\$ 38,065</b>	<b>\$ 38,002</b>
<b>PERFORMANCE RATIOS</b>								
Return on capital	23%	22%	22%	19%	22%	19%	22%	19%
Noninterest income to total revenue	36	35	36	35	37	36	36	35
Efficiency	56	58	58	61	56	58	55	59
<b>OTHER INFORMATION (a)</b>								
Total nonperforming assets	\$ 85	\$ 72	\$ 73	\$ 83	\$ 79	\$ 63	\$ 60	\$ 55
Net charge-offs	\$ 12	\$ 10	\$ 11	\$ 11	\$ 14	\$ 14	\$ 10	\$ 10
<b>Home equity portfolio credit statistics:</b>								
Percentage of first lien positions	51%	50%	46%	43%	40%	37%	36%	34%
Weighted average loan-to-value ratios	70%	70%	72%	70%	70%	70%	73%	69%
Weighted average FICO scores	713	712	712	709	709	708	710	691
Gains on sales of education loans (b)	\$ 8	\$ 4	\$ 7	\$ 1	\$ 10	\$ 3	\$ 9	\$ 1
<b>Average FTE staff</b>								
ATMs	9,589	9,643	9,559	9,461	9,644	9,754	9,638	9,732
Branches	3,600	3,664	3,660	3,594	3,550	3,450	3,350	3,300
Financial consultants	719	715	713	713	714	714	713	714
Business banking centers	797	805	795	768	753	734	760	707
Checking relationships	208	208	193	193	193	188	158	140
Online banking users	1,611,000	1,606,000	1,575,000	1,555,000	1,542,000	1,538,000	1,494,000	1,465,000
Deposit households using online banking	762,000	728,000	684,000	647,000	607,000	563,471	508,608	466,213
	43.2%	41.7%	40.2%	38.6%	36.6%	34.7%	32.6%	30.8%

(a) Presented as of period-end, except for net charge-offs, gains on sales of education loans and average FTEs.

(b) Included in other noninterest income above.



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

**Regional Community Banking (Unaudited)**

*Year ended*

*Taxable-equivalent basis  
Dollars in millions*

	December 31 2003	December 31 2002
<b>INCOME STATEMENT</b>		
Net interest income	\$ 1,223	\$ 1,174
Noninterest income	669	656
	<u>1,892</u>	<u>1,830</u>
Total revenue	1,892	1,830
Provision for credit losses	40	46
Noninterest expense	1,102	1,043
	<u>750</u>	<u>741</u>
Pretax earnings	750	741
Income taxes	273	272
	<u>477</u>	<u>469</u>
Earnings	\$ 477	\$ 469
<b>AVERAGE BALANCE SHEET</b>		
<b>Loans</b>		
<b>Consumer</b>		
Home equity	\$ 8,285	\$ 7,101
Indirect	477	541
Other consumer	510	633
	<u>9,272</u>	<u>8,275</u>
Total consumer	9,272	8,275
Commercial	3,946	3,675
Other	605	967
	<u>13,823</u>	<u>12,917</u>
Total loans	13,823	12,917
Education and other loans held for sale	1,164	1,319
Other assets	1,762	1,788
	<u>16,749</u>	<u>16,024</u>
Total assets	\$ 16,749	\$ 16,024
<b>Deposits</b>		
Noninterest-bearing demand	\$ 5,570	\$ 5,053
Interest-bearing demand	6,313	6,064
Money market	12,303	12,280
	<u>24,186</u>	<u>23,397</u>
Total transaction deposits	24,186	23,397
Savings	2,023	1,962
Certificates	8,572	10,049
	<u>34,781</u>	<u>35,408</u>
Total deposits	34,781	35,408
Other liabilities	168	225
Capital	2,231	2,274
	<u>37,180</u>	<u>37,907</u>
Total funds	\$ 37,180	\$ 37,907
<b>PERFORMANCE RATIOS</b>		
Return on capital	21%	21%
Noninterest income to total revenue	35	36
Efficiency	58	57
<b>OTHER INFORMATION (a)</b>		
Total nonperforming assets	\$ 85	\$ 79
Net charge-offs	\$ 44	\$ 48
<b>Home equity portfolio credit statistics:</b>		
Percentage of first lien positions	51%	40%
Weighted average loan-to-value ratios	70%	70%
Weighted average FICO scores	713	709
Gains on sales of education loans (b)	\$ 20	\$ 23
Average FTE staff	9,564	9,692
ATMs	3,600	3,550
Branches	719	714
Financial consultants	797	753
Business banking centers	208	193
Checking relationships	1,611,000	1,542,000
Online banking users	762,000	607,000
Deposit households using online banking	43.2%	36.6%

- (a) Presented as of period-end, except for net charge-offs, gains on sales of education loans and average FTEs.  
(b) Included in other noninterest income above.

