
**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

January 21, 2005

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 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)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 2.02 Results of Operations and Financial Condition.

On January 21, 2005, The PNC Financial Services Group, Inc. ("the Corporation") issued a press release and held a conference call for investors regarding the Corporation's earnings and business for the quarter and year ended December 31, 2004. The Corporation also provided supplementary financial information on its corporate website, including financial information disclosed in connection with its earnings press release and related investor conference call. A copy of this supplementary financial information is included in this Report as Exhibit 99.1 and is furnished herewith.

Item 9.01 Financial Statements and Exhibits.

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

SIGNATURE

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 hereunto duly authorized.

THE PNC FINANCIAL SERVICES GROUP, INC.
(Registrant)

Date: January 21, 2005

By: /s/ Samuel R. Patterson

Samuel R. Patterson
Controller

EXHIBIT INDEX

<u>Number</u>	<u>Description</u>	<u>Method of Filing</u>
99.1	Financial Supplement (unaudited) for Fourth Quarter and Full Year 2004	Furnished herewith



THE PNC FINANCIAL SERVICES GROUP, INC.

**FINANCIAL SUPPLEMENT (UNAUDITED)
FOURTH QUARTER AND FULL YEAR 2004**

THE PNC FINANCIAL SERVICES GROUP, INC.
FINANCIAL SUPPLEMENT (UNAUDITED)
FOURTH QUARTER AND FULL YEAR 2004

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The information contained in this Financial Supplement is preliminary, unaudited and based on data available at January 21, 2005. This information speaks only as of the particular date or dates included in the schedules. We do not undertake any obligation to, and disclaim any duty to, correct or update any of the information provided in this Financial Supplement. Our future financial performance is subject to risks and uncertainties as described in our SEC filings. We have reclassified certain prior period amounts included in this Financial Supplement to be consistent with the current period presentation. See our Current Report on Form 8-K dated April 5, 2004 regarding changes to the presentation of the results of our businesses as reflected in this Financial Supplement on pages 4 through 16. Business segment products and services are described on page 30.

The average full-time equivalent employee (FTE) statistics disclosed in this Financial Supplement for each business segment reflect staff directly employed by the respective business segment and exclude corporate and shared services employees.

The PNC Financial Services Group, Inc. (PNC) and Riggs National Corporation (Riggs) have filed with the United States Securities and Exchange Commission (SEC) a proxy statement/prospectus and will file other relevant documents concerning the merger of Riggs with and into PNC (Merger). 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). In addition, documents filed with the SEC by PNC will be available free of charge from Shareholder Relations at (800) 843-2206. Documents filed with the SEC by Riggs will be available free of charge from www.riggbank.com.

The directors, executive officers, and certain other members of management of Riggs 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 Riggs' most recent annual meeting proxy statement, which is available at the web addresses provided in the preceding paragraph.

THE PNC FINANCIAL SERVICES GROUP, INC.

Consolidated Statement of Income (Unaudited)

<i>For the year ended - in millions, except per share data</i>	December 31 2004	December 31 2003	December 31 2002
Interest Income			
Loans and fees on loans	\$ 2,043	\$ 1,962	\$ 2,294
Securities	568	581	616
Other	141	169	262
Total interest income	2,752	2,712	3,172
Interest Expense			
Deposits	484	457	659
Borrowed funds	299	259	316
Total interest expense	783	716	975
Net interest income	1,969	1,996	2,197
Provision for credit losses	52	177	309
Net interest income less provision for credit losses	1,917	1,819	1,888
Noninterest Income			
Asset management	994	861	853
Fund servicing	817	762	816
Service charges on deposits	252	239	227
Brokerage	219	184	195
Consumer services	264	251	239
Corporate services	473	485	526
Equity management gains (losses)	67	(25)	(51)
Net securities gains	55	116	89
Other	422	384	303
Total noninterest income	3,563	3,257	3,197
Noninterest Expense			
Compensation	1,755	1,480	1,417
Employee benefits	309	324	284
Net occupancy	267	282	243
Equipment	290	276	271
Marketing	87	64	51
Other	1,027	1,050	961
Total noninterest expense	3,735	3,476	3,227
Income from continuing operations before minority and noncontrolling interests and income taxes	1,745	1,600	1,858
Minority and noncontrolling interests in income of consolidated entities	10	32	37
Income taxes	538	539	621
Income from continuing operations	1,197	1,029	1,200
Income (loss) from discontinued operations (less applicable income tax benefit of \$9)			(16)
Income before cumulative effect of accounting change	1,197	1,029	1,184
Cumulative effect of accounting change (less applicable income tax benefit of \$14)		(28)	
Net income	\$ 1,197	\$ 1,001	\$ 1,184
Earnings Per Common Share			
<i>From continuing operations</i>			
Basic	\$ 4.25	\$ 3.68	\$ 4.23
Diluted	\$ 4.21	\$ 3.65	\$ 4.20
<i>From net income</i>			
Basic	\$ 4.25	\$ 3.58	\$ 4.18
Diluted	\$ 4.21	\$ 3.55	\$ 4.15
Average Common Shares Outstanding			
Basic	281	280	283
Diluted	284	281	285

THE PNC FINANCIAL SERVICES GROUP, INC.

Consolidated Statement of Income (Unaudited)

	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003
<i>For the three months ended - in millions, except per share data</i>					
Interest Income					
Loans and fees on loans	\$ 547	\$ 516	\$ 490	\$ 490	\$ 472
Securities	154	139	130	145	141
Other	42	30	38	31	47
Total interest income	743	685	658	666	660
Interest Expense					
Deposits	152	121	107	104	102
Borrowed funds	88	73	70	68	73
Total interest expense	240	194	177	172	175
Net interest income	503	491	481	494	485
Provision for credit losses	19	13	8	12	34
Net interest income less provision for credit losses	484	478	473	482	451
Noninterest Income					
Asset management	254	238	250	252	229
Fund servicing	209	204	200	204	193
Service charges on deposits	65	65	63	59	62
Brokerage	53	52	56	58	51
Consumer services	68	66	67	63	63
Corporate services	120	100	128	125	123
Equity management gains	9	16	35	7	
Net securities gains	10	16	14	15	15
Other	116	81	97	128	125
Total noninterest income	904	838	910	911	861
Noninterest Expense					
Compensation	452	500	414	389	389
Employee benefits	82	76	77	74	83
Net occupancy	64	68	67	68	65
Equipment	74	72	70	74	71
Marketing	24	19	24	20	15
Other	253	246	258	270	235
Total noninterest expense	949	981	910	895	858
Income before minority and noncontrolling interests and income taxes	439	335	473	498	454
Minority and noncontrolling interests in income (loss) of consolidated entities	5	(13)	11	7	6
Income taxes	127	90	158	163	146
Income before cumulative effect of accounting change	307	258	304	328	302
Cumulative effect of accounting change (less applicable income tax benefit of \$14)					(28)
Net income	\$ 307	\$ 258	\$ 304	\$ 328	\$ 274
Earnings Per Common Share					
<i>Before cumulative effect of accounting change</i>					
Basic	\$ 1.09	\$.92	\$ 1.08	\$ 1.16	\$ 1.09
Diluted	\$ 1.08	\$.91	\$ 1.07	\$ 1.15	\$ 1.08
<i>From net income</i>					
Basic	\$ 1.09	\$.92	\$ 1.08	\$ 1.16	\$.99
Diluted	\$ 1.08	\$.91	\$ 1.07	\$ 1.15	\$.98
Average Common Shares Outstanding					
Basic	281	281	281	282	276
Diluted	283	283	283	284	278

THE PNC FINANCIAL SERVICES GROUP, INC.

Consolidated Balance Sheet (Unaudited)

<i>In millions, except par value</i>	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003
Assets					
Cash and due from banks	\$ 3,230	\$ 3,005	\$ 3,065	\$ 2,787	\$ 2,968
Federal funds sold and resale agreements	1,635	1,154	1,096	1,979	1,876
Other short-term investments	1,848	1,801	1,335	1,243	720
Loans held for sale	1,670	1,582	1,457	1,548	1,400
Securities	16,761	16,824	14,954	16,941	15,690
Loans, net of unearned income of \$902, \$931, \$923, \$980 and \$1,009	43,495	42,480	40,835	39,451	36,303
Allowance for loan and lease losses	(607)	(581)	(593)	(604)	(632)
Net loans	42,888	41,899	40,242	38,847	35,671
Goodwill	3,001	3,007	2,978	2,975	2,390
Other intangible assets	354	348	351	341	317
Other	8,336	7,678	7,641	7,454	7,136
Total assets	\$ 79,723	\$ 77,298	\$73,119	\$74,115	\$ 68,168
Liabilities					
Deposits					
Noninterest-bearing	\$ 12,915	\$ 12,461	\$12,246	\$11,879	\$ 11,505
Interest-bearing	40,354	38,701	37,748	36,246	33,736
Total deposits	53,269	51,162	49,994	48,125	45,241
Borrowed funds					
Federal funds purchased	219	2,008	1,069	2,648	169
Repurchase agreements	1,376	1,595	1,163	1,279	1,081
Bank notes and senior debt	2,383	2,997	2,796	2,829	2,823
Subordinated debt	4,050	3,569	3,510	3,837	3,729
Commercial paper	2,251	1,805	1,743	1,934	2,226
Other borrowed funds	1,685	945	656	1,195	1,425
Total borrowed funds	11,964	12,919	10,937	13,722	11,453
Allowance for unfunded loan commitments and letters of credit	75	96	84	91	91
Accrued expenses	2,406	2,402	2,221	2,313	2,275
Other	4,032	2,908	2,400	2,216	2,001
Total liabilities	71,746	69,487	65,636	66,467	61,061
Authorized 800 shares, Minority and noncontrolling interests in consolidated entities	504	499	419	418	462
Shareholders' Equity					
Preferred stock (a)					
Common stock - \$5 par value Authorized 800 shares issued 353 shares	1,764	1,764	1,764	1,764	1,764
Capital surplus	1,265	1,246	1,235	1,209	1,108
Retained earnings	8,273	8,107	7,991	7,829	7,642
Deferred compensation expense	(51)	(52)	(54)	(27)	(29)
Accumulated other comprehensive (loss) income	(54)	(25)	(139)	180	60
Common stock held in treasury at cost: 70, 70, 71, 71 and 76 shares	(3,724)	(3,728)	(3,733)	(3,725)	(3,900)
Total shareholders' equity	7,473	7,312	7,064	7,230	6,645
Total liabilities, minority and noncontrolling interests, and shareholders' equity	\$ 79,723	\$ 77,298	\$73,119	\$74,115	\$ 68,168
CAPITAL RATIOS					
Tier 1 Risk-based (b)	9.0%	9.0%	9.1%	9.1%	9.5%
Total Risk-based (b)	13.0	12.5	12.9	13.1	13.8
Leverage (b)	7.6	7.7	7.7	7.7	8.2
Tangible common	5.7	5.6	5.6	5.8	6.3
Shareholders' equity to total assets	9.37	9.46	9.66	9.76	9.75
Common shareholders' equity to total assets	9.36	9.45	9.65	9.74	9.73
ASSET QUALITY RATIOS					
Nonperforming assets to total loans, loans held for sale and foreclosed assets	.39%	.42%	.49%	.56%	.87%
Nonperforming loans to loans	.33	.35	.41	.46	.73
Net charge-offs to average loans (For the three months ended)	.13	.12	.26	.64	.53
Allowance for loan and lease losses to loans	1.40	1.37	1.45	1.53	1.74
Allowance for loan and lease losses to nonperforming loans	424	393	351	330	238

(a) Less than \$.5 million at each date.

