

**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

July 13, 2018
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)

25-1435979
(I.R.S. Employer
Identification No.)

The Tower at PNC Plaza
300 Fifth Avenue
Pittsburgh, Pennsylvania 15222-2401
(Address of principal executive offices, including zip code)

(888) 762-2265
(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On July 13, 2018, The PNC Financial Services Group, Inc. (“the Corporation”) issued a press release regarding the Corporation's earnings and business results for the second quarter of 2018. In connection therewith, the Corporation provided supplementary financial information on its web site. A copy of the Corporation's supplementary financial information is included in this Report as Exhibit 99.1 and is furnished herewith.

Item 8.01 Other Events

On July 13, 2018, The PNC Financial Services Group, Inc. (“the Corporation”) held a conference call for investors regarding the Corporation’s earnings and business results for the second quarter of 2018. The Corporation provided electronic presentation slides on its web site used in connection with the related investor conference call. Copies of the electronic presentation slides are included in this Report as Exhibit 99.2 and are furnished herewith.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Number</u>	<u>Description</u>	<u>Method of Filing</u>
99.1	Financial Supplement (unaudited) for the Second Quarter 2018	Furnished herewith
99.2	Electronic presentation slides for earnings release conference call	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: July 13, 2018

By: /s/ Gregory H. Kozich

Gregory H. Kozich

Senior Vice President and Controller



THE PNC FINANCIAL SERVICES GROUP, INC.

**FINANCIAL SUPPLEMENT
SECOND QUARTER 2018
(Unaudited)**

THE PNC FINANCIAL SERVICES GROUP, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2018
(UNAUDITED)

Consolidated Results:	<u>Page</u>
Income Statement	1
Balance Sheet	2
Average Balance Sheet	3
Details of Net Interest Margin	4
Per Share Related Information	5
Loans	5
Allowance for Loan and Lease Losses	6
Nonperforming Assets	7-8
Accruing Loans Past Due	9
Business Segment Results:	
Descriptions	10
Period End Employees	10
Income and Revenue	11
Retail Banking	12-13
Corporate & Institutional Banking	14
Asset Management Group	15
Glossary of Terms	16-18

The information contained in this Financial Supplement is preliminary, unaudited and based on data available on July 13, 2018. We have reclassified certain prior period amounts to be consistent with the current period presentation, which we believe is more meaningful to readers of our consolidated financial statements. 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 United States Securities and Exchange Commission (SEC) filings.

BUSINESS

PNC is one of the largest diversified financial services companies in the United States and is headquartered in Pittsburgh, Pennsylvania. PNC has businesses engaged in retail banking, including residential mortgage, corporate and institutional banking and asset management, providing many of its products and services nationally. PNC's primary geographic markets are located in the Mid-Atlantic, Midwest and Southeast. PNC also provides certain products and services internationally.

THE PNC FINANCIAL SERVICES GROUP, INC.

Cross Reference Index to Second Quarter 2018 Financial Supplement (Unaudited)

Financial Supplement Table Reference

Table	Description	Page
1	Consolidated Income Statement	1
2	Consolidated Balance Sheet	2
3	Average Consolidated Balance Sheet	3
4	Details of Net Interest Margin	4
5	Per Share Related Information	5
6	Details of Loans	5
7	Change in Allowance for Loan and Lease Losses	6
8	Nonperforming Assets by Type	7
9	Change in Nonperforming Assets	8
10	Largest Individual Nonperforming Assets at June 30, 2018	8
11	Accruing Loans Past Due 30 to 59 Days	9
12	Accruing Loans Past Due 60 to 89 Days	9
13	Accruing Loans Past Due 90 Days or More	9
14	Period End Employees	10
15	Summary of Business Segment Income and Revenue	11
16	Retail Banking	12-13
17	Corporate & Institutional Banking	14
18	Asset Management Group	15

Table 1: Consolidated Income Statement (Unaudited)

	Three months ended					Six months ended	
	June 30 2018	March 31 2018	December 31 2017	September 30 2017	June 30 2017	June 30 2018	June 30 2017
<i>In millions, except per share data.</i>							
Interest Income							
Loans	\$ 2,345	\$ 2,228	\$ 2,154	\$ 2,140	\$ 2,040	\$ 4,573	\$ 3,944
Investment securities	557	512	509	501	495	1,069	988
Other	180	178	162	154	139	358	262
Total interest income	3,082	2,918	2,825	2,795	2,674	6,000	5,194
Interest Expense							
Deposits	261	213	190	170	143	474	263
Borrowed funds	408	344	290	280	273	752	513
Total interest expense	669	557	480	450	416	1,226	776
Net interest income	2,413	2,361	2,345	2,345	2,258	4,774	4,418
Noninterest Income							
Asset management	456	455	720	421	398	911	801
Consumer services	381	357	366	357	360	738	692
Corporate services (a)	487	429	458	404	466	916	880
Residential mortgage	84	97	29	104	104	181	217
Service charges on deposits	169	167	183	181	170	336	331
Other (a) (b)	334	245	159	313	304	579	605
Total noninterest income	1,911	1,750	1,915	1,780	1,802	3,661	3,526
Total revenue	4,324	4,111	4,260	4,125	4,060	8,435	7,944
Provision For Credit Losses	80	92	125	130	98	172	186
Noninterest Expense							
Personnel	1,356	1,354	1,449	1,286	1,276	2,710	2,533
Occupancy	203	218	240	204	202	421	424
Equipment	281	273	274	259	281	554	532
Marketing	75	55	60	62	67	130	122
Other	669	627	1,038	645	653	1,296	1,270
Total noninterest expense	2,584	2,527	3,061	2,456	2,479	5,111	4,881
Income before income taxes (benefit) and noncontrolling interests	1,660	1,492	1,074	1,539	1,483	3,152	2,877
Income taxes (benefit)	304	253	(1,017)	413	386	557	706
Net income	1,356	1,239	2,091	1,126	1,097	2,595	2,171
Less: Net income attributable to noncontrolling interests	10	10	11	12	10	20	27
Preferred stock dividends (c)	55	63	55	63	55	118	118
Preferred stock discount accretion and redemptions	1	1	2	1	2	2	23
Net income attributable to common shareholders	\$ 1,290	\$ 1,165	\$ 2,023	\$ 1,050	\$ 1,030	\$ 2,455	\$ 2,003
Earnings Per Common Share							
Basic	\$ 2.74	\$ 2.45	\$ 4.23	\$ 2.18	\$ 2.12	\$ 5.19	\$ 4.10
Diluted	\$ 2.72	\$ 2.43	\$ 4.18	\$ 2.16	\$ 2.10	\$ 5.15	\$ 4.05
Average Common Shares Outstanding							
Basic	469	473	476	479	484	471	486
Diluted	472	476	480	483	488	474	491
Efficiency	60%	61%	72%	60%	61%	61%	61%
Noninterest income to total revenue	44%	43%	45%	43%	44%	43%	44%
Effective tax rate (d)	18.3%	17.0%	(94.7)%	26.8%	26.0%	17.7%	24.5%

(a) In the first quarter 2018, we reclassified operating lease income to corporate services noninterest income from other noninterest income. Prior period amounts were reclassified for operating lease income of \$35 million, \$34 million and \$31 million for the three months ended December 31, 2017, September 30, 2017 and June 30, 2017, respectively, and \$53 million for the six months ended June 30, 2017.