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

**Wholesale Banking (Unaudited)**

*Quarter ended*

<i>Taxable-equivalent basis Dollars in millions</i>	December 31 2003	September 30 2003	June 30 2003	March 31 2003	December 31 2002	September 30 2002	June 30 2002	March 31 2002
<b>INCOME STATEMENT</b>								
Net interest income	\$ 170	\$ 172	\$ 167	\$ 171	\$ 180	\$ 190	\$ 199	\$ 199
Noninterest income	160	156	133	153	163	126	178	134
<b>Total revenue</b>	<b>330</b>	<b>328</b>	<b>300</b>	<b>324</b>	<b>343</b>	<b>316</b>	<b>377</b>	<b>333</b>
Provision for credit losses	9	38	45	29	54	55	77	70
Noninterest expense	167	161	144	162	142	149	140	147
<b>Pretax earnings</b>	<b>154</b>	<b>129</b>	<b>111</b>	<b>133</b>	<b>147</b>	<b>112</b>	<b>160</b>	<b>116</b>
Noncontrolling interests in income of consolidated entities	(8)	(11)	(2)	0	0	(2)	0	0
Income taxes	45	43	30	39	41	30	48	31
<b>Earnings</b>	<b>\$ 117</b>	<b>\$ 97</b>	<b>\$ 83</b>	<b>\$ 94</b>	<b>\$ 106</b>	<b>\$ 84</b>	<b>\$ 112</b>	<b>\$ 85</b>
<b>AVERAGE BALANCE SHEET</b>								
<b>Loans</b>								
Corporate banking	\$ 7,848	\$ 8,017	\$ 8,262	\$ 8,604	\$ 8,824	\$ 9,180	\$ 9,656	\$ 9,901
Commerical real estate	1,647	1,841	1,953	2,052	2,167	2,279	2,241	2,224
Commerical—real estate related	1,350	1,431	1,438	1,397	1,464	1,407	1,466	1,559
Business Credit	3,658	3,633	3,528	3,381	3,489	3,525	3,641	3,484
<b>Total loans</b>	<b>14,503</b>	<b>14,922</b>	<b>15,181</b>	<b>15,434</b>	<b>15,944</b>	<b>16,391</b>	<b>17,004</b>	<b>17,168</b>
Purchased customer receivables	2,384	2,496	0	0	0	0	0	0
Loans held for sale	549	436	628	678	910	1,172	2,206	3,140
Other assets	4,575	4,294	4,081	3,894	4,222	4,052	3,894	3,780
<b>Total assets</b>	<b>\$ 22,011</b>	<b>\$ 22,148</b>	<b>\$ 19,890</b>	<b>\$ 20,006</b>	<b>\$ 21,076</b>	<b>\$ 21,615</b>	<b>\$ 23,104</b>	<b>\$ 24,088</b>
<b>Deposits</b>								
Commercial paper	\$ 6,641	\$ 6,543	\$ 6,120	\$ 6,106	\$ 5,879	\$ 5,534	\$ 5,344	\$ 5,140
Other liabilities	2,386	2,502	0	0	0	0	0	0
Capital	3,707	3,405	3,152	2,720	2,829	2,727	2,510	2,370
Total funds	1,942	2,001	2,019	2,013	2,300	2,384	2,519	2,519
<b>Total funds</b>	<b>\$ 14,676</b>	<b>\$ 14,451</b>	<b>\$ 11,291</b>	<b>\$ 10,839</b>	<b>\$ 11,008</b>	<b>\$ 10,645</b>	<b>\$ 10,373</b>	<b>\$ 10,029</b>
<b>PERFORMANCE RATIOS</b>								
Return on capital	24%	19%	16%	19%	18%	14%	18%	14%
Noninterest income to total revenue	48	48	44	47	48	40	47	40
Efficiency	51	49	48	50	41	47	37	44
<b>COMMERCIAL MORTGAGE SERVICING PORTFOLIO (a)</b>								
Beginning of period	\$ 80	\$ 79	\$ 75	\$ 74	\$ 74	\$ 71	\$ 69	\$ 68
Acquisitions/additions	6	5	7	5	4	6	5	4
Repayments/transfers	(3)	(4)	(3)	(4)	(4)	(3)	(3)	(3)
<b>End of period</b>	<b>\$ 83</b>	<b>\$ 80</b>	<b>\$ 79</b>	<b>\$ 75</b>	<b>\$ 74</b>	<b>\$ 74</b>	<b>\$ 71</b>	<b>\$ 69</b>
<b>OTHER INFORMATION</b>								
Total nonperforming assets	\$ 227	\$ 311	\$ 324	\$ 317	\$ 331	\$ 340	\$ 431	\$ 375
Net charge-offs	\$ 34	\$ 51	\$ 50	\$ 23	\$ 21	\$ 54	\$ 60	\$ 28
NBOC put option liability	\$ 0	\$ 0	\$ 43	\$ 49	\$ 57	\$ 78	\$ 86	\$ 107
NBOC put option valuation income (b)	\$ 0	\$ 1	\$ 1	\$ 6	\$ 9	\$ 4	\$ 10	\$ 5
Average FTE staff	2,873	2,876	2,884	2,991	3,138	3,123	3,135	3,215
Net carrying amount of commercial mortgage servicing rights	\$ 209	\$ 200	\$ 199	\$ 201	\$ 201	\$ 201	\$ 200	\$ 199
<b>Institutional lending repositioning</b>								
<b>Loans held for sale</b>								
Credit exposure	\$ 104	\$ 150	\$ 199	\$ 344	\$ 626	\$ 1,078	\$ 2,019	\$ 3,874
Outstandings	\$ 70	\$ 98	\$ 126	\$ 181	\$ 298	\$ 495	\$ 1,066	\$ 1,975
<b>Exit portfolio</b>								
Credit exposure	\$ 51	\$ 61	\$ 251	\$ 374	\$ 438	\$ 636	\$ 1,203	\$ 1,970
Outstandings	\$ 0	\$ 10	\$ 11	\$ 9	\$ 4	\$ 25	\$ 18	\$ 113