(b) Estimated for December 31, 2004.

THE PNC FINANCIAL SERVICES GROUP, INC.

Results of Businesses - Summary and Reconciliation to Total Consolidated Results(Unaudited) (a)

Year ended – dollars in millions

<u>Earnings</u>	<u>December 31 2004</u>	<u>December 31 2003</u>
Banking businesses		
Regional Community Banking	\$ 504	\$ 477
Wholesale Banking	443	391
PNC Advisors	106	89
Total banking businesses	1,053	957
Asset management and processing businesses		
BlackRock (b)	143	155
PFPC	70	64
Total asset management and processing businesses	213	219
Total business segment earnings	1,266	1,176
Minority interest in income of BlackRock	(42)	(47)
Other	(27)	(100)
Results before cumulative effect of accounting change	1,197	1,029
Cumulative effect of accounting change		(28)
Total consolidated earnings	\$ 1,197	\$ 1,001

<u>Revenue (c)</u>	<u>December 31 2004</u>	<u>December 31 2003</u>
Banking businesses		
Regional Community Banking	\$ 2,073	\$ 1,892
Wholesale Banking	1,271	1,282
PNC Advisors	629	615
Total banking businesses	3,973	3,789
Asset management and processing businesses		
BlackRock	725	598
PFPC	814	762
Total asset management and processing businesses	1,539	1,360
Total business segment revenue	5,512	5,149
Other	40	114
Total consolidated revenue	\$ 5,552	\$ 5,263

- (a) See our Current Report on Form 8-K dated April 5, 2004 regarding changes to the presentation of the results of our businesses. Our business segment information is presented based on our management accounting practices and our management structure. We refine our methodologies from time to time as our management accounting practices are enhanced and our businesses change.
- (b) BlackRock results for 2004 reflect after-tax charges totaling \$65 million for BlackRock's 2002 Long-Term Retention and Incentive Program (LTIP).
- (c) Business segment revenue is presented on a taxable-equivalent basis except for BlackRock and PFPC. BlackRock began reporting revenue on a taxable-equivalent basis in 2004. BlackRock for 2003 and PFPC for both years is presented on a book (GAAP) basis. The interest income earned on certain earning assets is completely or partially exempt from federal income tax. As such, these tax-exempt instruments typically yield lower returns than a taxable investment. To provide accurate comparisons of yields and margins for all earning assets, we have increased the interest income earned on tax-exempt assets to make them fully equivalent to other taxable interest income investments. The following is a reconciliation of total consolidated revenue on a book (GAAP) basis to total consolidated revenue on a taxable-equivalent basis (in millions):

	<u>December 31 2004</u>	<u>December 31 2003</u>
Total consolidated revenue, book (GAAP) basis	\$ 5,532	\$ 5,253
Taxable-equivalent adjustment	20	10
Total consolidated revenue, taxable-equivalent basis	\$ 5,552	\$ 5,263

THE PNC FINANCIAL SERVICES GROUP, INC.

Results of Businesses - Summary and Reconciliation to Total Consolidated Results(Unaudited) (a)

Three months ended – dollars in millions

<u>Earnings</u>	<u>December 31 2004</u>	<u>September 30 2004</u>	<u>June 30 2004</u>	<u>March 31 2004</u>	<u>December 31 2003</u>
Banking businesses					
Regional Community Banking	\$ 143	\$ 134	\$ 125	\$ 102	\$ 127
Wholesale Banking	108	100	113	122	117
PNC Advisors	24	24	27	31	20
Total banking businesses	275	258	265	255	264
Asset management and processing businesses					
BlackRock (b)	50	(10)	48	55	41
PFPC	20	17	17	16	18
Total asset management and processing businesses	70	7	65	71	59
Total business segment earnings	345	265	330	326	323
Minority interest in (income) loss of BlackRock	(15)	3	(14)	(16)	(12)
Other	(23)	(10)	(12)	18	(9)
Results before cumulative effect of accounting change	307	258	304	328	302
Cumulative effect of accounting change					(28)
Total consolidated earnings	\$ 307	\$ 258	\$ 304	\$ 328	\$ 274
Revenue (c)					
Banking businesses					
Regional Community Banking	\$ 536	\$ 525	\$ 511	\$ 501	\$ 489
Wholesale Banking	333	299	322	317	330
PNC Advisors	154	151	154	170	159
Total banking businesses	1,023	975	987	988	978
Asset management and processing businesses					
BlackRock	188	171	184	182	161
PFPC	209	203	199	203	194
Total asset management and processing businesses	397	374	383	385	355
Total business segment revenue	1,420	1,349	1,370	1,373	1,333
Other	(7)	(13)	25	35	16
Total consolidated revenue	\$ 1,413	\$ 1,336	\$1,395	\$ 1,408	\$ 1,349

(a) See Note (a) on page 4.

(b) BlackRock results for the third quarter of 2004 reflect a \$57 million after-tax charge for the BlackRock LTIP.

(c) Business segment revenue is presented on a taxable-equivalent basis except for BlackRock and PFPC. BlackRock began reporting revenue on a taxable-equivalent basis in the third quarter of 2004. BlackRock for all other prior periods and PFPC for all periods is presented on a book (GAAP) basis. The interest income earned on certain earning assets is completely or partially exempt from federal income tax. As such, these tax-exempt instruments typically yield lower returns than a taxable investment. To provide accurate comparisons of yields and margins for all earning assets, we have increased the interest income earned on tax-exempt assets to make them fully equivalent to other taxable interest income investments. The following is a reconciliation of total consolidated revenue on a book (GAAP) basis to total consolidated revenue on a taxable-equivalent basis (in millions):

	<u>December 31 2004</u>	<u>September 30 2004</u>	<u>June 30 2004</u>	<u>March 31 2004</u>	<u>December 31 2003</u>
Total consolidated revenue, book (GAAP) basis	\$ 1,407	\$ 1,329	\$1,391	\$ 1,405	\$ 1,346
Taxable-equivalent adjustment	6	7	4	3	3
Total consolidated revenue, taxable-equivalent basis	\$ 1,413	\$ 1,336	\$1,395	\$ 1,408	\$ 1,349

THE PNC FINANCIAL SERVICES GROUP, INC.

Regional Community Banking (Unaudited) (a)

Year ended; taxable-equivalent basis (a)
Dollars in millions

	December 31 2004	December 31 2003
INCOME STATEMENT		
Net interest income	\$ 1,360	\$ 1,223
Noninterest income		
Service charges on deposits	242	228
Investment products	112	116
Other	359	325
Total noninterest income	713	669
Total revenue	2,073	1,892
Provision for credit losses	62	40
Noninterest expense		
Compensation and employee benefits	534	484
Net occupancy and equipment	263	245
Other	419	373
Total noninterest expense	1,216	1,102
Pretax earnings	795	750
Income taxes	291	273
Earnings	\$ 504	\$ 477
AVERAGE BALANCE SHEET		
Loans		
Consumer		
Home equity	\$ 10,791	\$ 8,285
Indirect	843	477
Other consumer	547	510
Total consumer	12,181	9,272
Commercial	4,034	3,218
Floor plan	970	844
Residential mortgage	759	466
Other	25	23
Total loans	17,969	13,823
Goodwill	1,001	429
Loans held for sale	1,183	1,164
Other assets	1,588	1,333
Total assets	\$ 21,741	\$ 16,749
Deposits		
Noninterest-bearing demand	\$ 6,584	\$ 5,575
Interest-bearing demand	6,967	6,308
Money market	12,217	12,303
Total transaction deposits	25,768	24,186
Savings	2,611	2,023
Certificates of deposit	8,782	8,572
Total deposits	37,161	34,781
Other liabilities	243	168
Capital	2,380	2,231
Total funds	\$ 39,784	\$ 37,180
PERFORMANCE RATIOS		
Return on capital	21%	21%
Noninterest income to total revenue	34	35
Efficiency	59	58
OTHER INFORMATION		
Total nonperforming assets (c)	\$ 91	\$ 85
Net charge-offs (c)	\$ 63	\$ 44
Annualized net charge-off ratio (c)	.35%	.32%
Home equity portfolio credit statistics:		
Percentage of first lien positions	51%	51%
Weighted average loan-to-value ratios	71%	70%
Weighted average FICO scores	716	713
Loans 90 days past due	.22%	.25%
Gains on sales of education loans (d)	\$ 30	\$ 20
Average FTE staff	10,255	9,564
ATMs	3,581	3,600

Branches	774	719
Checking relationships	1,741,000	1,611,000
Consumer DDA households using online banking	711,000	593,000
% of consumer DDA households using online banking	45%	41%
Consumer DDA households using online bill payment	112,000	63,000
% of consumer DDA households using online bill payment	7%	4%
Small business deposits		
Demand	\$ 5,611	\$ 4,969
Money market	2,711	2,128
Certificates of deposit	312	335

- (a) See Notes (a) and (c) on page 4.
- (b) Presented as of period-end, except for net charge-offs, annualized net charge-off ratio, home equity portfolio weighted average statistics, gains on sales of education loans, average FTE staff and small business deposits.
- (c) See Note (a) on page 25.
- (d) Included in "Other noninterest income" above.

THE PNC FINANCIAL SERVICES GROUP, INC.

