

Principal Management Corporation Extends Remote Transfer Agency Services with PFPC

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PFPC, Inc., a member of The PNC Financial Services Group, Inc. (NYSE: PNC), announced today that Principal Management Corporation, a member company of the Principal Financial Group, has extended its agreement with PFPC for remote transfer agency services for Principal Mutual Funds. PFPC, a leading global provider of technology, processing and business solutions to the mutual fund industry, has provided remote transfer agency services for Principal Mutual Funds since 1995. Total assets serviced for Principal Mutual Funds are approximately \$10 billion, representing an estimated 750,000 shareholder accounts.

Under the terms of the contract renewal, PFPC also will continue to provide Principal Mutual Funds with a variety of services including integrated desktop technology, cost basis accounting and data warehouse capabilities.

"PFPC's flexible and personalized solutions can make a difference as a firm like Principal Management Corporation continues to expand its position in the marketplace," said Michael DeNofrio, executive vice president and senior managing director, PFPC transfer agency. "This contract renewal with Principal Management Corporation also demonstrates that Global Enterprise Platform(SM) (GEP), our innovative, component-based technology, can result in better solutions for our clients and their shareholders in today's exceedingly competitive market."

PFPC's Global Enterprise Platform continues to evolve and is being built to embrace open architecture that promotes flexibility, efficiency and accessibility.

"We continue to find PFPC to be the preeminent provider of transfer agent capabilities," said Michael J. Beer, executive vice president and chief operating officer, Principal Mutual Funds. "Their client-centric service model combined with enhanced technology is designed to deliver superior and cohesive integrated business services. Our selection of PFPC reinforces our commitment to providing stellar service to our investors in an increasingly competitive environment."

The Principal Financial Group has also recently tapped PFPC to provide wrap account services for its new "baby boomer IRA" -- a retirement income program. Supported by PFPC's subaccounting services, the Principal Income IRA program is targeted at the growing assets in the 401(k) rollover market.

About the Principal Financial Group

The Principal Financial Group® (The Principal®)(1) is a leader in offering businesses, individuals and institutional clients a wide range of financial products and services, including retirement and investment services, life and health insurance and mortgage banking through its diverse family of financial services

companies. More employers choose the Principal Financial Group for their 401(k) plans than any other bank, mutual fund, or insurance company in the United States(2). A member of the Fortune 500, the Principal Financial Group has \$128.0 billion in assets under management(3) and serves some 13 million customers worldwide from offices in Asia, Australia, Europe, Latin America and the United States. Principal Financial Group, Inc. is traded on the New York Stock Exchange under the ticker symbol PFG. For more information, visit www.principal.com .

About PFPC

PFPC is the nation's largest full-service mutual fund transfer agent and the second largest provider of mutual fund accounting services. PFPC also provides distribution and subaccounting services, advanced output solutions, custody, securities lending, integrated banking transaction services and alternative investment services. PFPC clients include some of the world's most successful financial services companies, including brokerage firms, pension and investment managers, insurance companies and banks. PFPC's affiliate, PFPC International Ltd., based in Dublin, Ireland, has served the international funds community since 1993. For more information, please visit us at www.pfpc.com .

About PNC

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

(1) "The Principal Financial Group" and "The Principal" are registered service marks of Principal Financial Services, Inc., a member of the Principal Financial Group.

(2) CFO Magazine, April/May 2003, based on total plans served in 2002 by insurance companies, banks and investment firms.

(3) As of June 30, 2003

SOURCE: The PNC Financial Services Group, Inc.

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