Net gains on loans held for sale (b)	\$ 16	\$ 23	\$ 15	\$ 15	\$ 52	\$ 17	\$ 55	\$ 23
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- (a) Dollars in billions.
- (b) Included in noninterest income above.

THE PNC FINANCIAL SERVICES GROUP, INC.

Wholesale Banking (Unaudited)

<i>Year ended</i> <i>Taxable-equivalent basis</i> <i>Dollars in millions</i>	December 31 2003	December 31 2002
<b>INCOME STATEMENT</b>		
Net interest income	\$ 680	\$ 768
Noninterest income	602	601
Total revenue	1,282	1,369
Provision for credit losses	121	256
Noninterest expense	634	578
Pretax earnings	527	535
Noncontrolling interests in income of consolidated entities	(21)	(2)
Income taxes	157	150
Earnings	\$ 391	\$ 387
<b>AVERAGE BALANCE SHEET</b>		
Loans		
Corporate banking	\$ 8,180	\$ 9,387
Commerical real estate	1,872	2,228
Commerical—real estate related	1,404	1,473
Business Credit	3,551	3,535
Total loans	15,007	16,623
Purchased customer receivables	1,230	0
Loans held for sale	572	1,849
Other assets	4,214	3,988
Total assets	\$ 21,023	\$ 22,460
Deposits	\$ 6,354	\$ 5,477
Commercial paper	1,232	0
Other liabilities	3,250	2,610
Capital	1,994	2,430
Total funds	\$ 12,830	\$ 10,517
<b>PERFORMANCE RATIOS</b>		
Return on capital	20%	16%
Noninterest income to total revenue	47	44
Efficiency	49	42
<b>COMMERCIAL MORTGAGE SERVICING PORTFOLIO (a)</b>		
January 1	\$ 74	\$ 68
Acquisitions/additions	23	19
Repayments/transfers	(14)	(13)
December 31	\$ 83	\$ 74
<b>OTHER INFORMATION</b>		
Total nonperforming assets	\$ 227	\$ 331
Net charge-offs	\$ 158	\$ 163
NBOC put option liability	\$ 0	\$ 57
NBOC put option valuation income (b)	\$ 8	\$ 28
Average FTE staff	2,885	3,153
Net carrying amount of commercial mortgage servicing rights	\$ 209	\$ 201
<b>Institutional lending repositioning</b>		
Loans held for sale		
Credit exposure	\$ 104	\$ 626
Outstandings	\$ 70	\$ 298
Exit portfolio		
Credit exposure	\$ 51	\$ 438
Outstandings	\$ 0	\$ 4
Net gains on loans held for sale (b)	\$ 69	\$ 147

(a) Dollars in billions.