Regional Community Banking (Unaudited) (a)

Three months ended; taxable-equivalent basis (a)
Dollars in millions

	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003
INCOME STATEMENT					
Net interest income	\$ 345	\$ 342	\$ 340	\$ 333	\$ 314
Noninterest income					
Service charges on deposits	62	63	60	57	59
Investment products	27	27	29	29	27
Other	102	93	82	82	89
Total noninterest income	191	183	171	168	175
Total revenue	536	525	511	501	489
Provision for credit losses	14	13	6	29	14
Noninterest expense					
Compensation and employee benefits	136	132	130	136	122
Net occupancy and equipment	63	66	66	68	60
Other	98	102	111	108	94
Total noninterest expense	297	300	307	312	276
Pretax earnings	225	212	198	160	199
Income taxes	82	78	73	58	72
Earnings	\$ 143	\$ 134	\$ 125	\$ 102	\$ 127
AVERAGE BALANCE SHEET					
Loans					
Consumer					
Home equity	\$ 11,652	\$ 11,283	\$ 10,734	\$ 9,478	\$ 8,926
Indirect	881	879	836	774	510
Other consumer	464	514	533	682	474
Total consumer	12,997	12,676	12,103	10,934	9,910
Commercial	4,220	4,113	3,943	3,901	3,205
Floor plan	961	929	1,037	947	844
Residential mortgage	708	737	776	813	389
Other	26	25	24	28	22
Total loans	18,912	18,480	17,883	16,623	14,370
Goodwill	1,000	1,005	1,005	994	438
Loans held for sale	1,221	1,238	1,156	1,115	1,158
Other assets	1,443	1,447	1,587	2,060	1,312
Total assets	\$ 22,576	\$ 22,170	\$ 21,631	\$ 20,792	\$ 17,278
Deposits					
Noninterest-bearing demand	\$ 6,883	\$ 6,712	\$ 6,464	\$ 6,248	\$ 5,804
Interest-bearing demand	7,098	6,937	6,916	6,916	6,596
Money market	11,937	12,112	12,465	12,356	12,140
Total transaction deposits	25,918	25,761	25,845	25,520	24,540
Savings	2,727	2,659	2,548	2,508	2,020
Certificates of deposit	9,363	8,775	8,421	8,565	8,047
Total deposits	38,008	37,195	36,814	36,593	34,607
Other liabilities	164	185	223	432	147
Capital	2,420	2,375	2,364	2,362	2,218
Total funds	\$ 40,592	\$ 39,755	\$ 39,401	\$ 39,387	\$ 36,972
PERFORMANCE RATIOS					
Return on capital	24%	22%	21%	17%	23%
Noninterest income to total revenue	36	35	33	34	36
Efficiency	55	57	60	62	56
OTHER INFORMATION (b)					
Total nonperforming assets (c)	\$ 91	\$ 85	\$ 81	\$ 75	\$ 85
Net charge-offs (c)	\$ 11	\$ 10	\$ 10	\$ 32	\$ 12
Annualized net charge-off ratio (c)	.23%	.22%	.22%	.77%	.33%
Home equity portfolio credit statistics:					
Percentage of first lien positions	51%	51%	51%	50%	51%
Weighted average loan-to-value ratios	71%	71%	71%	72%	70%
Weighted average FICO scores	716	717	717	713	713
Loans 90 days past due	.22%	.22%	.20%	.23%	.25%
Gains on sales of education loans (d)	\$ 13	\$ 15	\$ 2		\$ 8
Average FTE staff	10,109	10,251	10,254	10,379	9,589
ATMs	3,581	3,555	3,528	3,486	3,600

Branches	774	774	775	769	719
Checking relationships	1,741,000	1,732,000	1,700,000	1,679,000	1,611,000
Consumer DDA households using online banking	711,000	690,000	663,000	637,000	593,000
% of consumer DDA households using online banking	45%	44%	43%	42%	41%
Consumer DDA households using online bill payment	112,000	108,000	112,000	102,000	63,000
% of consumer DDA households using online bill payment	7%	7%	7%	7%	4%
Small business deposits					
Demand	\$ 5,967	\$ 5,641	\$ 5,423	\$ 5,407	\$ 5,303
Money market	2,836	2,788	2,707	2,510	2,283
Certificates of deposit	318	304	300	324	300

- (a) See Notes (a) and (c) on page 4.
- (b) Presented as of period-end, except for net charge-offs, annualized net charge-off ratio, home equity portfolio weighted average statistics, gains on sales of education loans, average FTE staff and small business deposits.
- (c) See Note (a) on page 25.
- (d) Included in "Other noninterest income" above.

THE PNC FINANCIAL SERVICES GROUP, INC.

Wholesale Banking (Unaudited) (a)

*Year ended; taxable-equivalent basis (a)
Dollars in millions except as noted*

	December 31 2004	December 31 2003
INCOME STATEMENT		
Net interest income	\$ 694	\$ 677
Net interest income - FIN 46	4	3
Total net interest income	698	680
Noninterest income		
Net commercial mortgage banking		
Net gains on loan sales	50	52
Servicing and other fees, net of amortization	47	39
Net gains on institutional loans held for sale	52	69
Other - FIN 46	17	14
Other	407	428
Noninterest income	573	602
Total revenue	1,271	1,282
Provision for credit losses	5	121
Noninterest expense - FIN 46	61	36
Noninterest expense	610	598
Pretax earnings	595	527
Noncontrolling interests in income of consolidated entities	(43)	(21)
Income taxes	195	157
Earnings	\$ 443	\$ 391
AVERAGE BALANCE SHEET		
Loans (b)		
Corporate banking	\$ 9,865	\$ 9,410
Commercial real estate	1,834	1,872
Commercial - real estate related	1,631	1,404
PNC Business Credit	3,803	3,551
Total loans	17,133	16,237
Loans held for sale	470	572
Other assets	4,470	4,214
Total assets	\$ 22,073	\$ 21,023
Deposits	\$ 7,527	\$ 6,354
Commercial paper	1,889	1,232
Other liabilities	3,433	3,250
Capital	1,672	1,994
Total funds	\$ 14,521	\$ 12,830
PERFORMANCE RATIOS		
Return on capital	26%	20%
Noninterest income to total revenue	45	47
Efficiency	53	49
COMMERCIAL MORTGAGE SERVICING PORTFOLIO (in billions)		
Beginning of period	\$ 83	\$ 74
Acquisitions/additions	41	23
Repayments/transfers	(26)	(14)
End of period	\$ 98	\$ 83
OTHER INFORMATION		
Consolidated revenue from:		
Treasury management	\$ 373	\$ 360
Capital markets	\$ 140	\$ 119
Midland Loan Services	\$ 108	\$ 96
Total loans (c)	\$ 17,959	\$ 16,441
Total nonperforming assets (c)	\$ 71	\$ 227
Net charge-offs	\$ 49	\$ 158
Average FTE staff	3,086	2,989
Net carrying amount of commercial mortgage servicing rights (c)	\$ 242	\$ 209

(a) See Notes (a) and (c) on page 4.

(b) Includes Market Street Funding Corporation. See Supplemental Average Balance Sheet Information on page 19.

(c) Presented as of period-end.

THE PNC FINANCIAL SERVICES GROUP, INC.

Wholesale Banking (Unaudited) (a)

Three months ended
Taxable-equivalent basis (a)
Dollars in millions except as noted

	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003
INCOME STATEMENT					
Net interest income	\$ 182	\$ 179	\$ 170	\$ 163	\$ 169
Net interest income - FIN 46	1	1	1	1	1
Total net interest income	183	180	171	164	170
Noninterest income					
Net commercial mortgage banking					
Net gains on loan sales	20	6	14	10	14
Servicing and other fees, net of amortization	12	12	12	11	9
Net gains on institutional loans held for sale	2	5	17	28	16
Other - FIN 46	5	4	4	4	8
Other	111	92	104	100	113
Noninterest income	150	119	151	153	160
Total revenue	333	299	322	317	330
Provision for credit losses	9	1	8	(13)	9
Noninterest expense - FIN 46	16	15	15	15	17
Noninterest expense	165	151	147	147	150
Pretax earnings	143	132	152	168	154
Noncontrolling interests in income of consolidated entities	(11)	(12)	(10)	(10)	(8)
Income taxes	46	44	49	56	45
Earnings	\$ 108	\$ 100	\$ 113	\$ 122	\$ 117
AVERAGE BALANCE SHEET					
Loans (b)					
Corporate banking	\$ 10,139	\$ 9,776	\$ 9,669	\$ 9,875	\$ 10,233
Commercial real estate	1,824	1,902	1,934	1,665	1,647
Commercial - real estate related	1,743	1,704	1,465	1,585	1,350
PNC Business Credit	3,976	3,838	3,788	3,608	3,658
Total loans	17,682	17,220	16,856	16,733	16,888
Loans held for sale	555	349	493	484	549
Other assets	4,514	4,010	4,640	4,630	4,574
Total assets	\$ 22,751	\$ 21,579	\$21,989	\$21,847	\$ 22,011
Deposits					
Commercial paper	\$ 8,536	\$ 7,882	\$ 6,981	\$ 6,694	\$ 6,641
Other liabilities	1,954	1,679	1,815	2,111	2,386
Capital	3,395	2,944	3,583	3,725	3,707
Total funds	\$ 15,475	\$ 14,091	\$14,038	\$14,384	\$ 14,676
PERFORMANCE RATIOS					
Return on capital	27%	25%	27%	26%	24%
Noninterest income to total revenue	45	40	47	48	48
Efficiency	54	56	50	51	51
COMMERCIAL MORTGAGE SERVICING PORTFOLIO (in billions)					
Beginning of period	\$ 93	\$ 89	\$ 86	\$ 83	\$ 80
Acquisitions/additions	12	11	11	7	6
Repayments/transfers	(7)	(7)	(8)	(4)	(3)
End of period	\$ 98	\$ 93	\$ 89	\$ 86	\$ 83
OTHER INFORMATION					
Consolidated revenue from:					
Treasury management	\$ 99	\$ 95	\$ 91	\$ 88	\$ 90
Capital markets	44	27	37	32	32
Midland Loan Services	27	30	26	25	23
Total loans (c)	\$ 17,959	\$ 17,650	\$17,171	\$16,728	\$ 16,441
Total nonperforming assets (c)	\$ 71	\$ 82	\$ 110	\$ 131	\$ 227
Net charge-offs	3		16	30	34
Average FTE staff	3,129	3,098	3,074	3,038	2,970
Net carrying amount of commercial mortgage servicing rights (c)	\$ 242	\$ 229	\$ 226	\$ 211	\$ 209

(a) See Notes (a) and (c) on page 4.

(b) Includes Market Street Funding Corporation. See Supplemental Average Balance Sheet Information on page 19.

(c) Presented as of period-end.