(b) Includes net gains (losses) on sales of securities of \$(3) million, \$(1) million, \$(3) million, \$(1) million, and \$13 million for the quarters ended June 30, 2018, March 31, 2018, December 31, 2017, September 30, 2017 and June 30, 2017, respectively, and \$(4) million and \$11 million for the six months ended June 30, 2018 and June 30, 2017, respectively.

(c) Dividends are payable quarterly other than Series O, Series R and Series S preferred stock, which are payable semiannually, with the Series O payable in different quarters than the Series R and Series S preferred stock.

(d) The effective income tax rates are generally lower than the statutory rate due to the relationship of pretax income to tax credits and earnings that are not subject to tax. The first and second quarter 2018 results reflected the change in the statutory federal income tax rate from 35% to 21%, effective as of January 1, 2018, as a result of the new federal tax legislation. The fourth quarter 2017 results benefited from an income tax benefit from the new federal tax legislation primarily attributable to revaluation of deferred tax liabilities at the lower statutory tax rate. Where certain income tax effects could be reasonably estimated, these were included as provisional amounts as of December 31, 2017. As a result, these provisional amounts could be adjusted during the measurement period, which will end in December 2018. No changes were made to these provisional amounts during the first or second quarters of 2018.

Table 2: Consolidated Balance Sheet (Unaudited)

<i>In millions, except par value</i>	June 30 2018	March 31 2018	December 31 2017	September 30 2017	June 30 2017
Assets					
Cash and due from banks	\$ 5,425	\$ 4,649	\$ 5,249	\$ 4,736	\$ 5,039
Interest-earning deposits with banks (a)	21,972	28,821	28,595	24,713	22,482
Loans held for sale (b)	1,325	965	2,655	1,764	2,030
Investment securities – available for sale	60,275	56,018	57,618	57,254	58,878
Investment securities – held to maturity	19,850	18,544	18,513	17,740	17,553
Loans (b)	222,855	221,614	220,458	221,109	218,034
Allowance for loan and lease losses	(2,581)	(2,604)	(2,611)	(2,605)	(2,561)
Net loans	220,274	219,010	217,847	218,504	215,473
Equity investments (c)	12,430	12,008	11,392	11,009	10,819
Mortgage servicing rights	2,045	1,979	1,832	1,854	1,867
Goodwill	9,218	9,218	9,173	9,163	9,163
Other (b)	27,897	27,949	27,894	28,454	28,886
Total assets	<u>\$ 380,711</u>	<u>\$ 379,161</u>	<u>\$ 380,768</u>	<u>\$ 375,191</u>	<u>\$ 372,190</u>
Liabilities					
Deposits					
Noninterest-bearing	\$ 79,047	\$ 78,303	\$ 79,864	\$ 79,967	\$ 79,550
Interest-bearing	185,838	186,401	185,189	180,768	179,626
Total deposits	264,885	264,704	265,053	260,735	259,176
Borrowed funds					
Federal Home Loan Bank borrowings	22,036	19,537	21,037	20,538	19,039
Bank notes and senior debt	27,596	28,773	28,062	26,467	26,054
Subordinated debt	4,781	5,121	5,200	5,601	6,111
Other (b)	4,809	4,608	4,789	4,958	5,202
Total borrowed funds	59,222	58,039	59,088	57,564	56,406
Allowance for unfunded loan commitments and letters of credit	289	290	297	293	304
Accrued expenses and other liabilities	9,340	9,093	8,745	10,147	10,119
Total liabilities	<u>333,736</u>	<u>332,126</u>	<u>333,183</u>	<u>328,739</u>	<u>326,005</u>
Equity					
Preferred stock (d)					
Common stock - \$5 par value					
Authorized 800 shares, issued 542 shares	2,710	2,710	2,710	2,710	2,710
Capital surplus	16,250	16,227	16,374	16,343	16,326
Retained earnings	37,201	36,266	35,481	33,819	33,133
Accumulated other comprehensive income (loss)	(940)	(699)	(148)	(22)	(98)
Common stock held in treasury at cost: 77, 72, 69, 66 and 62 shares	(8,317)	(7,535)	(6,904)	(6,462)	(5,987)
Total shareholders' equity	46,904	46,969	47,513	46,388	46,084
Noncontrolling interests					
	71	66	72	64	101
Total equity	46,975	47,035	47,585	46,452	46,185
Total liabilities and equity	<u>\$ 380,711</u>	<u>\$ 379,161</u>	<u>\$ 380,768</u>	<u>\$ 375,191</u>	<u>\$ 372,190</u>

(a) Amounts include balances held with the Federal Reserve Bank of Cleveland of \$21.6 billion, \$28.6 billion, \$28.3 billion, \$24.3 billion and \$22.1 billion as of June 30, 2018, March 31, 2018, December 31, 2017, September 30, 2017 and June 30, 2017, respectively.

(b) Amounts include assets and liabilities for which PNC has elected the fair value option. Our first quarter 2018 Form 10-Q included, and our second quarter 2018 Form 10-Q will include, additional information regarding these items.

(c) Amounts include our equity interest in BlackRock. The amount at March 31, 2018 included \$.6 billion of trading and available for sale securities, primarily money market funds, that were reclassified to Equity investments on January 1, 2018 in accordance with the adoption of Accounting Standards Update 2016-01, Financial Instruments - Overall: *Recognition and Measurement of Financial Assets and Financial Liabilities*.

(d) Par value less than \$.5 million at each date.