(b) Included in noninterest income above.

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

**PNC Advisors (Unaudited)**

*Quarter ended  
Taxable-equivalent basis  
Dollars in millions*

	December 31 2003	September 30 2003	June 30 2003	March 31 2003	December 31 2002	September 30 2002	June 30 2002	March 31 2002
<b>INCOME STATEMENT</b>								
Net interest income	\$ 27	\$ 27	\$ 27	\$ 26	\$ 26	\$ 25	\$ 28	\$ 27
Noninterest income								
Investment management and trust	81	78	78	76	76	77	89	92
Brokerage	29	25	25	22	22	22	28	27
Other	20	24	22	20	19	19	18	23
<b>Total noninterest income</b>	<b>130</b>	<b>127</b>	<b>125</b>	<b>118</b>	<b>117</b>	<b>118</b>	<b>135</b>	<b>142</b>
Total revenue	157	154	152	144	143	143	163	169
Provision for credit losses	1	1	1	0	1	2	1	0
Noninterest expense	124	114	113	113	121	108	113	117
Pretax earnings	32	39	38	31	21	33	49	52
Income taxes	12	14	14	11	8	12	18	19
Earnings	\$ 20	\$ 25	\$ 24	\$ 20	\$ 13	\$ 21	\$ 31	\$ 33
<b>AVERAGE BALANCE SHEET</b>								
<b>Loans</b>								
Consumer	\$ 1,371	\$ 1,331	\$ 1,284	\$ 1,280	\$ 1,263	\$ 1,251	\$ 1,226	\$ 1,170
Residential mortgage	173	216	263	327	392	464	535	613
Commercial	415	463	435	439	438	433	515	499
Other	291	287	286	284	282	313	341	349
<b>Total loans</b>	<b>2,250</b>	<b>2,297</b>	<b>2,268</b>	<b>2,330</b>	<b>2,375</b>	<b>2,461</b>	<b>2,617</b>	<b>2,631</b>
Other assets	411	434	429	437	442	433	448	477
Total assets	\$ 2,661	\$ 2,731	\$ 2,697	\$ 2,767	\$ 2,817	\$ 2,894	\$ 3,065	\$ 3,108
Deposits	\$ 2,175	\$ 2,181	\$ 2,098	\$ 2,108	\$ 2,039	\$ 1,979	\$ 2,023	\$ 2,077
Assigned funds and other liabilities	262	260	253	261	252	277	321	336
Capital	305	308	314	326	329	338	345	345
<b>Total funds</b>	<b>\$ 2,742</b>	<b>\$ 2,749</b>	<b>\$ 2,665</b>	<b>\$ 2,695</b>	<b>\$ 2,620</b>	<b>\$ 2,594</b>	<b>\$ 2,689</b>	<b>\$ 2,758</b>
<b>PERFORMANCE RATIOS</b>								
Return on assigned capital	26%	32%	31%	25%	16%	25%	36%	39
Noninterest income to total revenue	83	82	82	82	82	83	83	84
Efficiency	79	74	74	78	85	76	69	69
<b>ASSETS UNDER ADMINISTRATION (in billions) (a) (b)</b>								
<b>Assets under management</b>								
Personal	\$ 44	\$ 42	\$ 42	\$ 40	\$ 41	\$ 40	\$ 45	\$ 48
Institutional	9	9	9	9	9	10	11	12
<b>Total</b>	<b>\$ 53</b>	<b>\$ 51</b>	<b>\$ 51</b>	<b>\$ 49</b>	<b>\$ 50</b>	<b>\$ 50</b>	<b>\$ 56</b>	<b>\$ 60</b>
<b>Asset Type</b>								
Equity	\$ 31	\$ 28	\$ 28	\$ 25	\$ 26	\$ 26	\$ 31	\$ 36
Fixed income	16	16	16	16	17	17	18	17
Liquidity/other	6	7	7	8	7	7	7	7
<b>Total</b>	<b>\$ 53</b>	<b>\$ 51</b>	<b>\$ 51</b>	<b>\$ 49</b>	<b>\$ 50</b>	<b>\$ 50</b>	<b>\$ 56</b>	<b>\$ 60</b>
<b>Nondiscretionary assets under administration</b>								
Personal	\$ 22	\$ 23	\$ 20	\$ 20	\$ 20	\$ 20	\$ 22	\$ 21
Institutional	65	63	65	61	62	62	66	68
<b>Total</b>	<b>\$ 87</b>	<b>\$ 86</b>	<b>\$ 85</b>	<b>\$ 81</b>	<b>\$ 82</b>	<b>\$ 82</b>	<b>\$ 88</b>	<b>\$ 89</b>
<b>Asset Type</b>								
Equity	\$ 30	\$ 30	\$ 29	\$ 27	\$ 27	\$ 27	\$ 31	\$ 34
Fixed income	30	29	29	28	29	28	29	28
Liquidity/other	27	27	27	26	26	27	28	27
<b>Total</b>	<b>\$ 87</b>	<b>\$ 86</b>	<b>\$ 85</b>	<b>\$ 81</b>	<b>\$ 82</b>	<b>\$ 82</b>	<b>\$ 88</b>	<b>\$ 89</b>
<b>OTHER INFORMATION (b)</b>								
Total nonperforming assets	\$ 11	\$ 11	\$ 5	\$ 5	\$ 5	\$ 4	\$ 4	\$ 4
Brokerage assets administered (in billions)	\$ 23	\$ 22	\$ 21	\$ 20	\$ 20	\$ 19	\$ 21	\$ 23
Full service brokerage offices	76	77	77	80	84	86	87	89
Financial consultants	445	458	475	491	507	513	534	542
Margin loans	\$ 256	\$ 257	\$ 253	\$ 247	\$ 260	\$ 257	\$ 297	\$ 301

