

PNC Bank Delivers Online Payment Solution for B2B E-Commerce With its First Successful `Roundtrip' Transaction

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PNC Bank Treasury Management bridged a major gap in electronic commerce today with its first successful "roundtrip" financial transaction initiated online. PNC Bank completed this transaction for ITXS, Inc., a business-to-business (B2B) procurement site.

Easily adapted to both private and public B2B marketplaces, PNC Bank's new online payment solution, Digital Community Settlement Service, offers flexible settlement options for the buyers, plus payment tracking for both buyers and sellers without having to exit the procurement site.

"Our Digital Community Settlement Service is yet another example of the investments and innovations PNC Bank Treasury Management is developing to help businesses achieve greater efficiencies in their receivables process," said Francine Miltenberger, executive vice president and division executive for PNC Bank Treasury Management. "When we announced one of the first electronic bill presentment and payment services last spring, PNC Bank Treasury Management experienced a flood of inquiries from marketplaces seeking a means of settling the financial portion of their online trades. Through an aggressive research and product development schedule, we quickly brought this settlement solution to market.

"The value-added feature of providing a `one-stop' or `one-click' ability to negotiate, procure and settle a transaction can differentiate a marketplace from its competitors," continued Miltenberger.

Prior to launching its website in November, ITXS courted a number of financial institutions to build an Internet payment solution for their click and mortar marketplace.

"Since our online transactions only involve two parties, the buyer and the seller, we wanted to create a very high confidence level among users," stated Mike Symons, chief executive officer of ITXS. "PNC Bank stepped up to the plate, working with us to develop a complete electronic payment system that allows our sellers to post equipment and buyers to purchase equipment without worrying about settlement of the funds."

ITXS hosts a site where buyers and sellers trade pre-owned and surplus data center equipment, a potentially expensive commodity to trade online. After a trade is negotiated at ITXS' website, the buyer initiates payment using one of several payment options: check, wire transfer or automated clearing house (ACH) credit. Once the payment is final, it is held in an account at PNC Bank. PNC Bank then informs ITXS, who in turn notifies the seller to release the goods. After the buyer confirms receipt of the goods and its satisfaction with the product, ITXS instructs PNC Bank to release the funds to the seller. When the funds are released, the seller receives its payment and ITXS receives its fees.

PNC Bank's Digital Community Settlement Service addresses several issues regarding e-commerce marketplaces. An online tracking capability enables both the buyer and the seller to know exactly when a payment is actually processed. This helps ease the concerns of both sides about trading with unknown parties. In addition, companies that host trades assume far less credit risk using PNC Bank's solution rather than using other e-commerce payment processes because Digital Community Settlement Service transfers collected funds from the buyer to the seller.

"As a seamless and integral part of ITXS' web-based marketplace, PNC Bank's involvement occurs behind the scenes with all of the online communications going to the buyers and sellers via ITXS," said Ralph Joy, senior vice president, PNC Bank.

Currently, there are an estimated 500 online business-to-business digital marketplaces that enable companies to negotiate trades. However, there are no real payment mechanisms that provide a seamless, integrated solution that caters to both the offline and online money flows, according to U.S. Bancorp Piper Jaffrey (August 14, 2000). In addition to digital marketplaces, many corporations that offer their wares online also have a need to integrate payment processing and settlement within their website.

United States online trading is anticipated to grow from \$250 billion in 2000 to \$2.7 trillion in 2004, according to Forrester Research. In response, PNC Bank plans to add functionality to the Digital Community Settlement Service, including authentication, electronic bill presentment and payment, global settlement and credit card payments.

About ITXS, Inc.

Headquartered in Hayward, California, with development offices in Los Gatos, California, ITXS, Inc. is a business-to-business trading exchange providing value-added services to leading data centers and emerging companies. Founded to provide a unique solution to pervasive problems in the asset management of high-end computer equipment, the management team at ITXS offers decades of industry experience in technology, sales and marketing. For more information, visit ITXS on the Internet at <http://www.itxs.com/>.

About PNC Bank Treasury Management

PNC Bank Treasury Management is a business unit of PNC Bank, which is a member of The PNC Financial Services Group, Inc. PNC Bank is one of the top ten treasury management providers in the nation, maintaining its position as an industry leader with a diverse mix of advanced products and services. PNC Bank Treasury Management helps companies manage their finances by integrating their receivables, payables, investment and information reporting activities into one streamlined system.

PNC Bank Treasury Management has recently introduced several industry- leading innovations, including: A/R Advantage, state-of-the art receivables imaging technology; Internet Service Center, an expanding portal to online customer service and treasury management services; Digital Community Settlement Service, an online payment and settlement solution that supports the B2B e-commerce community; and

BillingZone, a joint venture between PNC Bank and Perot Systems Corporation that offers a business-to-business electronic bill presentment and payment service, providing businesses with a consolidated model for presenting and paying invoices on the Internet.

About The PNC Financial Services Group, Inc.

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

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to PNC Bank's Digital Community Settlement Service product, including statements regarding the expected rollout, performance and benefits of the product and future product developments. Forward-looking statements are typically identified by words such as "anticipate," "expect," "plan," "explore," "continue," "maintain," "position," and "potential," by future or conditional verbs such as "will," "would," "should," "could," or "may," or by variations of such words or by similar expressions. These forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and PNC assumes no duty to update forward-looking statements.

The following factors, among others, could cause actual results to differ materially from those anticipated in forward-looking statements: PNC's ability to introduce the Digital Community Settlement Service when and as described and its ability to continue development, introduction, and implementation of its products and services as planned; the degree to which customers and potential customers accept the products; changes in the competitive market in which the services will operate; the impact, extent, timing, and cost of technological changes; risks associated with the commercial use of the Internet generally; undetected software bugs; and possible product liability claims. Additional factors that can affect forward-looking statements are identified in PNC's SEC reports, which are accessible on the SEC's website and on PNC's website.

For more information, visit PNC Bank Treasury Management

on the Web at <http://www.treasury.pncbank.com/>.

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