Table 3: Average Consolidated Balance Sheet (Unaudited) (a)

<i>In millions</i>	<i>Three months ended</i>					<i>Six months ended</i>	
	June 30 2018	March 31 2018	December 31 2017	September 30 2017	June 30 2017	June 30 2018	June 30 2017
Assets							
Interest-earning assets:							
Investment securities							
Securities available for sale							
Residential mortgage-backed							
Agency	\$ 26,527	\$ 25,438	\$ 25,338	\$ 25,493	\$ 25,862	\$ 25,986	\$ 26,122
Non-agency	2,271	2,398	2,577	2,758	2,947	2,334	3,037
Commercial mortgage-backed	4,449	4,534	4,542	4,838	5,493	4,491	5,705
Asset-backed	5,161	5,158	5,330	5,546	5,863	5,160	5,927
U.S. Treasury and government agencies	15,719	14,307	13,646	13,081	12,881	15,017	12,990
Other	4,112	4,233	4,940	5,011	5,093	4,172	5,193
Total securities available for sale	58,239	56,068	56,373	56,727	58,139	57,160	58,974
Securities held to maturity							
Residential mortgage-backed	15,608	14,818	13,976	13,549	12,790	15,216	12,323
Commercial mortgage-backed	807	902	963	1,211	1,393	854	1,425
Asset-backed	194	199	220	358	490	196	523
U.S. Treasury and government agencies	747	743	739	561	533	745	531
Other	1,884	1,926	1,974	2,000	2,007	1,904	2,024
Total securities held to maturity	19,240	18,588	17,872	17,679	17,213	18,915	16,826
Total investment securities	77,479	74,656	74,245	74,406	75,352	76,075	75,800
Loans							
Commercial	113,349	111,462	111,365	109,503	106,944	112,411	105,024
Commercial real estate	28,888	28,901	29,432	29,676	29,655	28,894	29,418
Equipment lease financing	7,494	7,845	7,670	7,704	7,602	7,670	7,550
Consumer	55,387	55,588	55,814	56,062	56,342	55,487	56,591
Residential real estate	17,566	17,308	16,840	16,273	15,830	17,437	15,741
Total loans	222,684	221,104	221,121	219,218	216,373	221,899	214,324
Interest-earning deposits with banks (b)	21,017	25,667	25,567	23,859	22,543	23,329	23,363
Other interest-earning assets	6,905	7,904	8,759	9,024	9,748	7,402	9,076
Total interest-earning assets	328,085	329,331	329,692	326,507	324,016	328,705	322,563
Noninterest-earning assets	47,542	46,944	47,136	46,890	46,286	47,244	45,807
Total assets	\$ 375,627	\$ 376,275	\$ 376,828	\$ 373,397	\$ 370,302	\$ 375,949	\$ 368,370
Liabilities and Equity							
Interest-bearing liabilities:							
Interest-bearing deposits							
Money market	\$ 56,199	\$ 58,523	\$ 60,954	\$ 62,325	\$ 62,157	\$ 57,355	\$ 63,034
Demand	60,409	59,620	57,128	56,743	57,513	60,017	57,157
Savings	51,115	48,451	45,817	43,869	42,128	49,791	40,620
Time deposits	16,634	16,844	17,438	17,571	17,214	16,737	17,136
Total interest-bearing deposits	184,357	183,438	181,337	180,508	179,012	183,900	177,947
Borrowed funds							
Federal Home Loan Bank borrowings	20,956	20,721	19,565	19,190	20,405	20,839	20,410
Bank notes and senior debt	28,787	28,987	27,778	26,602	24,817	28,887	23,910
Subordinated debt	4,855	5,179	5,433	5,970	6,607	5,016	6,854
Other	4,368	4,751	5,261	5,254	5,695	4,558	5,067
Total borrowed funds	58,966	59,638	58,037	57,016	57,524	59,300	56,241
Total interest-bearing liabilities	243,323	243,076	239,374	237,524	236,536	243,200	234,188
Noninterest-bearing liabilities and equity:							
Noninterest-bearing deposits	76,632	77,222	80,152	78,931	77,375	76,925	77,710
Accrued expenses and other liabilities	8,944	9,118	10,801	10,749	10,432	9,031	10,258
Equity	46,728	46,859	46,501	46,193	45,959	46,793	46,214
Total liabilities and equity	\$ 375,627	\$ 376,275	\$ 376,828	\$ 373,397	\$ 370,302	\$ 375,949	\$ 368,370

(a) Calculated using average daily balances.

(b) Amounts include average balances held with the Federal Reserve Bank of Cleveland of \$20.7 billion, \$25.4 billion, \$25.3 billion, \$23.4 billion and \$22.1 billion for the three months ended June 30, 2018, March 31, 2018, December 31, 2017, September 30, 2017 and June 30, 2017, respectively, and \$23.1 billion and \$22.9 billion for six months ended June 30, 2018 and June 30, 2017, respectively.

Table 4: Details of Net Interest Margin (Unaudited) (a)