Average FTE staff	2,810	2,906	2,945	3,012	3,087	3,078	3,095	3,141
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- (a) Excludes brokerage assets administered.
- (b) Presented as of period-end, except for average FTEs.



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

**PNC Advisors (Unaudited)**

*Year ended  
Taxable-equivalent basis  
Dollars in millions*

	December 31 2003	December 31 2002
<b>INCOME STATEMENT</b>		
Net interest income	\$ 107	\$ 106
Noninterest income		
Investment management and trust	313	334
Brokerage	101	99
Other	86	79
Total noninterest income	500	512
Total revenue	607	618
Provision for credit losses	3	4
Noninterest expense	464	460
Pretax earnings	140	155
Income taxes	51	57
Earnings	\$ 89	\$ 98
<b>AVERAGE BALANCE SHEET</b>		
Loans		
Consumer	\$ 1,317	\$ 1,228
Residential mortgage	244	500
Commercial	438	471
Other	287	321
Total loans	2,286	2,520
Other assets	428	450
Total assets	\$ 2,714	\$ 2,970
Deposits	\$ 2,141	\$ 2,029
Assigned funds and other liabilities	259	296
Capital	313	339
Total funds	\$ 2,713	\$ 2,664
<b>PERFORMANCE RATIOS</b>		
Return on assigned capital	28%	29%
Noninterest income to total revenue	82	83
Efficiency	76	74
<b>ASSETS UNDER ADMINISTRATION (in billions) (a) (b)</b>		
<u>Assets under management</u>		
Personal	\$ 44	\$ 41
Institutional	9	9
Total	\$ 53	\$ 50
<u>Asset Type</u>		
Equity	\$ 31	\$ 26
Fixed income	16	17
Liquidity/other	6	7
Total	\$ 53	\$ 50
<u>Nondiscretionary assets under administration</u>		
Personal	\$ 22	\$ 20
Institutional	65	62
Total	\$ 87	\$ 82
<u>Asset Type</u>		
Equity	\$ 30	\$ 27
Fixed income	30	29
Liquidity/other	27	26
Total	\$ 87	\$ 82
<b>OTHER INFORMATION (b)</b>		
Total nonperforming assets	\$ 11	\$ 5
Brokerage assets administered (in billions)	\$ 23	\$ 20
Full service brokerage offices	76	84
Financial consultants	445	507

Margin loans	\$	256	\$	260
Average FTE staff		2,918		3,100

- (a) Excludes brokerage assets administered.
- (b) Presented as of period-end, except for average FTEs.

