

PNC's Chief Executive Details Strategic Positioning; Business Results and Future Goals Discussed at Annual Shareholders Meeting

PRNewswire

PITTSBURGH, April 24 /PRNewswire Interactive News Release/ -- The PNC Financial Services Group, Inc. (NYSE: PNC) is seeking to deliver a greater percentage of earnings from nontraditional financial services businesses. The company's future aspirations, which were outlined during the company's annual shareholder meeting here today, include achieving 55 percent of total earnings from targeted, higher-growth businesses. These include asset management and processing, treasury management and capital markets -- businesses which made up 39 percent of PNC's 2000 earnings, up from 29 percent in 1998.

Today's shareholder meeting was held against the backdrop of an exceptional year 2000:

- Record returns for shareholders, as PNC's stock rose 64 percent in 2000, the best performance among 14 financial services peer companies. The S&P Major Regional Banks Index rose 14 percent.
- Record operating earnings of \$1.2 billion.
- Record operating earnings per share, with EPS growing at a 10 percent compound annual rate (and cash EPS at 11 percent) for the past five years.
- Strong business growth fueling higher quality revenues, with noninterest income approaching 60 percent of total revenue in 2000. Noninterest revenues have grown at a 20 percent compound annual rate over the past five years.

"We have been delivering on our strategy to build a more valuable business mix while also investing in the development of our employees and the betterment of our communities," said PNC President and Chief Executive Officer James E. Rohr. "We have balanced the needs of our key constituents as we have continued to reposition the company. The year 2001 is off to a solid start in a challenging economic environment. I am pleased with the work our employees are doing to continue to drive toward the goals we have outlined."

Rohr reviewed the results of several employee and community-focused initiatives, including more than \$40 million in donated resources for more than 1,500 community organizations in 2000. He pointed to employee benefit offerings such as matching contributions to employee 401(K) plans -- and the company's employee stock purchase program -- as important investments in recruiting and retaining top talent in a competitive marketplace.

Shareholders today also elected 15 directors and approved a proposal to amend the Corporation's Articles of Incorporation to increase the authorized shares of common stock from 450 million shares to 800 million. Proposals to amend two incentive award plans were also approved.

The PNC Financial Services Group, Inc., headquartered in Pittsburgh, is one of the nation's largest diversified financial services organizations, providing community banking, corporate banking, real estate finance, asset-based lending, wealth management, asset management and global fund services.

This release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to future financial or business performance, conditions, strategies, expectations and goals. Forward-looking statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "intend," "estimate," "position," "achieve," "strategy," "goal," "aspiration," "outlook," "outcome," "continue," "remain," "maintain," "seek," and variations of such words and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may," or similar expressions. The Corporation cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. These forward-looking statements speak only as of the date of this press release, and the Corporation assumes no duty to update forward-looking statements. Actual results could differ materially from those anticipated in these forward-looking statements and future results could differ materially from historical performance.

The factors discussed elsewhere in this press release and the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: adjustments

to recorded results of sale of residential mortgage banking business after final settlement is completed; decisions PNC makes with respect to the redeployment of available capital; changes in asset quality and credit risk; economic conditions; changes in financial and capital markets; the inability to sustain revenue and earnings growth; changes in interest rates; inflation; changes in values of assets under management and assets serviced; relative investment performance of assets under management; customer acceptance of PNC products and services; customer borrowing, repayment, investment, and deposit practices; customer disintermediation; valuation of debt and equity investments; the introduction, withdrawal, success and timing of business initiatives and strategies; the extent and cost of any share repurchases; decisions PNC makes with respect to further reduction of balance sheet leverage and potential investments in PNC businesses; competitive conditions; the inability to realize cost savings or revenue enhancements, implement integration plans and other consequences associated with mergers, acquisitions, restructurings and divestitures; and the impact, extent and timing of technological changes, capital management activities, and actions of the Federal Reserve Board and legislative and regulatory actions and reform. Further, an increase in the number of customer or counterparty delinquencies, bankruptcies, or defaults could result, among other things, in a higher loan loss provision and reduced profitability.

The Corporation's SEC reports, accessible on the SEC's website at <http://www.sec.gov/> and on PNC's website at <http://www.pnc.com/>, identify additional factors that can affect forward-looking statements.

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