	<i>Three months ended</i>					<i>Six months ended</i>	
	June 30	March 31	December 31	September 30	June 30	June 30	June 30
	2018	2018	2017	2017	2017	2018	2017
Average yields/rates							
Yield on interest-earning assets							
Investment securities							
Securities available for sale							
Residential mortgage-backed							
Agency	2.68%	2.60%	2.58%	2.61%	2.51%	2.64%	2.54%
Non-agency	6.52%	5.99%	4.29%	5.91%	5.58%	6.25%	5.59%
Commercial mortgage-backed	2.76%	2.75%	4.68%	2.71%	2.56%	2.76%	2.45%
Asset-backed	3.11%	2.87%	2.82%	2.53%	2.48%	2.99%	2.49%
U.S. Treasury and government agencies	2.25%	2.07%	1.79%	1.83%	1.78%	2.17%	1.72%
Other	4.06%	3.17%	3.32%	3.08%	3.08%	3.61%	3.00%
Total securities available for sale	2.85%	2.69%	2.73%	2.63%	2.56%	2.77%	2.54%
Securities held to maturity							
Residential mortgage-backed	2.89%	2.84%	2.74%	2.81%	2.82%	2.86%	2.80%
Commercial mortgage-backed	3.71%	3.76%	4.11%	4.42%	4.30%	3.74%	3.89%
Asset-backed	3.48%	2.90%	2.66%	2.53%	2.35%	3.19%	2.28%
U.S. Treasury and government agencies	2.83%	2.80%	2.85%	3.07%	3.10%	2.82%	3.09%
Other	4.39%	4.44%	5.28%	5.30%	5.28%	4.42%	5.31%
Total securities held to maturity	3.07%	3.05%	3.10%	3.20%	3.22%	3.06%	3.19%
Total investment securities	2.91%	2.78%	2.82%	2.77%	2.71%	2.85%	2.69%
Loans							
Commercial	3.97%	3.74%	3.59%	3.54%	3.45%	3.86%	3.35%
Commercial real estate	4.04%	3.81%	3.68%	3.65%	3.48%	3.93%	3.38%
Equipment lease financing	3.16%	3.68%	2.33%	3.71%	3.65%	3.43%	3.49%
Consumer	4.96%	4.87%	4.72%	4.67%	4.52%	4.92%	4.49%
Residential real estate	4.36%	4.40%	4.41%	4.45%	4.55%	4.38%	4.55%
Total loans	4.23%	4.09%	3.91%	3.92%	3.82%	4.16%	3.75%
Interest-earning deposits with banks	1.78%	1.52%	1.33%	1.26%	1.04%	1.64%	.92%
Other interest-earning assets	4.98%	4.11%	3.55%	3.47%	3.38%	4.52%	3.46%
Total yield on interest-earning assets	3.78%	3.59%	3.45%	3.45%	3.35%	3.68%	3.29%
Rate on interest-bearing liabilities							
Interest-bearing deposits							
Money market	.64%	.54%	.45%	.41%	.30%	.59%	.27%
Demand	.25%	.21%	.17%	.14%	.12%	.23%	.11%
Savings	.74%	.57%	.51%	.45%	.45%	.65%	.44%
Time deposits	.98%	.88%	.85%	.79%	.73%	.93%	.71%
Total interest-bearing deposits	.57%	.47%	.42%	.37%	.32%	.52%	.30%
Borrowed funds							
Federal Home Loan Bank borrowings	2.23%	1.76%	1.48%	1.37%	1.23%	2.00%	1.16%
Bank notes and senior debt	2.95%	2.43%	2.04%	2.05%	2.00%	2.69%	1.93%
Subordinated debt	4.50%	3.91%	3.49%	3.48%	3.66%	4.20%	3.57%
Other	1.82%	2.18%	1.74%	1.60%	1.67%	2.01%	1.54%
Total borrowed funds	2.74%	2.31%	1.96%	1.93%	1.89%	2.52%	1.82%
Total rate on interest-bearing liabilities	1.10%	.91%	.79%	.75%	.70%	1.01%	.66%
Interest rate spread	2.68%	2.68%	2.66%	2.70%	2.65%	2.67%	2.63%
Impact of noninterest-bearing sources (b)	.28	.23	.22	.21	.19	.27	.18
Net interest margin	2.96%	2.91%	2.88%	2.91%	2.84%	2.94%	2.81%

(a) Calculated as annualized taxable-equivalent net interest income divided by average earning assets. To provide more meaningful comparisons of net interest yields for all earning assets, as well as net interest margins, we use interest income on a taxable-equivalent basis in calculating net interest yields and net interest margins by increasing the interest income earned on tax-exempt assets to make it fully equivalent to interest income earned on taxable investments. This adjustment is not permitted under generally accepted accounting principles (GAAP) in the Consolidated Income Statement. The taxable-equivalent adjustments to net interest income for the three months ended June 30, 2018, March 31, 2018, December 31, 2017, September 30, 2017 and June 30, 2017 were \$29 million, \$29 million, \$54 million, \$55 million and \$54 million, respectively. The taxable-equivalent adjustments to net interest income for the six months ended June 30, 2018 and June 30, 2017 were \$58 million and \$106 million, respectively. Taxable equivalent amounts for the 2018 periods were calculated using a statutory federal income tax rate of 21%, reflecting the enactment of the new federal tax legislation effective January 1, 2018. Amounts for the 2017 periods were calculated using the previously applicable statutory federal income tax rate of 35%.

(b) Represents the positive effects of investing noninterest-bearing sources in interest-earning assets.

Table 5: Per Share Related Information (Unaudited)

<i>In millions, except per share data</i>	<i>Three months ended</i>					<i>Six months ended</i>	
	June 30	March 31	December 31	September 30	June 30	June 30	June 30
	2018	2018	2017	2017	2017	2018	2017
Basic							
Net income	\$ 1,356	\$ 1,239	\$ 2,091	\$ 1,126	\$ 1,097	\$ 2,595	\$ 2,171
Less:							
Net income attributable to noncontrolling interests	10	10	11	12	10	20	27
Preferred stock dividends (a)	55	63	55	63	55	118	118
Preferred stock discount accretion and redemptions	1	1	2	1	2	2	23
Net income attributable to common shareholders	1,290	1,165	2,023	1,050	1,030	2,455	2,003
Less:							
Dividends and undistributed earnings allocated to nonvested restricted shares	5	5	8	5	4	10	10
Net income attributable to basic common shares	\$ 1,285	\$ 1,160	\$ 2,015	\$ 1,045	\$ 1,026	\$ 2,445	\$ 1,993
Basic weighted-average common shares outstanding	469	473	476	479	484	471	486
Basic earnings per common share	\$ 2.74	\$ 2.45	\$ 4.23	\$ 2.18	\$ 2.12	\$ 5.19	\$ 4.10
Diluted							
Net income attributable to basic common shares	\$ 1,285	\$ 1,160	\$ 2,015	\$ 1,045	\$ 1,026	\$ 2,445	\$ 1,993
Less: Impact of BlackRock earnings per share dilution	3	2	8	3	1	5	5
Net income attributable to diluted common shares	\$ 1,282	\$ 1,158	\$ 2,007	\$ 1,042	\$ 1,025	\$ 2,440	\$ 1,988
Basic weighted-average common shares outstanding	469	473	476	479	484	471	486
Dilutive potential common shares	3	3	4	4	4	3	5
Diluted weighted-average common shares outstanding	472	476	480	483	488	474	491
Diluted earnings per common share	\$ 2.72	\$ 2.43	\$ 4.18	\$ 2.16	\$ 2.10	\$ 5.15	\$ 4.05

(a) Dividends are payable quarterly other than the Series O, Series R and Series S preferred stock, which are payable semiannually, with the Series O payable in different quarters than the Series R and Series S preferred stock.