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

**PFPC (Unaudited)**

Quarter ended  
Taxable-equivalent basis  
Dollars in millions

	December 31 2003	September 30 2003	June 30 2003	March 31 2003	December 31 2002	September 30 2002	June 30 2002	March 31 2002
<b>INCOME STATEMENT</b>								
Fund servicing revenue	\$ 194	\$ 188	\$ 187	\$ 193	\$ 195	\$ 192	\$ 217	\$ 213
Operating expense	155	150	151	162	168	145	167	170
(Accretion)/amortization of other intangibles, net	(4)	(6)	(4)	(4)	(5)	(4)	(5)	(5)
Operating income	43	44	40	35	32	51	55	48
Nonoperating income (a)	3	3	4	4	3	4	4	6
Debt financing	16	18	18	17	21	22	22	23
Pretax earnings	30	29	26	22	14	33	37	31
Income taxes	12	12	10	9	5	14	14	13
Earnings	\$ 18	\$ 17	\$ 16	\$ 13	\$ 9	\$ 19	\$ 23	\$ 18
<b>AVERAGE BALANCE SHEET</b>								
Goodwill and other intangibles	\$ 1,034	\$ 1,034	\$ 1,055	\$ 1,025	\$ 1,022	\$ 1,025	\$ 1,030	\$ 1,036
Other assets	949	862	836	840	857	868	902	812
Total assets	\$ 1,983	\$ 1,896	\$ 1,891	\$ 1,865	\$ 1,879	\$ 1,893	\$ 1,932	\$ 1,848
Debt financing	\$ 1,248	\$ 1,290	\$ 1,290	\$ 1,290	\$ 1,290	\$ 1,290	\$ 1,290	\$ 1,290
Assigned funds and other liabilities	467	306	298	269	281	288	330	246
Capital	268	300	303	306	308	315	312	312
Total funds	\$ 1,983	\$ 1,896	\$ 1,891	\$ 1,865	\$ 1,879	\$ 1,893	\$ 1,932	\$ 1,848
<b>PERFORMANCE RATIOS</b>								
Return on assigned capital	27%	22%	21%	17%	12%	24%	30%	23%
Operating margin (b)	22	23	21	18	16	27	25	23
<b>SERVICING STATISTICS (c)</b>								
Accounting/administration net assets (d)								
Domestic	\$ 622	\$ 593	\$ 583	\$ 542	\$ 481	\$ 464	\$ 485	\$ 520
Foreign (e)	45	41	35	31	29	25	28	23
Total	\$ 667	\$ 634	\$ 618	\$ 573	\$ 510	\$ 489	\$ 513	\$ 543
Custody assets (d)	\$ 401	\$ 384	\$ 371	\$ 347	\$ 336	\$ 311	\$ 323	\$ 339
Shareholder accounts (in millions)								
Transfer agency	21	21	20	21	26	28	29	29
Subaccounting	32	29	28	27	25	24	22	20
Total	53	50	48	48	51	52	51	49
<b>OTHER INFORMATION</b>								
Average FTE's	4,801	4,760	5,328	5,437	5,538	5,772	5,979	6,046

- (a) Net of nonoperating expense.
- (b) Operating income divided by total fund servicing revenue.
- (c) Period end.
- (d) In billions.
- (e) Represents net assets serviced offshore.

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

**PFPC (Unaudited)**

*Year ended  
Taxable-equivalent basis  
Dollars in millions*

	December 31 2003	December 31 2002
<b>INCOME STATEMENT</b>		
Fund servicing revenue	\$ 762	\$ 817
Operating expense	618	650
(Accretion)/amortization of other intangibles, net	(18)	(19)
Operating income	162	186
Nonoperating income (a)	14	17
Debt financing	69	88
Pretax earnings	107	115
Income taxes	43	46
Earnings	\$ 64	\$ 69
<b>AVERAGE BALANCE SHEET</b>		
Goodwill and other intangibles	\$ 1,037	\$ 1,028
Other assets	872	860
Total assets	\$ 1,909	\$ 1,888
Debt financing	\$ 1,279	\$ 1,290
Assigned funds and other liabilities	336	286
Capital	294	312
Total funds	\$ 1,909	\$ 1,888
<b>PERFORMANCE RATIOS</b>		
Return on assigned capital	22%	22%
Operating margin (b)	21	23
<b>SERVICING STATISTICS (c)</b>		
Accounting/ administration net assets (d)		
Domestic	\$ 622	\$ 481
Foreign (e)	45	29
Total	\$ 667	\$ 510
Custody assets (d)	\$ 401	\$ 336
Shareholder accounts (in millions)		
Transfer agency	21	26
Subaccounting	32	25
Total	53	51
<b>OTHER INFORMATION</b>		
Average FTE's	5,081	5,834

- (a) Net of nonoperating expense.  
(b) Operating income divided by total fund servicing revenue.  
(c) Period end.  
(d) In billions.  
(e) Represents net assets serviced offshore.