THE PNC FINANCIAL SERVICES GROUP, INC.
PNC Advisors (Unaudited) (a)

Year ended; taxable-equivalent basis (a)
Dollars in millions except as noted

	December 31 2004	December 31 2003
INCOME STATEMENT		
Net interest income	\$ 111	\$ 107
Noninterest income		
Investment management and trust	316	313
Brokerage	111	101
Other	91	94
Total noninterest income	518	508
Total revenue	629	615
Provision for credit losses	(1)	3
Noninterest expense	463	472
Pretax earnings	167	140
Income taxes	61	51
Earnings	\$ 106	\$ 89
AVERAGE BALANCE SHEET		
Loans		
Consumer	\$ 1,518	\$ 1,317
Residential mortgage	130	244
Commercial	407	438
Other	292	287
Total loans	2,347	2,286
Other assets	408	428
Total assets	\$ 2,755	\$ 2,714
Deposits	\$ 2,264	\$ 2,141
Other liabilities	278	259
Capital	307	313
Total funds	\$ 2,849	\$ 2,713
PERFORMANCE RATIOS (c)		
Return on capital	35%	28%
Noninterest income to total revenue	82	83
ASSETS UNDER ADMINISTRATION (in billions) (b) (c) (d)		
<u>Assets under management</u>		
Personal	\$ 41	\$ 44
Institutional	9	9
Total	\$ 50	\$ 53
<u>Asset Type</u>		
Equity	\$ 30	\$ 31
Fixed income	14	16
Liquidity/Other	6	6
Total	\$ 50	\$ 53
<u>Nondiscretionary assets under administration</u>		
Personal	\$ 29	\$ 22
Institutional	64	65
Total	\$ 93	\$ 87
<u>Asset Type</u>		
Equity	\$ 32	\$ 30
Fixed income	33	30
Liquidity/Other	28	27
Total	\$ 93	\$ 87
OTHER INFORMATION (c)		
Total nonperforming assets	\$ 9	\$ 11
Brokerage assets administered (in billions)	\$ 25	\$ 23
Full service brokerage offices	75	76
Financial consultants	436	445
Margin loans	\$ 254	\$ 256
Average FTE staff	2,796	2,918

- (a) See Notes (a) and (c) on page 4.
- (b) Excludes brokerage assets administered.
- (c) Presented as of period-end, except for average FTE staff.
- (d) Balances at December 31, 2004 reflect the first quarter 2004 sale of certain activities of the investment consulting business of Hawthorn and the expected reduction of approximately \$5.9 billion of assets under management with approximately \$4.4 billion moving to nondiscretionary assets under administration.
- (e) See page 12 for information regarding efficiency ratios.

THE PNC FINANCIAL SERVICES GROUP, INC.

PNC Advisors (Unaudited) (a)

Three months ended
Taxable-equivalent basis (a)
Dollars in millions except as noted

	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003
INCOME STATEMENT					
Net interest income	\$ 28	\$ 29	\$ 27	\$ 27	\$ 27
Noninterest income					
Investment management and trust	79	77	79	81	81
Brokerage	28	25	28	30	29
Other	19	20	20	32	22
Total noninterest income	126	122	127	143	132
Total revenue	154	151	154	170	159
Provision for credit losses	(1)	1	(2)	1	1
Noninterest expense	117	112	114	120	126
Pretax earnings	38	38	42	49	32
Income taxes	14	14	15	18	12
Earnings	\$ 24	\$ 24	\$ 27	\$ 31	\$ 20
AVERAGE BALANCE SHEET					
Loans					
Consumer	\$ 1,640	\$ 1,568	\$1,475	\$ 1,386	\$ 1,371
Residential mortgage	109	118	137	154	173
Commercial	384	412	417	415	415
Other	285	293	303	292	291
Total loans	2,418	2,391	2,332	2,247	2,250
Other assets	420	393	405	413	411
Total assets	\$ 2,838	\$ 2,784	\$2,737	\$ 2,660	\$ 2,661
Deposits					
Other liabilities	\$ 2,314	\$ 2,252	\$2,298	\$ 2,189	\$ 2,175
Capital	299	276	272	268	262
Total funds	\$ 2,910	\$ 2,833	\$2,871	\$ 2,782	\$ 2,742
PERFORMANCE RATIOS (c)					
Return on capital	32%	31%	36%	38%	26%
Noninterest income to total revenue	82	81	82	84	83
ASSETS UNDER ADMINISTRATION (in billions) (b) (c) (d)					
<u>Assets under management</u>					
Personal	\$ 41	\$ 39	\$ 40	\$ 39	\$ 44
Institutional	9	9	9	9	9
Total	\$ 50	\$ 48	\$ 49	\$ 48	\$ 53
<u>Asset Type</u>					
Equity	\$ 30	\$ 28	\$ 29	\$ 28	\$ 31
Fixed income	14	14	14	14	16
Liquidity/Other	6	6	6	6	6
Total	\$ 50	\$ 48	\$ 49	\$ 48	\$ 53
<u>Nondiscretionary assets under administration</u>					
Personal	\$ 29	\$ 27	\$ 27	\$ 29	\$ 22
Institutional	64	64	64	65	65
Total	\$ 93	\$ 91	\$ 91	\$ 94	\$ 87
<u>Asset Type</u>					
Equity	\$ 32	\$ 31	\$ 32	\$ 33	\$ 30
Fixed income	33	32	33	34	30
Liquidity/Other	28	28	26	27	27
Total	\$ 93	\$ 91	\$ 91	\$ 94	\$ 87
OTHER INFORMATION (c)					
Total nonperforming assets	\$ 9	\$ 10	\$ 10	\$ 11	\$ 11
Brokerage assets administered (in billions)	\$ 25	\$ 23	\$ 23	\$ 24	\$ 23
Full service brokerage offices	75	75	75	76	76
Financial consultants	436	435	436	444	445
Margin loans	\$ 254	\$ 267	\$ 268	\$ 270	\$ 256
Average FTE staff	2,806	2,791	2,787	2,804	2,810

- (a) See Notes (a) and (c) on page 4.
- (b) Excludes brokerage assets administered.
- (c) Presented as of period-end, except for average FTE staff.
- (d) Balances for each 2004 date reflect the first quarter 2004 sale of certain activities of the investment consulting business of Hawthorn and the expected reduction of approximately \$5.9 billion of assets under management with approximately \$4.4 billion moving to nondiscretionary assets under administration.
- (e) See page 12 for information regarding efficiency ratios.

THE PNC FINANCIAL SERVICES GROUP, INC.

PNC Advisors (Unaudited)

Efficiency ratios

	Quarter ended					Year ended	
	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003	December 31 2004	December 31 2003
Efficiency, GAAP basis (a)	76%	74%	74%	71%	79%	74%	77%
Efficiency, as adjusted (b)	68%	66%	64%	61%	72%	65%	69%

(a) Calculated as noninterest expense divided by the sum of net interest income and noninterest income.

(b) Calculated by excluding the impact of brokerage firm activities included within the PNC Advisors business segment. Brokerage firm activities excluded are the principal activities of Hilliard Lyons on a management reporting basis, including client-related brokerage and trading, investment banking and investment management. Industry-wide efficiency measures for brokerage firms and asset management firms differ significantly due primarily to the highly variable compensation structure of brokerage firms. We believe the disclosure of an efficiency ratio for PNC Advisors excluding the impact of these brokerage firm activities is meaningful for investors as it provides a more relevant basis of comparison with other asset management firms.

Reconciliation of GAAP amounts with amounts used in the calculation of adjusted efficiency ratio:

<i>Dollars in millions</i>	Quarter ended					Year ended	
	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003	December 31 2004	December 31 2003
Revenue, GAAP basis	\$ 154	\$ 151	\$ 154	\$ 170	\$ 159	\$ 629	\$ 615
Less: brokerage firm activities	53	47	52	55	55	207	205
Revenue, as adjusted	\$ 101	\$ 104	\$ 102	\$ 115	\$ 104	\$ 422	\$ 410
Noninterest expense, GAAP basis	\$ 117	\$ 112	\$ 114	\$ 120	\$ 126	\$ 463	\$ 472
Less: brokerage firm activities	47	44	48	50	52	188	191
Noninterest expense, as adjusted	\$ 70	\$ 68	\$ 66	\$ 70	\$ 74	\$ 275	\$ 281

THE PNC FINANCIAL SERVICES GROUP, INC.
BlackRock (Unaudited) (a)

Year ended; Taxable-equivalent basis (a)
Dollars in millions except as noted

	December 31 2004	December 31 2003
INCOME STATEMENT		
Investment advisory and administration fees	\$ 633	\$ 529
Other income	92	69
	<u>725</u>	<u>598</u>
Total revenue	725	598
Operating expense	423	336
Operating expense - LTIP charges	104	
Fund administration and servicing costs	32	33
	<u>559</u>	<u>369</u>
Total expense	559	369
	<u>166</u>	<u>229</u>
Operating income	166	229
Nonoperating income	36	22
	<u>202</u>	<u>251</u>
Pretax earnings	202	251
Minority interest	5	
Income taxes	54	96
	<u>143</u>	<u>155</u>
Earnings	\$ 143	\$ 155
PERIOD-END BALANCE SHEET		
Goodwill and other intangible assets	\$ 184	\$ 192
Other assets	961	775
	<u>1,145</u>	<u>967</u>
Total assets	\$ 1,145	\$ 967
Liabilities and minority interest	\$ 377	\$ 254
Stockholders' equity	768	713
	<u>1,145</u>	<u>967</u>
Total liabilities and stockholders' equity	\$ 1,145	\$ 967
PERFORMANCE DATA		
Return on average equity	19%	23%
Operating margin (b)	37	41
Diluted earnings per share	\$ 2.17	\$ 2.36
ASSETS UNDER MANAGEMENT (in billions) (period end)		
Separate accounts		
Fixed income	\$ 216	\$ 190
Liquidity	7	6
Liquidity - securities lending	7	10
Equity	10	9
Alternative investment products	8	7
	<u>248</u>	<u>222</u>
Total separate accounts	248	222
Mutual funds (c)		
Fixed income	25	24
Liquidity	64	59
Equity	5	4
	<u>94</u>	<u>87</u>
Total mutual funds	94	87
	<u>342</u>	<u>309</u>
Total assets under management	\$ 342	\$ 309
OTHER INFORMATION		
Average FTE staff	1,014	962
(a) See Notes (a) and (c) on page 4.		
(b) Calculated as operating income, adjusted for the LTIP charges and appreciation on Rabbi trust assets related to BlackRock's deferred compensation plans, divided by total revenue less fund administration and servicing costs. The following is a reconciliation of this presentation to operating margin calculated on a GAAP basis (operating income divided by total revenue) in millions:		
Operating income, GAAP basis	\$ 166	\$ 229
Add back: LTIP charges	104	
Less: portion of LTIP to be funded by BlackRock	(19)	
Add back: appreciation on Rabbi trust assets	4	2
	<u>255</u>	<u>231</u>
Operating income, as adjusted	\$ 255	\$ 231
Total revenue, GAAP basis	\$ 725	\$ 598
Less: fund administration and servicing costs	32	33
	<u>693</u>	<u>565</u>
Revenue used for operating margin calculation, as reported	\$ 693	\$ 565
	<u>23%</u>	<u>38%</u>
Operating margin, GAAP basis	23%	38%

Operating margin, as reported

37%

41%

We believe that operating margin, as reported, is a more relevant indicator of management's ability to effectively employ BlackRock's resources. The portion of the LTIP charges associated with awards to be met with the contribution of shares of BlackRock stock by PNC has been excluded from operating income because, exclusive of impact related to LTIP participants' option to put awarded shares to BlackRock, this non-cash charge will not impact BlackRock's book value. Appreciation on Rabbi trust assets related to BlackRock's deferred compensation plans has been excluded because investment performance of these assets has a nominal impact on net income. We have excluded fund administration and servicing costs 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.