Table 6: Details of Loans (Unaudited)

<i>In millions</i>	June 30	March 31	December 31	September 30	June 30
	2018	2018	2017	2017	2017
Commercial lending					
Commercial					
Manufacturing	\$ 21,667	\$ 21,367	\$ 20,578	\$ 20,658	\$ 20,533
Retail/wholesale trade	19,299	18,232	17,846	18,256	18,101
Service providers	14,343	14,554	15,100	15,014	15,111
Real estate related (a)	12,688	12,701	12,496	12,174	12,179
Health care	9,564	9,937	9,739	9,659	9,541
Financial services	9,241	9,479	8,532	10,968	8,493
Transportation and warehousing	5,531	5,488	5,609	5,597	5,589
Other industries	21,034	20,550	20,627	18,991	19,010
Total commercial	113,367	112,308	110,527	111,317	108,557
Commercial real estate	28,946	28,835	28,978	29,516	29,489
Equipment lease financing	7,323	7,802	7,934	7,694	7,719
Total commercial lending	149,636	148,945	147,439	148,527	145,765
Consumer lending					
Home equity	27,219	27,699	28,364	28,811	29,219
Residential real estate	17,805	17,456	17,212	16,601	16,049
Credit card	5,830	5,657	5,699	5,375	5,211
Other consumer					
Automobile	13,892	13,295	12,880	12,743	12,488
Education	4,057	4,228	4,454	4,620	4,751
Other	4,416	4,334	4,410	4,432	4,551
Total consumer lending	73,219	72,669	73,019	72,582	72,269
Total loans	\$ 222,855	\$ 221,614	\$ 220,458	\$ 221,109	\$ 218,034

(a) Includes loans to customers in the real estate and construction industries.

Allowance for Loan and Lease Losses (Unaudited)

Table 7: Change in Allowance for Loan and Lease Losses

	June 30	March 31	December 31	September 30	June 30
<i>Three months ended - in millions</i>	2018	2018	2017	2017	2017
Beginning balance	\$ 2,604	\$ 2,611	\$ 2,605	\$ 2,561	\$ 2,561
Gross charge-offs:					
Commercial	(24)	(28)	(46)	(39)	(48)
Commercial real estate	(2)	(6)	(15)	(6)	(2)
Equipment lease financing	(2)	(2)	(5)	(4)	(1)
Home equity	(33)	(28)	(25)	(26)	(38)
Residential real estate	(4)	(2)	(1)	(4)	
Credit card	(53)	(56)	(46)	(44)	(46)
Other consumer					
Automobile	(39)	(38)	(37)	(31)	(28)
Education	(8)	(9)	(11)	(7)	(9)
Other	(28)	(24)	(23)	(24)	(22)
Total gross charge-offs	(193)	(193)	(209)	(185)	(194)
Recoveries:					
Commercial	16	16	20	17	20
Commercial real estate	8	6	7	6	8
Equipment lease financing	1	4	3	2	1
Home equity	23	21	24	24	23
Residential real estate	6	4	6	4	4
Credit card	6	6	5	5	6
Other consumer					
Automobile	18	17	15	15	15
Education	2	2	2	2	2
Other	4	4	4	4	5
Total recoveries	84	80	86	79	84
Net (charge-offs) / recoveries:					
Commercial	(8)	(12)	(26)	(22)	(28)
Commercial real estate	6		(8)		6
Equipment lease financing	(1)	2	(2)	(2)	
Home equity	(10)	(7)	(1)	(2)	(15)
Residential real estate	2	2	5		4
Credit card	(47)	(50)	(41)	(39)	(40)
Other consumer					
Automobile	(21)	(21)	(22)	(16)	(13)
Education	(6)	(7)	(9)	(5)	(7)
Other	(24)	(20)	(19)	(20)	(17)
Total net (charge-offs)	(109)	(113)	(123)	(106)	(110)
Provision for credit losses	80	92	125	130	98
Net decrease / (increase) in allowance for unfunded loan commitments and letters of credit	1	7	(4)	11	1
Other	5	7	8	9	11
Ending balance	\$ 2,581	\$ 2,604	\$ 2,611	\$ 2,605	\$ 2,561
Supplemental Information					
Net charge-offs to average loans (for the three months ended) (annualized)	.20%	.21%	.22%	.19%	.20%
Allowance for loan and lease losses to total loans	1.16%	1.18%	1.18%	1.18%	1.17%
Commercial lending net charge-offs	\$ (3)	\$ (10)	\$ (36)	\$ (24)	\$ (22)
Consumer lending net charge-offs	(106)	(103)	(87)	(82)	(88)
Total net charge-offs	\$ (109)	\$ (113)	\$ (123)	\$ (106)	\$ (110)
Net charge-offs to average loans					
Commercial lending	.01%	.03%	.10%	.06%	.06%
Consumer lending	.58%	.57%	.48%	.45%	.49%

Details of Nonperforming Assets (Unaudited)

Table 8: Nonperforming Assets by Type

<i>In millions</i>	June 30 2018	March 31 2018	December 31 2017	September 30 2017	June 30 2017
Nonperforming loans, including TDRs					
Commercial lending					
Commercial					
Retail/wholesale trade	\$ 65	\$ 126	\$ 115	\$ 76	\$ 86
Manufacturing	49	67	55	63	65
Service providers	48	36	35	48	52
Real estate related (a)	22	25	33	37	26
Health care	15	13	15	23	33
Transportation and warehousing	3	3	27	15	16
Other industries	136	156	149	157	190
Total commercial	338	426	429	419	468
Commercial real estate	71	107	123	128	127
Equipment lease financing	5	4	2	3	4
Total commercial lending	414	537	554	550	599
Consumer lending (b)					
Home equity	821	820	818	814	837
Residential real estate	381	391	400	423	439
Credit card	7	6	6	5	5
Other consumer					
Automobile	87	79	76	71	66
Education and other	9	9	11	10	11
Total consumer lending	1,305	1,305	1,311	1,323	1,358
Total nonperforming loans (c)	1,719	1,842	1,865	1,873	1,957
OREO, foreclosed and other assets	135	162	170	194	196
Total nonperforming assets	\$ 1,854	\$ 2,004	\$ 2,035	\$ 2,067	\$ 2,153
Nonperforming loans to total loans	.77%	.83%	.85%	.85%	.90%
Nonperforming assets to total loans, OREO, foreclosed and other assets	.83%	.90%	.92%	.93%	.99%
Nonperforming assets to total assets	.49%	.53%	.53%	.55%	.58%
Allowance for loan and lease losses to nonperforming loans	150%	141%	140%	139%	131%

(a) Includes loans related to customers in the real estate and construction industries.

(b) Excludes most consumer loans and lines of credit, not secured by residential real estate, which are charged off after 120 to 180 days past due and are not placed on nonperforming status.