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

**BlackRock** (Unaudited)

Three months ended  
Dollars in millions except as noted

	December 31 2003	September 30 2003	June 30 2003	March 31 2003	December 31 2002	September 30 2002	June 30 2002	March 31 2002
<b>INCOME STATEMENT</b>								
Investment advisory and administration fees	\$ 141	\$ 133	\$ 128	\$ 127	\$ 122	\$ 122	\$ 143	\$ 132
Other income	20	17	16	16	15	15	14	14
<b>Total revenue</b>	<b>161</b>	<b>150</b>	<b>144</b>	<b>143</b>	<b>137</b>	<b>137</b>	<b>157</b>	<b>146</b>
Operating expense	90	84	81	81	74	74	89	83
Fund administration and servicing costs	9	8	8	8	8	8	13	13
<b>Total expense</b>	<b>99</b>	<b>92</b>	<b>89</b>	<b>89</b>	<b>82</b>	<b>82</b>	<b>102</b>	<b>96</b>
<b>Operating income</b>	<b>62</b>	<b>58</b>	<b>55</b>	<b>54</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>50</b>
Nonoperating income	5	6	8	3	2	0	4	3
<b>Pretax earnings</b>	<b>67</b>	<b>64</b>	<b>63</b>	<b>57</b>	<b>57</b>	<b>55</b>	<b>59</b>	<b>53</b>
Income taxes	26	24	24	22	23	22	24	22
<b>Earnings</b>	<b>\$ 41</b>	<b>\$ 40</b>	<b>\$ 39</b>	<b>\$ 35</b>	<b>\$ 34</b>	<b>\$ 33</b>	<b>\$ 35</b>	<b>\$ 31</b>
<b>PERIOD-END BALANCE SHEET</b>								
Goodwill and other intangible assets	\$ 192	\$ 192	\$ 192	\$ 183	\$ 183	\$ 181	\$ 181	\$ 181
Other assets	775	728	709	653	681	609	553	486
<b>Total assets</b>	<b>\$ 967</b>	<b>\$ 920</b>	<b>\$ 901</b>	<b>\$ 836</b>	<b>\$ 864</b>	<b>\$ 790</b>	<b>\$ 734</b>	<b>\$ 667</b>
Other liabilities	\$ 254	\$ 223	\$ 192	\$ 168	\$ 229	\$ 194	\$ 173	\$ 144
Stockholders' equity	713	697	709	668	635	596	561	523
<b>Total liabilities and stockholders' equity</b>	<b>\$ 967</b>	<b>\$ 920</b>	<b>\$ 901</b>	<b>\$ 836</b>	<b>\$ 864</b>	<b>\$ 790</b>	<b>\$ 734</b>	<b>\$ 667</b>
<b>PERFORMANCE DATA</b>								
Return on equity	23%	23%	23%	22%	22%	23%	25%	25%
Operating margin (a)	41	41	40	40	43	43	38	38
Diluted earnings per share	\$ .63	\$ .61	\$ .58	\$ .54	\$ .52	\$ .51	\$ .53	\$ .48
<b>ASSETS UNDER MANAGEMENT (in billions)</b>								
<b>Separate accounts</b>								
Fixed income	\$ 190	\$ 178	\$ 175	\$ 168	\$ 157	\$ 146	\$ 141	\$ 124
Liquidity	6	6	5	6	6	5	6	5
Liquidity—securities lending	10	10	8	6	6	6	6	10
Equity	9	9	9	9	10	8	10	9
Alternative investment products	7	7	6	6	5	6	5	6
<b>Total separate accounts</b>	<b>222</b>	<b>210</b>	<b>203</b>	<b>195</b>	<b>184</b>	<b>171</b>	<b>168</b>	<b>154</b>
<b>Mutual funds (b)</b>								
Fixed income	24	23	22	20	19	19	17	16
Liquidity	59	58	58	56	66	52	59	60
Equity	4	3	3	3	4	4	6	8
<b>Total mutual funds</b>	<b>87</b>	<b>84</b>	<b>83</b>	<b>79</b>	<b>89</b>	<b>75</b>	<b>82</b>	<b>84</b>
<b>Total assets under management</b>	<b>\$ 309</b>	<b>\$ 294</b>	<b>\$ 286</b>	<b>\$ 274</b>	<b>\$ 273</b>	<b>\$ 246</b>	<b>\$ 250</b>	<b>\$ 238</b>
<b>OTHER INFORMATION</b>								
Average FTE staff	991	976	943	944	938	918	869	844
(a) Calculated as operating income divided by total revenue less administration and servicing costs. A reconciliation of this presentation to operating margin calculated on a GAAP basis (operating income divided by total revenue) follows in millions:								
Operating income	\$ 62	\$ 58	\$ 55	\$ 54	\$ 55	\$ 55	\$ 55	\$ 50
Total revenue	\$ 161	\$ 150	\$ 144	\$ 143	\$ 137	\$ 137	\$ 157	\$ 146
Less fund administration and servicing costs	9	8	8	8	8	8	13	13
<b>Revenue used for operating margin calculation, as reported</b>	<b>\$ 152</b>	<b>\$ 142</b>	<b>\$ 136</b>	<b>\$ 135</b>	<b>\$ 129</b>	<b>\$ 129</b>	<b>\$ 144</b>	<b>\$ 133</b>
Operating margin, as reported	41%	41%	40%	40%	43%	43%	38%	38%
Operating margin, GAAP basis	38%	38%	38%	38%	40%	40%	35%	34%