- (c) Includes BlackRock Funds, BlackRock Liquidity Funds, BlackRock Closed End Funds, Short Term Investment Fund and BlackRock Global Series Funds.

THE PNC FINANCIAL SERVICES GROUP, INC.

BlackRock (Unaudited) (a)

Three months ended

Taxable-equivalent basis (a)

Dollars in millions except as noted

	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003
INCOME STATEMENT					
Investment advisory and administration fees	\$ 163	\$ 148	\$ 162	\$ 160	\$ 141
Other income	25	23	22	22	20
Total revenue	188	171	184	182	161
Operating expense	112	94	113	104	90
Operating expense - LTIP charge	13	91			
Fund administration and servicing costs	7	9	8	8	9
Total expense	132	194	121	112	99
Operating income (loss)	56	(23)	63	70	62
Nonoperating income	8	7	15	6	5
Pretax earnings (loss)	64	(16)	78	76	67
Minority interest	1		4		
Income taxes	13	(6)	26	21	26
Earnings (loss)	\$ 50	\$ (10)	\$ 48	\$ 55	\$ 41
PERIOD-END BALANCE SHEET					
Goodwill and other intangible assets	\$ 184	\$ 184	\$ 186	\$ 186	\$ 192
Other assets	961	893	780	723	775
Total assets	\$ 1,145	\$ 1,077	\$ 966	\$ 909	\$ 967
Liabilities and minority interest	\$ 377	\$ 342	\$ 211	\$ 186	\$ 254
Stockholders' equity	768	735	755	723	713
Total liabilities and stockholders' equity	\$ 1,145	\$ 1,077	\$ 966	\$ 909	\$ 967
PERFORMANCE DATA					
Return on average equity	26%	(5)%	26%	31%	23%
Operating margin (b)	38	32	36	40	41
Diluted earnings (loss) per share	\$.75	\$ (.15)	\$.73	\$.84	\$.63
ASSETS UNDER MANAGEMENT (in billions) (period end)					
Separate accounts					
Fixed income	\$ 216	\$ 211	\$ 200	\$ 202	\$ 190
Liquidity	7	8	7	6	6
Liquidity - securities lending	7	9	9	9	10
Equity	10	8	9	9	9
Alternative investment products	8	7	6	6	7
Total separate accounts	248	243	231	232	222
Mutual funds (c)					
Fixed income	25	24	24	25	24
Liquidity	64	51	50	59	59
Equity	5	5	5	5	4
Total mutual funds	94	80	79	89	87
Total assets under management	\$ 342	\$ 323	\$ 310	\$ 321	\$ 309
OTHER INFORMATION					
Average FTE staff	1,062	1,063	984	947	991
(a) See Notes (a) and (c) on page 4.					
(b) Calculated as operating income, adjusted for the LTIP charges and appreciation on Rabbi trust assets related to BlackRock's deferred compensation plans, divided by total revenue less fund administration and servicing costs. The following is a reconciliation of this presentation to operating margin calculated on a GAAP basis (operating income divided by total revenue) in millions:					
Operating income (loss), GAAP basis	\$ 56	\$ (23)	\$ 63	\$ 70	\$ 62
Add back: LTIP charges	13	91			
Less: portion of LTIP to be funded by BlackRock	(2)	(17)			
Add back: appreciation on Rabbi trust assets	2		1	1	
Operating income, as adjusted	\$ 69	\$ 51	\$ 64	\$ 71	\$ 62
Total revenue, GAAP basis	\$ 188	\$ 171	\$ 184	\$ 182	\$ 161
Less: fund administration and servicing costs	7	9	8	8	9
Revenue used for operating margin calculation, as reported	\$ 181	\$ 162	\$ 176	\$ 174	\$ 152

Operating margin, GAAP basis	30%	(13)%	34%	38%	38%
Operating margin, as reported	38%	32%	36%	40%	41%

We believe that operating margin, as reported, is a more relevant indicator of management's ability to effectively employ BlackRock's resources. The portion of the LTIP charges associated with awards to be met with the contribution of shares of BlackRock stock by PNC has been excluded from operating income because, exclusive of impact related to LTIP participants' option to put awarded shares to BlackRock, this non-cash charge will not impact BlackRock's book value. Appreciation on Rabbi trust assets related to BlackRock's deferred compensation plans has been excluded because investment performance of these assets has a nominal impact on net income. We have excluded fund administration and servicing costs 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.

- (c) Includes BlackRock Funds, BlackRock Liquidity Funds, BlackRock Closed End Funds, Short Term Investment Fund and BlackRock Global Series Funds.

THE PNC FINANCIAL SERVICES GROUP, INC.

PFPC (Unaudited) (a)

<i>Year ended</i> <i>Dollars in millions except as noted</i>	December 31 2004	December 31 2003
INCOME STATEMENT		
Fund servicing revenue	\$ 814	\$ 762
Operating expense	643	618
Amortization (accretion) of other intangibles, net	3	(18)
Operating income	168	162
Nonoperating income (b)	3	14
Debt financing	54	69
Pretax earnings	117	107
Income taxes	47	43
Earnings	\$ 70	\$ 64
AVERAGE BALANCE SHEET		
Goodwill and other intangible assets	\$ 1,022	\$ 1,037
Other assets	1,032	872
Total assets	\$ 2,054	\$ 1,909
Debt financing	\$ 1,117	\$ 1,279
Other liabilities, net	675	336
Capital	262	294
Total funds	\$ 2,054	\$ 1,909
PERFORMANCE RATIOS		
Return on capital	27%	22%
Operating margin (c)	21	21
SERVICING STATISTICS (d)		
Accounting/administration net fund assets (<i>in billions</i>)		
Domestic	\$ 660	\$ 609
Foreign (e)	61	45
Total	\$ 721	\$ 654
<i>Asset type (in billions)</i>		
Money market	\$ 341	\$ 341
Equity	230	186
Fixed income	101	90
Other	49	37
Total	\$ 721	\$ 654
Custody fund assets (<i>in billions</i>)	\$ 451	\$ 401
<i>Shareholder accounts (in millions)</i>		
Transfer agency	21	21
Subaccounting	36	32
Total	57	53
OTHER INFORMATION		
Average FTE staff	4,749	5,081

- (a) See Note (a) on page 4.
- (b) Net of nonoperating expense.
- (c) Operating income divided by total fund servicing revenue.
- (d) Presented as of period-end.
- (e) Represents net assets serviced offshore.

THE PNC FINANCIAL SERVICES GROUP, INC.

PFPC (Unaudited) (a)

Three months ended
Dollars in millions except as noted

	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003
INCOME STATEMENT					
Fund servicing revenue	\$ 209	\$ 203	\$ 199	\$ 203	\$ 194
Operating expense	160	158	158	167	155
Amortization (accretion) of other intangibles, net	4	3	(1)	(3)	(4)
Operating income	45	42	42	39	43
Nonoperating income (b)		1		2	3
Debt financing	12	14	14	14	16
Pretax earnings	33	29	28	27	30
Income taxes	13	12	11	11	12
Earnings	\$ 20	\$ 17	\$ 17	\$ 16	\$ 18
AVERAGE BALANCE SHEET					
Goodwill and other intangible assets	\$ 1,017	\$ 1,021	\$1,024	\$ 1,027	\$ 1,034
Other assets	1,069	1,052	1,054	952	949
Total assets	\$ 2,086	\$ 2,073	\$2,078	\$ 1,979	\$ 1,983
Debt financing	\$ 1,067	\$ 1,102	\$1,137	\$ 1,163	\$ 1,248
Other liabilities, net	756	711	681	550	467
Capital	263	260	260	266	268
Total funds	\$ 2,086	\$ 2,073	\$2,078	\$ 1,979	\$ 1,983
PERFORMANCE RATIOS					
Return on capital	30%	26%	26%	23%	27%
Operating margin (c)	22	21	21	19	22
SERVICING STATISTICS (d)					
Accounting/administration net fund assets (<i>in billions</i>)					
Domestic	\$ 660	\$ 609	\$ 612	\$ 621	\$ 609
Foreign (e)	61	58	53	48	45
Total	\$ 721	\$ 667	\$ 665	\$ 669	\$ 654
<i>Asset type (in billions)</i>					
Money market	\$ 341	\$ 322	\$ 326	\$ 337	\$ 341
Equity	230	203	200	198	186
Fixed income	101	97	94	95	90
Other	49	45	45	39	37
Total	\$ 721	\$ 667	\$ 665	\$ 669	\$ 654
Custody fund assets (<i>in billions</i>)	\$ 451	\$ 418	\$ 416	\$ 411	\$ 401
<i>Shareholder accounts (in millions)</i>					
Transfer agency	21	21	21	22	21
Subaccounting	36	34	34	33	32
Total	57	55	55	55	53
OTHER INFORMATION					
Average FTE staff	4,659	4,614	4,816	4,910	4,801

- (a) See Note (a) on page 4.
- (b) Net of nonoperating expense.
- (c) Operating income divided by total fund servicing revenue.
- (d) Presented as of period-end.
- (e) Represents net assets serviced offshore.

THE PNC FINANCIAL SERVICES GROUP, INC.