(c) Nonperforming loans exclude certain government insured or guaranteed loans, loans held for sale, loans accounted for under the fair value option and purchased impaired loans.

Details of Nonperforming Assets (Unaudited) (Continued)

Table 9: Change in Nonperforming Assets

<i>In millions</i>	April 1, 2018 - June 30, 2018	January 1, 2018 - March 31, 2018	October 1, 2017 - December 31, 2017	July 1, 2017 - September 30, 2017	April 1, 2017 - June 30, 2017
Beginning balance	\$ 2,004	\$ 2,035	\$ 2,067	\$ 2,153	\$ 2,212
New nonperforming assets	276	249	307	303	436
Charge-offs and valuation adjustments	(145)	(137)	(141)	(142)	(152)
Principal activity, including paydowns and payoffs	(199)	(81)	(87)	(162)	(161)
Asset sales and transfers to loans held for sale	(34)	(29)	(40)	(38)	(58)
Returned to performing status	(48)	(33)	(71)	(47)	(124)
Ending balance	\$ 1,854	\$ 2,004	\$ 2,035	\$ 2,067	\$ 2,153

Table 10: Largest Individual Nonperforming Assets at June 30, 2018 (a)

<i>In millions</i>	Ranking	Outstandings	Industry
	1	\$38	Wholesale Trade
	2	38	Information
	3	26	Mining, Quarrying, Oil and Gas Extraction
	4	24	Mining, Quarrying, Oil and Gas Extraction
	5	21	Manufacturing
	6	17	Service Providers
	7	12	Real Estate, Rental and Leasing
	8	10	Construction
	9	8	Manufacturing
	10	8	Nonfarm Nonresidential Properties
	Total	\$202	

As a percent of total nonperforming assets 11%

(a) Amounts shown are not net of related allowance for loan and lease losses, if applicable.

Accruing Loans Past Due (Unaudited)

Table 11: Accruing Loans Past Due 30 to 59 Days (a)

<i>Dollars in millions</i>	Amount					Percent of Total Outstandings				
	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30
	2018	2018	2017	2017	2017	2018	2018	2017	2017	2017
Commercial	\$ 57	\$ 53	\$ 45	\$ 44	\$ 42	.05%	.05%	.04%	.04%	.04%
Commercial real estate	18	21	27	8	4	.06%	.07%	.09%	.03%	.01%
Equipment lease financing	12	18	17	4	2	.16%	.23%	.21%	.05%	.03%
Home equity	97	94	78	74	61	.36%	.34%	.27%	.26%	.21%
Residential real estate										
Non government insured	66	66	90	75	78	.37%	.38%	.52%	.45%	.49%
Government insured	63	64	61	60	51	.35%	.37%	.35%	.36%	.32%
Credit card	40	40	43	40	34	.69%	.71%	.75%	.74%	.65%
Other consumer										
Automobile	82	77	79	71	44	.59%	.58%	.61%	.56%	.35%
Education and other										
Non government insured	18	22	25	30	24	.21%	.26%	.28%	.33%	.26%
Government insured	66	72	80	80	93	.78%	.84%	.90%	.88%	1.00%
Total	\$ 519	\$ 527	\$ 545	\$ 486	\$ 433	.23%	.24%	.25%	.22%	.20%

Table 12: Accruing Loans Past Due 60 to 89 Days (a)

<i>Dollars in millions</i>	Amount					Percent of Total Outstandings				
	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30
	2018	2018	2017	2017	2017	2018	2018	2017	2017	2017
Commercial	\$ 41	\$ 22	\$ 25	\$ 28	\$ 26	.04%	.02%	.02%	.03%	.02%
Commercial real estate	2	12	2	13	1	.01%	.04%	.01%	.04%	.00%
Equipment lease financing	7	1	1	3	4	.10%	.01%	.01%	.04%	.05%
Home equity	40	31	26	31	24	.15%	.11%	.09%	.11%	.08%
Residential real estate										
Non government insured	18	16	21	17	14	.10%	.09%	.12%	.10%	.09%
Government insured	48	54	53	54	55	.27%	.31%	.31%	.33%	.34%
Credit card	24	26	26	25	20	.41%	.46%	.46%	.47%	.38%
Other consumer										
Automobile	20	18	20	16	12	.14%	.14%	.16%	.13%	.10%
Education and other										
Non government insured	11	11	12	15	9	.13%	.13%	.14%	.17%	.10%
Government insured	45	43	52	53	54	.53%	.50%	.59%	.59%	.58%
Total	\$ 256	\$ 234	\$ 238	\$ 255	\$ 219	.11%	.11%	.11%	.12%	.10%

Table 13: Accruing Loans Past Due 90 Days or More (a)

<i>Dollars in millions</i>	Amount					Percent of Total Outstandings				
	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30
	2018	2018	2017	2017	2017	2018	2018	2017	2017	2017
Commercial	\$ 59	\$ 53	\$ 39	\$ 47	\$ 50	.05%	.05%	.04%	.04%	.05%
Commercial real estate					2					.01%
Residential real estate										
Non government insured	14	13	24	12	11	.08%	.07%	.14%	.07%	.07%
Government insured	339	360	462	406	400	1.90%	2.06%	2.68%	2.45%	2.49%
Credit card	44	45	45	38	36	.75%	.80%	.79%	.71%	.69%
Other consumer										
Automobile	7	9	8	5	4	.05%	.07%	.06%	.04%	.03%
Education and other										
Non government insured	9	12	11	9	8	.11%	.14%	.12%	.10%	.09%
Government insured	114	136	148	161	163	1.35%	1.59%	1.67%	1.78%	1.75%
Total	\$ 586	\$ 628	\$ 737	\$ 678	\$ 674	.26%	.28%	.33%	.31%	.31%

(a) Excludes loans held for sale and purchased impaired loans.

Business Segment Descriptions (Unaudited)

Retail Banking provides deposit, lending, brokerage, insurance services, investment management and cash management services to consumer and small business customers within our primary geographic markets. Our customers are serviced through our branch network, ATMs, call centers, online banking and mobile channels. The branch network is located primarily in Pennsylvania, Ohio, New Jersey, Michigan, Illinois, Maryland, Indiana, Florida, North Carolina, Kentucky, Washington, D.C., Delaware, Virginia, Georgia, Alabama, Missouri, Wisconsin and South Carolina. Deposit products include checking, savings and money market accounts and certificates of deposit. Lending products include residential mortgages, home equity loans and lines of credit, auto loans, credit cards, education loans and personal and small business loans and lines of credit. The residential mortgage loans are directly originated within our branch network and nationwide, and are typically underwritten to government agency and/or third-party standards, and either sold, servicing retained, or held on our balance sheet. Brokerage, investment management and cash management products and services include managed, education, retirement and trust accounts.