PNC believes that operating margin, as reported, is an effective indicator of management's ability to effectively employ BlackRock's resources.

Fund administration and servicing costs have been excluded from the operating margin calculation because these costs are a fixed, asset-based expense which can fluctuate based on the discretion of a third party.

(b) Includes BlackRock Funds, BlackRock Provident Institutional Funds, BlackRock Closed End Funds, Short Term Investment Fund and BlackRock Global Series.

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

**BlackRock** (Unaudited)

<i>Year ended</i> <i>Dollars in millions except as noted</i>	December 31 2003	December 31 2002
<b>INCOME STATEMENT</b>		
Investment advisory and administrative fees	\$ 529	\$ 519
Other income	69	58
<b>Total revenue</b>	<b>598</b>	<b>577</b>
Operating expense	337	320
Fund administration and servicing costs	33	42
<b>Total expense</b>	<b>370</b>	<b>362</b>
<b>Operating income</b>	<b>228</b>	<b>215</b>
Nonoperating income	23	9
<b>Pretax earnings</b>	<b>251</b>	<b>224</b>
Income taxes	96	91
<b>Earnings</b>	<b>\$ 155</b>	<b>\$ 133</b>
<b>PERIOD-END BALANCE SHEET</b>		
Goodwill and other intangible assets	\$ 192	\$ 183
Other assets	775	681
<b>Total assets</b>	<b>\$ 967</b>	<b>\$ 864</b>
Other liabilities	\$ 254	\$ 229
Stockholders' equity	713	635
<b>Total liabilities and stockholders' equity</b>	<b>\$ 967</b>	<b>\$ 864</b>
<b>PERFORMANCE DATA</b>		
Return on equity	23%	24%
Operating margin (a)	40	40
Diluted earnings per share	\$ 2.36	\$ 2.04
<b>ASSETS UNDER MANAGEMENT (in billions)</b>		
Separate accounts		
Fixed income	\$ 190	\$ 157
Liquidity	6	6
Liquidity—securities lending	10	6
Equity	9	10
Alternative investment products	7	5
<b>Total separate accounts</b>	<b>222</b>	<b>184</b>
Mutual funds (b)		
Fixed income	24	19
Liquidity	59	66
Equity	4	4
<b>Total mutual funds</b>	<b>87</b>	<b>89</b>
<b>Total assets under management</b>	<b>\$ 309</b>	<b>\$ 273</b>
<b>OTHER INFORMATION</b>		
Average FTE staff	962	894
(a) Calculated as operating income divided by total revenue less administration and servicing costs. A reconciliation of this presentation to operating margin calculated on a GAAP basis (operating income divided by total revenue) follows in millions:		
Operating income	\$ 228	\$ 215
Total revenue	\$ 598	\$ 577
Less fund administration and servicing costs	33	42
<b>Revenue used for operating margin calculation, as reported</b>	<b>\$ 565</b>	<b>\$ 535</b>
Operating margin, as reported	40%	40%
Operating margin, GAAP basis	38%	37%

PNC believes that operating margin, as reported, is an effective indicator of management's ability to effectively employ BlackRock's resources.

Fund administration and servicing costs have been excluded from the operating margin calculation because these costs are a fixed, asset-based expense which can fluctuate based on the discretion of a third party.

(b) Includes BlackRock Funds, BlackRock Provident Institutional Funds, BlackRock Closed End Funds, Short Term Investment Fund and BlackRock Global Series.