Details of Net Interest Income, Net Interest Margin and Trading Revenue(Unaudited)

Taxable-equivalent basis

Net Interest Income In millions	Quarter ended				Year ended		
	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003	December 31 2004	December 31 2003
Interest income							
Loans and fees on loans	\$ 549	\$ 518	\$ 491	\$ 492	\$ 474	\$ 2,050	\$ 1,970
Securities	155	141	131	146	142	573	583
Other	45	33	40	31	47	149	169
Total interest income	749	692	662	669	663	2,772	2,722
Interest expense							
Deposits	152	121	107	104	102	484	457
Borrowed funds	88	73	70	68	73	299	259
Total interest expense	240	194	177	172	175	783	716
Net interest income (a)	\$ 509	\$ 498	\$ 485	\$ 497	\$ 488	\$ 1,989	\$ 2,006

Net Interest Margin	Quarter ended				Year ended		
	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003	December 31 2004	December 31 2003
Average yields/rates							
Yield on earning assets							
Loans and fees on loans	5.04%	4.89%	4.89%	5.05%	5.08%	5.01%	5.48%
Securities	3.85	3.67	3.33	3.57	3.65	3.61	3.97
Other	3.25	2.89	3.07	2.54	3.94	2.98	3.69
Total yield on earning assets	4.59	4.44	4.34	4.44	4.60	4.48	4.93
Rate on interest-bearing liabilities							
Deposits	1.52	1.27	1.15	1.16	1.20	1.28	1.35
Borrowed funds	2.76	2.45	2.21	2.07	2.31	2.39	2.47
Total rate on interest-bearing liabilities	1.82	1.55	1.42	1.40	1.50	1.56	1.62
Interest rate spread	2.77	2.89	2.92	3.04	3.10	2.92	3.31
Impact of noninterest-bearing sources	.35	.30	.26	.26	.28	.30	.33
Net interest margin	3.12%	3.19%	3.18%	3.30%	3.38%	3.22%	3.64%

Trading Revenue In millions	Quarter ended				Year ended		
	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003	December 31 2004	December 31 2003
Net interest income (expense)	\$ 4	\$ 3	\$ 4	\$ 2	\$ 1	\$ 13	\$ (2)
Other noninterest income	44	16	30	23	28	113	127
Total trading revenue	\$ 48	\$ 19	\$ 34	\$ 25	\$ 29	\$ 126	\$ 125
Securities underwriting and trading	\$ 23	\$ 11	\$ 16	\$ 10	\$ 19	\$ 60	\$ 82
Foreign exchange	9	8	7	7	6	31	25
Financial derivatives	16		11	8	4	35	18
Total trading revenue	\$ 48	\$ 19	\$ 34	\$ 25	\$ 29	\$ 126	\$ 125

(a) The following is a reconciliation of net interest income as reported in the Consolidated Statement of Income to net interest income on a taxable-equivalent basis:

In millions	Quarter ended				Year ended		
	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003	December 31 2004	December 31 2003
Net interest income, GAAP basis	\$ 503	\$ 491	\$ 481	\$ 494	\$ 485	\$ 1,969	\$ 1,996
Taxable-equivalent adjustment	6	7	4	3	3	20	10
Net interest income, taxable-equivalent basis	\$ 509	\$ 498	\$ 485	\$ 497	\$ 488	\$ 1,989	\$ 2,006

THE PNC FINANCIAL SERVICES GROUP, INC.

Details of Noninterest Income and Noninterest Expense (Unaudited)

In millions

Noninterest Income	Quarter ended					Year ended	
	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003	December 31 2004	December 31 2003
Asset management	\$ 254	\$ 238	\$ 250	\$ 252	\$ 229	\$ 994	\$ 861
Fund servicing	209	204	200	204	193	817	762
Service charges on deposits	65	65	63	59	62	252	239
Brokerage	53	52	56	58	51	219	184
Consumer services	68	66	67	63	63	264	251
Corporate services	120	100	128	125	123	473	485
Equity management gains (losses)	9	16	35	7		67	(25)
Net securities gains	10	16	14	15	15	55	116
Other	116	81	97	128	125	422	384
Total noninterest income	\$ 904	\$ 838	\$ 910	\$ 911	\$ 861	\$ 3,563	\$ 3,257
Included in "Corporate services" above							
Net gains on institutional loans held for sale	\$ 2	\$ 5	\$ 17	\$ 28	\$ 16	\$ 52	\$ 69
Net gains on sales of commercial mortgages	\$ 20	\$ 6	\$ 14	\$ 10	\$ 14	\$ 50	\$ 52
Included in "Other" above (a)							
Gains on sales of education loans	\$ 13	\$ 15	\$ 2		\$ 8	\$ 30	\$ 20
Noninterest income to total revenue (b)	64%	63%	65%	65%	64%	64%	62%

Noninterest Expense	Quarter ended					Year ended	
	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003	December 31 2004	December 31 2003
Compensation	\$ 452	\$ 500	\$ 414	\$ 389	\$ 389	\$ 1,755	\$ 1,480
Employee benefits	82	76	77	74	83	309	324
Net occupancy	64	68	67	68	65	267	282
Equipment	74	72	70	74	71	290	276
Marketing	24	19	24	20	15	87	64
Other	253	246	258	270	235	1,027	1,050
Total noninterest expense (c)	\$ 949	\$ 981	\$ 910	\$ 895	\$ 858	\$ 3,735	\$ 3,476
Included in "Other" above (d)							
Costs incurred, including legal fees, in connection with agreement with the U.S. Department of Justice							\$ 120
Efficiency							
Efficiency (e)	67%	74%	65%	64%	64%	68%	66%
Bank efficiency (f)	64%	65%	63%	60%	61%	63%	64%

- (a) "Other" also includes the "Other noninterest income" component of trading revenue. See page 17.
- (b) Calculated as total noninterest income divided by the sum of net interest income and noninterest income. The ratio presented for the quarter ended December 31, 2003 and full year 2003 excludes the impact of revenue included in the cumulative effect of an accounting adjustment. We consider this to be a more meaningful comparison with the other periods presented. If the additional revenue included in the cumulative effect of an accounting adjustment had been included in the computation, the ratio would have been 62% for both the quarter and year ended December 31, 2003.
- (c) The quarters ended September 30, 2004 and December 31, 2004 included \$96 million and \$14 million, respectively, of charges related to the BlackRock LTIP. See the Current Reports on Form 8-K dated October 6, 2004 filed by us and BlackRock for further information. Third quarter 2004 charges are comprised of \$89 million of compensation expense, \$2 million of employee benefits expense and \$5 million of "Other" noninterest expense. Fourth quarter 2004 charges are comprised of \$13 million of compensation expense and \$1 million of "Other" noninterest expense.
- (d) See "Agreement with Department of Justice" in the Financial Review section of our Quarterly Report on Form 10-Q for the second quarter of 2003 and our Current Report on Form 8-K dated June 23, 2004 for further information.
- (e) Calculated as noninterest expense divided by the sum of net interest income and noninterest income. The ratios presented for the quarter ended December 31, 2003 and full year 2003 exclude the impact of revenue and expense included in the cumulative effect of an accounting adjustment, recorded in fourth quarter 2003, as we consider this to be a more meaningful comparison with the other periods presented. If the additional revenue and expense included in the cumulative effect of an accounting adjustment had been included in the computations, the ratios would have been 66% for the quarter ended December 31, 2003 and 67% for the year ended December 31, 2003.
- (f) The bank efficiency ratio represents the consolidated efficiency ratio excluding the effect of BlackRock and PFPC.

THE PNC FINANCIAL SERVICES GROUP, INC.

Average Consolidated Balance Sheet (Unaudited)

<i>Year ended - in millions</i>	December 31 2004	December 31 2003
Assets		
Interest-earning assets		
Securities		
Securities available for sale		
U.S. Treasury and government agencies/corporations	\$ 6,567	\$ 4,358
Other debt	8,857	9,754
State and municipal	220	112
Corporate stocks and other	232	432
Total securities available for sale	15,876	14,656
Securities held to maturity	2	18
Total securities	15,878	14,674
Loans, net of unearned income		
Commercial	16,627	15,336
Commercial real estate	2,137	2,072
Consumer	14,165	10,807
Residential mortgage	4,040	3,148
Lease financing	3,470	4,110
Other	506	444
Total loans, net of unearned income	40,945	35,917
Loans held for sale	1,636	1,664
Federal funds sold and resale agreements	1,670	1,954
Other	1,692	963
Total interest-earning assets	61,821	55,172
Noninterest-earning assets		
Allowance for loan and lease losses	(608)	(668)
Cash and due from banks	2,895	2,734
Other assets	11,158	10,041
Total assets	\$ 75,266	\$ 67,279
Supplemental Average Balance Sheet Information		
Loans excluding conduit	\$ 39,058	\$ 34,687
Market Street Funding Corporation conduit	1,887	1,230
Total loans	\$ 40,945	\$ 35,917

THE PNC FINANCIAL SERVICES GROUP, INC.

Average Consolidated Balance Sheet (Unaudited) (Continued)

<i>Year ended - in millions</i>	December 31 2004	December 31 2003
Liabilities, Minority and Noncontrolling Interests, Capital Securities and Shareholders' Equity		
Interest-bearing liabilities		
Interest-bearing deposits		
Money market	\$ 15,964	\$ 15,163
Demand	7,902	7,197
Savings	2,684	2,106
Retail certificates of deposit	9,075	8,810
Other time	686	266
Time deposits in foreign offices	1,371	283
Total interest-bearing deposits	37,682	33,825
Borrowed funds		
Federal funds purchased	1,957	904
Repurchase agreements	1,433	1,110
Bank notes and senior debt	2,687	3,364
Subordinated debt	3,506	2,510
Commercial paper	1,887	1,232
Other borrowed funds	1,045	1,371
Total borrowed funds	12,515	10,491
Total interest-bearing liabilities	50,197	44,316
Noninterest-bearing liabilities, minority and noncontrolling interests, capital securities and shareholders' equity		
Demand and other noninterest-bearing deposits	12,015	10,637
Allowance for unfunded loan commitments and letters of credit	90	82
Accrued expenses and other liabilities	5,389	4,855
Minority and noncontrolling interests in consolidated entities	455	317
Mandatorily redeemable capital securities of subsidiary trusts		421
Shareholders' equity	7,120	6,651
Total liabilities, minority and noncontrolling interests, capital securities and shareholders' equity	\$ 75,266	\$ 67,279
Supplemental Average Balance Sheet Information		
Interest-bearing deposits	\$ 37,682	\$ 33,825
Demand and other noninterest-bearing deposits	12,015	10,637
Total deposits	\$ 49,697	\$ 44,462
Transaction deposits	\$ 35,881	\$ 32,997
Common shareholders' equity	\$ 7,112	\$ 6,642

THE PNC FINANCIAL SERVICES GROUP, INC.