Corporate & Institutional Banking provides lending, treasury management, and capital markets-related products and services to mid-sized and large corporations, and government and not-for-profit entities. 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-related products and services include foreign exchange, derivatives, securities underwriting, loan syndications, mergers and acquisitions advisory and equity capital markets advisory related services. We also provide commercial loan servicing and technology solutions for the commercial real estate finance industry. Products and services are provided nationally. We offer certain products and services internationally.

Asset Management Group provides personal wealth management for high net worth and ultra high net worth clients and institutional asset management. Wealth management products and services include investment and retirement planning, customized investment management, private banking, tailored credit solutions, and trust management and administration for individuals and their families. Our Hawthorn unit provides multi-generational family planning including estate, financial, tax planning, fiduciary, investment management and consulting, private banking, personal administrative services, asset custody and customized performance reporting to ultra high net worth families. Institutional asset management provides advisory, custody and retirement administration services. The business also offers PNC proprietary mutual funds. Institutional clients include corporations, unions, municipalities, non-profits, foundations and endowments, largely within our primary geographic markets.

BlackRock, in which we hold an equity investment, is a leading publicly-traded investment management firm providing a broad range of investment, risk management and technology services to institutional and retail clients worldwide. Using a diverse platform of active and index investment strategies across asset classes, BlackRock develops investment outcomes and asset allocation solutions for clients. Product offerings include single- and multi-asset class portfolios investing in equities, fixed income, alternatives and money market instruments. BlackRock also offers an investment and risk management technology platform, risk analytics, advisory and technology services and solutions to a broad base of institutional and wealth management investors. Our equity investment in BlackRock provides us with an additional source of noninterest income and increases our overall revenue diversification. BlackRock is a publicly-traded company, and additional information regarding its business is available in its filings with the Securities and Exchange Commission (SEC). At June 30, 2018, our economic interest in BlackRock was 22%.

Table 14: Period End Employees

	June 30 2018	March 31 2018	December 31 2017	September 30 2017	June 30 2017
Full-time employees					
Retail Banking	29,884	29,903	29,604	29,486	29,463
Other full-time employees	21,498	21,055	20,754	20,637	20,399
Total full-time employees	51,382	50,958	50,358	50,123	49,862
Part-time employees					
Retail Banking	2,349	2,337	2,368	2,422	2,554
Other part-time employees	563	189	180	223	540
Total part-time employees	2,912	2,526	2,548	2,645	3,094
Total	54,294	53,484	52,906	52,768	52,956

Table 15: Summary of Business Segment Income and Revenue (Unaudited) (a) (b)

<i>In millions</i>	<i>Three months ended</i>					<i>Six months ended</i>	
	June 30	March 31	December 31	September 30	June 30	June 30	
	2018	2018	2017	2017	2017	2018	2017
Income (loss)							
Retail Banking	\$ 330	\$ 296	\$ (145)	\$ 232	\$ 230	\$ 626	\$ 443
Corporate & Institutional Banking	675	584	937	525	518	1,259	1,002
Asset Management Group	49	68	56	47	52	117	99
Other, including BlackRock (c)	302	291	1,243	322	297	593	627
Net income	\$ 1,356	\$ 1,239	\$ 2,091	\$ 1,126	\$ 1,097	\$ 2,595	\$ 2,171
Revenue							
Retail Banking	\$ 1,955	\$ 1,853	\$ 1,535	\$ 1,819	\$ 1,784	\$ 3,808	\$ 3,508
Corporate & Institutional Banking	1,535	1,429	1,502	1,479	1,478	2,964	2,841
Asset Management Group	294	300	297	292	290	594	579
Other, including BlackRock (c)	540	529	926	535	508	1,069	1,016
Total revenue	\$ 4,324	\$ 4,111	\$ 4,260	\$ 4,125	\$ 4,060	\$ 8,435	\$ 7,944

- (a) Our business information is presented based on our internal management reporting practices. Net interest income in business segment results reflects PNC's internal funds transfer pricing methodology. Assets receive a funding charge and liabilities and capital receive a funding credit based on a transfer pricing methodology that incorporates product repricing characteristics, tenor and other factors.
- (b) Our business segment results for the 2018 periods presented reflected the change in the statutory federal income tax rate from 35% to 21%, effective as of January 1, 2018, as a result of the new federal tax legislation. Our business segment results for the fourth quarter of 2017 reflect the allocation of the impact of the new tax legislation to our business segments, primarily the revaluation of the net deferred tax positions allocated to the segments. Where certain income tax effects could be reasonably estimated, these were included as provisional amounts as of December 31, 2017. As a result, these provisional amounts could be adjusted during the measurement period, which will end in December 2018. No changes were made to these provisional amounts during the first or second quarters of 2018.
- (c) Includes earnings and gains or losses related to PNC's equity interest in BlackRock and residual activities that do not meet the criteria for disclosure as a separate reportable business. We provide additional information on these activities in our Form 10-K and Form 10-Q filings with the SEC.

Table 16: Retail Banking (Unaudited) (a)