Average Consolidated Balance Sheet (Unaudited)

<i>Three months ended - in millions</i>	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003
Assets					
Interest-earning assets					
Securities					
Securities available for sale					
U.S. Treasury and government agencies/corporations	\$ 6,895	\$ 6,288	\$ 6,654	\$ 6,432	\$ 5,929
Other debt	8,846	8,667	8,624	9,293	9,154
State and municipal	175	216	225	264	149
Corporate stocks and other	188	201	259	282	383
Total securities available for sale	16,104	15,372	15,762	16,271	15,615
Securities held to maturity	1	2	2	2	2
Total securities	16,105	15,374	15,764	16,273	15,617
Loans, net of unearned income					
Commercial	17,312	16,915	16,445	15,827	15,514
Commercial real estate	2,080	2,120	2,100	2,249	1,825
Consumer	15,280	14,673	13,968	12,719	11,692
Residential mortgage	4,683	4,354	3,622	3,492	2,932
Lease financing	3,216	3,182	3,437	4,050	4,252
Other	502	507	497	517	522
Total loans, net of unearned income	43,073	41,751	40,069	38,854	36,737
Loans held for sale	1,771	1,578	1,636	1,560	1,645
Federal funds sold and resale agreements	1,274	1,283	1,896	2,235	2,009
Other	2,302	1,746	1,551	1,162	1,084
Total interest-earning assets	64,525	61,732	60,916	60,084	57,092
Noninterest-earning assets					
Allowance for loan and lease losses	(582)	(593)	(603)	(653)	(645)
Cash and due from banks	3,038	2,851	2,793	2,895	2,774
Other assets	11,791	11,372	10,762	10,697	9,873
Total assets	\$ 78,772	\$ 75,362	\$73,868	\$73,023	\$ 69,094
Supplemental Average Balance Sheet Information					
Loans excluding conduit	\$ 41,121	\$ 40,074	\$38,257	\$36,747	\$ 34,352
Market Street Funding Corporation conduit	1,952	1,677	1,812	2,107	2,385
Total loans	\$ 43,073	\$ 41,751	\$40,069	\$38,854	\$ 36,737

THE PNC FINANCIAL SERVICES GROUP, INC.

Average Consolidated Balance Sheet (Unaudited) (Continued)

<i>Three months ended - in millions</i>	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003
Liabilities, Minority and Noncontrolling Interests and Shareholders' Equity					
Interest-bearing liabilities					
Interest-bearing deposits					
Money market	\$ 16,328	\$ 15,916	\$16,027	\$15,581	\$ 15,249
Demand	7,999	7,857	7,878	7,873	7,496
Savings	2,819	2,730	2,595	2,590	2,099
Retail certificates of deposit	9,761	9,100	8,650	8,780	8,268
Other time	892	825	680	343	265
Time deposits in foreign offices	1,628	1,561	1,485	806	466
Total interest-bearing deposits	39,427	37,989	37,315	35,973	33,843
Borrowed funds					
Federal funds purchased	1,676	1,940	2,303	1,912	1,558
Repurchase agreements	1,906	1,158	1,508	1,157	1,226
Bank notes and senior debt	2,535	2,709	2,752	2,752	2,752
Subordinated debt	3,476	3,411	3,545	3,593	3,056
Commercial paper	1,947	1,679	1,815	2,111	2,388
Other borrowed funds	1,070	858	633	1,622	1,425
Total borrowed funds	12,610	11,755	12,556	13,147	12,405
Total interest-bearing liabilities	52,037	49,744	49,871	49,120	46,248
Noninterest-bearing liabilities, minority and noncontrolling interests and shareholders' equity					
Demand and other noninterest-bearing deposits	12,539	12,477	11,681	11,350	11,070
Allowance for unfunded loan commitments and letters of credit	96	84	90	90	88
Accrued expenses and other liabilities	6,283	5,470	4,773	5,020	4,688
Minority and noncontrolling interests in consolidated entities	501	466	419	434	471
Shareholders' equity	7,316	7,121	7,034	7,009	6,529
Total liabilities, minority and noncontrolling interests, and shareholders' equity	\$ 78,772	\$ 75,362	\$73,868	\$73,023	\$ 69,094
Supplemental Average Balance Sheet Information					
Interest-bearing deposits	\$ 39,427	\$ 37,989	\$37,315	\$35,973	\$ 33,843
Demand and other noninterest-bearing deposits	12,539	12,477	11,681	11,350	11,070
Total deposits	\$ 51,966	\$ 50,466	\$48,996	\$47,323	\$ 44,913
Transaction deposits	\$ 36,866	\$ 36,250	\$35,586	\$34,804	\$ 33,815
Common shareholders' equity	\$ 7,308	\$ 7,113	\$ 7,026	\$ 7,000	\$ 6,520

THE PNC FINANCIAL SERVICES GROUP, INC.

Details of Loans and Lending Statistics (Unaudited)

Loans

<i>Period ended-dollars in millions</i>	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003
Commercial					
Retail/wholesale	\$ 5,095	\$ 4,855	\$ 4,734	\$ 4,528	\$ 4,327
Manufacturing	4,092	4,033	4,050	3,917	3,786
Service providers	2,201	2,047	1,982	2,044	1,867
Real estate related	1,762	1,706	1,616	1,432	1,303
Financial services	1,129	1,214	1,268	1,157	1,169
Health care	503	473	470	448	403
Communications	62	98	105	78	93
Other	2,594	2,689	2,488	2,397	2,134
Total commercial	17,438	17,115	16,713	16,001	15,082
Commercial real estate					
Real estate projects	1,460	1,513	1,530	1,521	1,392
Mortgage	520	527	575	534	432
Total commercial real estate	1,980	2,040	2,105	2,055	1,824
Consumer					
Home equity	12,734	12,377	11,946	11,160	9,790
Automobile	836	842	825	762	585
Other	2,036	1,684	1,676	1,597	1,480
Total consumer	15,606	14,903	14,447	13,519	11,855
Residential mortgage	4,772	4,672	3,906	3,537	2,886
Lease financing					
Equipment	3,907	3,949	3,818	3,859	3,935
Vehicles	189	228	285	968	1,212
Total lease financing	4,096	4,177	4,103	4,827	5,147
Other	505	504	484	492	518
Unearned income	(902)	(931)	(923)	(980)	(1,009)
Total, net of unearned income	\$ 43,495	\$ 42,480	\$40,835	\$39,451	\$ 36,303
Supplemental Loan Information					
Loans excluding conduit	\$ 41,243	\$ 40,676	\$39,094	\$37,519	\$ 34,080
Market Street Funding Corporation conduit	2,252	1,804	1,741	1,932	2,223
Total loans	\$ 43,495	\$ 42,480	\$40,835	\$39,451	\$ 36,303
Wholesale Banking Lending Statistics (a)					
Portfolio composition-total exposure					
Investment grade equivalent or better	52%	53%	53%	53%	52%
Non-investment grade (secured lending)	24	24	24	24	25
Non-investment grade (other)	24	23	23	23	23
Total	100%	100%	100%	100%	100%
Client relationships >\$50 million-total exposure	\$ 13,695	\$ 12,986	\$12,596	\$12,000	\$ 12,396
Client relationships >\$50 million-customers	151	148	140	134	138
Consumer Loan Statistic (b)					
Net charge-offs to average loans	.16%	.19%	.20%	.21%	.27%

(a) Includes amounts for customers of Market Street Funding Corporation.

(b) Includes consumer, residential mortgage and vehicle leasing. During the second quarter of 2004, we sold our consumer vehicle leasing business.

THE PNC FINANCIAL SERVICES GROUP, INC.

Allowances for Loan and Lease Losses and Unfunded Loan Commitments and Letters of Credit and Net Unfunded Commitments (Unaudited)

Change in Allowance for Loan and Lease Losses

<i>Three months ended - in millions</i>	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003
Beginning balance	\$ 581	\$ 593	\$ 604	\$ 632	\$ 648
Charge-offs					
Commercial	(15)	(13)	(26)	(59)	(53)
Commercial real estate				(2)	
Consumer	(11)	(10)	(11)	(11)	(10)
Residential mortgage		(2)		(1)	(2)
Lease financing	(1)	(1)	(1)	(2)	(4)
Total charge-offs (a)	(27)	(26)	(38)	(75)	(69)
Recoveries					
Commercial	9	9	5	8	15
Commercial real estate			1		1
Consumer	3	3	3	3	3
Residential mortgage				1	
Lease financing	1	1	3	1	1
Total recoveries	13	13	12	13	20
Net charge-offs					
Commercial	(6)	(4)	(21)	(51)	(38)
Commercial real estate			1	(2)	1
Consumer	(8)	(7)	(8)	(8)	(7)
Residential mortgage		(2)			(2)
Lease financing			2	(1)	(3)
Total net charge-offs	(14)	(13)	(26)	(62)	(49)
Provision for credit losses	19	13	8	12	34
Acquired allowance (United National)				22	
Net change in allowance for unfunded loan commitments and letters of credit	21	(12)	7		(1)
Ending balance	\$ 607	\$ 581	\$ 593	\$ 604	\$ 632

Change in Allowance for Unfunded Loan Commitments and Letters of Credit

<i>Three months ended - in millions</i>	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003
Beginning balance	\$ 96	\$ 84	\$ 91	\$ 91	\$ 90
Net change in allowance for unfunded loan commitments and letters of credit	(21)	12	(7)		1
Ending balance	\$ 75	\$ 96	\$ 84	\$ 91	\$ 91

Net Unfunded Commitments

<i>In millions-period ended</i>	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003
Net unfunded commitments	\$ 29,346	\$ 27,972	\$27,587	\$26,356	\$ 25,183

(a) See Note (a) on page 25.

THE PNC FINANCIAL SERVICES GROUP, INC.

Details of Nonperforming Assets (Unaudited)

Nonperforming Assets by Type

<i>Period ended - in millions</i>	<u>December 31 2004</u>	<u>September 30 2004</u>	<u>June 30 2004</u>	<u>March 31 2004</u>	<u>December 31 2003</u>
Nonaccrual loans					
Commercial (a)	\$ 89	\$ 96	\$ 119	\$ 132	\$ 213
Commercial real estate	14	10	3	3	6
Consumer	11	12	11	10	11
Residential mortgage	21	23	23	26	24
Lease financing	5	7	13	12	11
Total nonaccrual loans	140	148	169	183	265
Troubled debt restructured loan	3				1
Total nonperforming loans	143	148	169	183	266
Nonperforming loans held for sale (b)	3	2	4	4	27
Foreclosed and other assets					
Lease financing	14	16	17	17	17
Residential mortgage	10	11	11	13	9
Other	5	7	8	12	9
Total foreclosed and other assets	29	34	36	42	35
Total nonperforming assets (c)	\$ 175	\$ 184	\$ 209	\$ 229	\$ 328
Nonperforming loans to total loans	.33%	.35%	.41%	.46%	.73%
Nonperforming assets to total loans, loans held for sale and foreclosed assets	.39	.42	.49	.56	.87
Nonperforming assets to total assets	.22	.24	.29	.31	.48

(a) During the first quarter of 2004, we changed our policy for recognizing charge-offs on smaller nonperforming commercial loans. This change resulted in the recognition of an additional \$24 million of gross charge-offs for the first quarter of 2004.

(b) Includes troubled debt restructured loans held for sale. \$ 2 \$ 2 \$ 2 \$ 3 \$ 10

(c) Excludes equity management assets carried at estimated fair value (December 31, 2004, September 30, 2004, June 30, 2004, March 31, 2004 and December 31, 2003 amounts include troubled debt restructured assets of \$11 million, \$10 million, \$10 million, \$11 million and \$5 million, respectively). \$ 32 \$ 29 \$ 32 \$ 29 \$ 37

Change in Nonperforming Assets

<i>December 31, 2004 - in millions</i>	<u>Three months ended</u>	<u>Year ended</u>
Beginning of period	\$ 184	\$ 328
Purchases (United National)		12
Transferred from accrual	43	213
Returned to performing	(3)	(17)
Principal reductions and payoffs	(25)	(211)
Asset sales	(7)	(60)
Charge-offs and valuation adjustments	(17)	(90)
December 31	\$ 175	\$ 175

THE PNC FINANCIAL SERVICES GROUP, INC.

Details of Nonperforming Assets (Unaudited) (Continued)

Nonperforming Assets by Business

<i>Period ended - in millions</i>	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003
Regional Community Banking					
Nonperforming loans	\$ 80	\$ 74	\$ 70	\$ 64	\$ 74
Foreclosed and other assets	11	11	11	11	11
Total	\$ 91	\$ 85	\$ 81	\$ 75	\$ 85
Wholesale Banking					
Nonperforming loans	\$ 51	\$ 60	\$ 85	\$ 102	\$ 177
Nonperforming loans held for sale	3	2	4	4	27
Foreclosed and other assets	17	20	21	25	23
Total	\$ 71	\$ 82	\$ 110	\$ 131	\$ 227
PNC Advisors					
Nonperforming loans	\$ 9	\$ 10	\$ 9	\$ 11	\$ 11
Foreclosed and other assets			1		
Total	\$ 9	\$ 10	\$ 10	\$ 11	\$ 11
Other (a)					
Nonperforming loans	\$ 3	\$ 4	\$ 5	\$ 6	\$ 4
Foreclosed and other assets	1	3	3	6	1
Total	\$ 4	\$ 7	\$ 8	\$ 12	\$ 5
Consolidated Totals					
Nonperforming loans (b)	\$ 143	\$ 148	\$ 169	\$ 183	\$ 266
Nonperforming loans held for sale	3	2	4	4	27
Foreclosed and other assets	29	34	36	42	35
Total	\$ 175	\$ 184	\$ 209	\$ 229	\$ 328

Largest Nonperforming Loans at December 31, 2004 - in millions (c)

Ranking	Outstandings	Industry
1	\$ 14	Air Transportation
2	11	Fabricated Metal Manufacturing
3	7	Individuals
4	7	Real Estate Lessors
5	5	Plastic and Mineral Manufacturing
6	4	Machinery Manufacturing
7	3	Other Transportation
8	3	Plastic and Mineral Manufacturing
9	3	Paper and Wood Product Manufacturing
10	3	Construction
Total	\$ 60	

As a percent of nonperforming assets 34.3 %

- (a) Represents residential mortgages related to PNC's asset and liability management function.
 (b) See Note (a) on page 25.
 (c) Amounts shown are not net of related allowance for loan and lease losses, if applicable.

Glossary of Terms

Accounting/administration net fund assets - Net domestic and foreign fund investment assets for which we provide accounting and administration services. We do not include these assets on our Consolidated Balance Sheet.

Adjusted average total assets - Primarily comprised of total average quarterly (or annual) assets plus (less) unrealized losses (gains) on available-for-sale debt securities, less goodwill and certain other intangible assets.

Annualized - Adjusted to reflect a full year of activity.

Assets under management - Assets over which we have sole or shared investment authority for our customers/clients. We do not include these assets on our Consolidated Balance Sheet.

Capital - Represents the amount of resources that a business segment should hold to guard against potentially large losses that could cause insolvency. It is based on a measurement of economic risk, as opposed to risk as defined by regulatory bodies or generally accepted accounting principles. The economic capital measurement process involves converting a risk distribution to the capital that is required to support the risk, consistent with an institution's target credit rating. As such, economic risk serves as a "common currency" of risk that allows an institution to compare different risks on a similar basis.

Charge-off - Process of removing a loan or portion of a loan from a bank's balance sheet because the loan is considered uncollectible. A charge-off also is recorded when a loan is transferred to held for sale and the loan's market value is less than its carrying amount.

Common shareholders' equity to total assets - Common shareholders' equity divided by total assets. Common shareholders' equity equals total shareholders' equity less preferred stock and the portion of capital surplus and retained interest related to the preferred stock.

Custody assets - All investment assets held on behalf of clients under safekeeping arrangements. We do not include these assets on our Consolidated Balance Sheet. Investment assets held in custody at other institutions on our behalf are included in the appropriate asset categories on the Consolidated Balance Sheet as if physically held by us.

Earning assets - Assets that generate income, which include: short-term investments; loans held for sale; loans, net of unearned income; securities; federal funds sold and resale agreements; and certain other assets.

Economic value of equity ("EVE") - The present value of the expected cash flows of our existing assets less the present value of the expected cash flows of our existing liabilities, plus the present value of the net cash flows of our existing off-balance sheet positions.

Effective duration - A measurement, expressed in years, that, when multiplied by a change in interest rates, would approximate the percentage change in value of on- and off-balance sheet positions.

Efficiency - Noninterest expense divided by the sum of net interest income and noninterest income.

Funds transfer pricing – A management accounting methodology designed to recognize the net interest income effects of sources and uses of funds provided by the assets and liabilities of business segments. These balances are assigned funding rates that represent the interest cost for us to raise/invest funds with similar maturity and repricing structures, using the least-cost funding sources available.

Leverage ratio - Tier 1 risk-based capital divided by adjusted average total assets.

Net interest margin - Annualized taxable-equivalent net interest income divided by average earning assets.

Nondiscretionary assets under administration - Assets we hold for our customers/clients in a non-discretionary, custodial capacity. We do not include these assets on our Consolidated Balance Sheet.

Noninterest income to total revenue - Noninterest income divided by total revenue. Total revenue includes noninterest income plus net interest income.

Nonperforming assets - Nonperforming assets include nonaccrual loans, troubled debt restructured loans, nonaccrual loans held for sale, foreclosed assets and other assets. Interest income does not accrue on assets classified as nonperforming.

Nonperforming loans - Nonperforming loans include loans to commercial, lease financing, consumer, commercial real estate and residential mortgage customers as well as troubled debt restructured loans. Nonperforming loans do not include nonaccrual loans held for sale or foreclosed and other assets. Interest income does not accrue on loans classified as nonperforming.

Recovery - Cash proceeds received on a loan that previously had been charged off. The amount received is credited to the allowance for loan and lease losses.

Return on capital - Annualized net income divided by average capital.

Return on average assets - Annualized net income divided by average assets.

Return on average common equity - Annualized net income divided by average common shareholders' equity.

Risk-weighted assets - Primarily computed by the assignment of specific risk-weights (as defined by The Board of Governors of the Federal Reserve System) to assets and off-balance sheet instruments.

Securitization - The process of legally transforming financial assets into securities.

Shareholders' equity to total assets - Period-end total shareholders' equity divided by period-end total assets.

Tangible common capital ratio - Common shareholders' equity less goodwill and other intangible assets (excluding mortgage servicing rights) divided by total assets less goodwill and other intangible assets (excluding mortgage servicing rights).

Taxable-equivalent interest - 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 is increased to make them fully equivalent to other taxable interest income investments.

Tier 1 risk-based capital - Tier 1 capital equals: total shareholders' equity, plus trust preferred capital securities, plus certain minority interests that are held by others; less goodwill and certain intangible assets, less equity investments in nonfinancial companies and less net unrealized holding losses on available-for-sale equity securities. Net unrealized holding gains on available-for-sale equity securities, net unrealized

holding gains (losses) on available-for-sale debt securities and net unrealized holding gains (losses) on cash flow hedge derivatives are excluded from total shareholders' equity for tier 1 capital purposes.

Tier 1 risk-based capital ratio - Tier 1 risk-based capital divided by period-end risk-weighted assets.

Total fund assets serviced – Total domestic and foreign fund investment assets for which we provide related processing services. We do not include these assets on our Consolidated Balance Sheet.

Total deposits - The sum of total transaction deposits, savings accounts, certificates of deposit, other time deposits and deposits in foreign offices.

Total risk-based capital - Tier 1 risk-based capital plus qualifying senior and subordinated debt, other minority interest not qualified as tier 1, and the allowance for loan and lease losses, subject to certain limitations.

Total risk-based capital ratio - Total risk-based capital divided by period-end risk-weighted assets.

Transaction deposits – The sum of money market and interest-bearing demand deposits and demand and other noninterest-bearing deposits.

Business Segment Products and Services

Regional Community Banking provides deposit, lending, cash management and investment services to 2.2 million consumer and small business customers within PNC's primary geographic footprint.

Wholesale Banking provides lending, treasury management, capital markets-related products and services, and commercial loan servicing to mid-sized corporations, government entities and selectively to large corporations. Lending products include secured and unsecured loans, letters of credit and equipment leases. Treasury management services include cash and investment management, receivables management, disbursement services, funds transfer services, information reporting, and global trade services. Capital markets products include foreign exchange, derivatives, loan syndications and securities underwriting and distribution. Wholesale Banking provides products and services generally within PNC's primary geographic markets and provides certain products and services nationally.

PNC Advisors provides a broad range of tailored investment, trust and private banking products and services to affluent individuals and families, including investment consulting and trust services to the ultra-affluent through its Hawthorn unit and full-service brokerage through J.J.B. Hilliard, W.L. Lyons, Inc. and PNC Investments, LLC. PNC Advisors also serves as investment manager and trustee for employee benefit plans and charitable and endowment assets, and provides nondiscretionary defined contribution plan services and investment options through our Vested Interest[®] product. PNC Advisors provides services to individuals and corporations primarily within PNC's primary geographic markets.

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PFPC is among the largest providers of mutual fund transfer agency and accounting and administration services in the United States, offering a wide range of fund processing services to the investment management industry and providing processing solutions to the international marketplace through its Ireland and Luxembourg operations.