<i>Dollars in millions</i>	<i>Three months ended</i>					<i>Six months ended</i>	
	June 30 2018	March 31 2018	December 31 2017	September 30 2017	June 30 2017	June 30 2018	June 30 2017
Income Statement							
Net interest income	\$ 1,277	\$ 1,218	\$ 1,190	\$ 1,176	\$ 1,139	\$ 2,495	\$ 2,260
Noninterest income	678	635	345	643	645	1,313	1,248
Total revenue	1,955	1,853	1,535	1,819	1,784	3,808	3,508
Provision for credit losses	72	69	149	77	50	141	121
Noninterest expense	1,450	1,395	1,391	1,375	1,370	2,845	2,685
Pretax earnings (loss)	433	389	(5)	367	364	822	702
Income taxes	103	93	140	135	134	196	259
Earnings (loss)	\$ 330	\$ 296	\$ (145)	\$ 232	\$ 230	\$ 626	\$ 443
Average Balance Sheet							
Loans held for sale	\$ 629	\$ 652	\$ 819	\$ 802	\$ 730	\$ 640	\$ 786
Loans							
Consumer							
Home equity	\$ 24,177	\$ 24,608	\$ 24,933	\$ 25,173	\$ 25,413	\$ 24,391	\$ 25,506
Automobile	13,642	13,105	12,767	12,484	12,220	13,375	12,185
Education	4,181	4,409	4,567	4,723	4,913	4,294	5,021
Credit cards	5,728	5,619	5,450	5,280	5,137	5,674	5,129
Other	1,771	1,765	1,793	1,787	1,760	1,768	1,757
Total consumer	49,499	49,506	49,510	49,447	49,443	49,502	49,598
Commercial and commercial real estate	10,458	10,527	10,513	10,630	10,925	10,493	10,965
Residential mortgage	13,718	13,420	12,950	12,382	11,918	13,570	11,804
Total loans	\$ 73,675	\$ 73,453	\$ 72,973	\$ 72,459	\$ 72,286	\$ 73,565	\$ 72,367
Total assets	\$ 89,021	\$ 88,734	\$ 88,883	\$ 88,642	\$ 88,671	\$ 88,879	\$ 88,559
Deposits							
Noninterest-bearing demand	\$ 30,712	\$ 29,779	\$ 30,344	\$ 30,222	\$ 29,540	\$ 30,248	\$ 29,285
Interest-bearing demand	42,802	41,939	40,954	40,762	41,465	42,373	41,059
Money market	30,799	32,330	33,922	35,671	37,523	31,560	38,416
Savings	46,426	43,838	41,536	39,908	38,358	45,139	36,851
Certificates of deposit	11,816	12,082	12,554	12,962	13,304	11,948	13,518
Total deposits	\$ 162,555	\$ 159,968	\$ 159,310	\$ 159,525	\$ 160,190	\$ 161,268	\$ 159,129
Performance Ratios							
Return on average assets	1.49%	1.35%	(.65)%	1.04%	1.04%	1.42%	1.01%
Noninterest income to total revenue	35%	34%	22 %	35%	36%	34%	36%
Efficiency	74%	75%	91 %	76%	77%	75%	77%

(a) See notes (a) and (b) on page 11.

Retail Banking (Unaudited) (Continued)

<i>Dollars in millions, except as noted</i>	<i>Three months ended</i>					<i>Six months ended</i>	
	June 30	March 31	December 31	September 30	June 30	June 30	
	2018	2018	2017	2017	2017	2018	2017
Supplemental Noninterest Income Information							
Consumer services	\$ 287	\$ 266	\$ 279	\$ 273	\$ 277	\$ 553	\$ 527
Brokerage	\$ 88	\$ 86	\$ 81	\$ 77	\$ 78	\$ 174	\$ 154
Residential mortgage	\$ 84	\$ 97	\$ 29	\$ 104	\$ 104	\$ 181	\$ 217
Service charges on deposits	\$ 164	\$ 160	\$ 177	\$ 174	\$ 163	\$ 324	\$ 317
Residential Mortgage Information							
Residential mortgage servicing statistics (in billions, except as noted) (a)							
Serviced portfolio balance (b)	\$ 124	\$ 125	\$ 127	\$ 129	\$ 131		
Serviced portfolio acquisitions	\$ 3	\$ 1	\$ 1	\$ 2	\$ 8	\$ 4	\$ 16
MSR asset value (b)	\$ 1.3	\$ 1.3	\$ 1.2	\$ 1.2	\$ 1.2		
MSR capitalization value (in basis points) (b)	104	101	92	95	95		
Servicing income: (in millions)							
Servicing fees, net (c)	\$ 39	\$ 51	\$ 45	\$ 46	\$ 44	\$ 90	\$ 96
Mortgage servicing rights valuation, net of economic hedge	\$ 13	\$ 9	\$ (60)	\$ 7	\$ 11	\$ 22	\$ 23
Residential mortgage loan statistics							
Loan origination volume (in billions)	\$ 2.0	\$ 1.7	\$ 2.4	\$ 2.5	\$ 2.2	\$ 3.7	\$ 4.1
Loan sale margin percentage	2.21%	2.83%	2.71%	2.80%	2.74%	2.49%	2.84%
Percentage of originations represented by:							
Purchase volume (d)	71%	56%	50%	57%	61%	65%	53%
Refinance volume	29%	44%	50%	43%	39%	35%	47%
Other Information (b)							
Customer-related statistics (average)							
Non-teller deposit transactions (e)	54%	54%	54%	54%	52%	54%	52%
Digital consumer customers (f)	65%	64%	63%	62%	62%	65%	61%
Credit-related statistics							
Nonperforming assets	\$ 1,141	\$ 1,131	\$ 1,129	\$ 1,126	\$ 1,149		
Net charge-offs	\$ 112	\$ 100	\$ 99	\$ 85	\$ 87	\$ 212	\$ 187
Other statistics							
ATMs	9,043	9,047	9,051	8,987	8,972		
Branches (g)	2,404	2,442	2,459	2,474	2,481		
Brokerage account client assets (in billions) (h)	\$ 49	\$ 49	\$ 49	\$ 48	\$ 46		

- (a) Represents mortgage loan servicing balances for third parties and the related income.
- (b) Presented as of period end, except for customer-related statistics, which are averages for the quarterly and year-to-date periods, respectively, and net charge-offs, which are for the three months and six months ended, respectively.
- (c) Servicing fees net of impact of decrease in MSR value due to passage of time, including the impact from both regularly scheduled loan prepayments and loans that were paid down or paid off during the period.
- (d) Mortgages with borrowers as part of residential real estate purchase transactions.
- (e) Percentage of total consumer and business banking deposit transactions processed at an ATM or through our mobile banking application.
- (f) Represents consumer checking relationships that process the majority of their transactions through non-teller channels.
- (g) Excludes stand-alone mortgage offices and satellite offices (e.g., drive-ups, electronic branches and retirement centers) that provide limited products and/or services.
- (h) Includes cash and money market balances.

Table 17: Corporate & Institutional Banking (Unaudited) (a)

Dollars in millions	Three months ended					Six months ended	
	June 30	March 31	December 31	September 30	June 30	June 30	June 30
	2018	2018	2017	2017	2017	2018	2017
Income Statement							
Net interest income	\$ 900	\$ 882	\$ 898	\$ 924	\$ 890	\$ 1,782	\$ 1,729
Noninterest income	635	547	604	555	588	1,182	1,112
Total revenue	1,535	1,429	1,502	1,479	1,478	2,964	2,841
Provision for credit losses (benefit)	15	41	(14)	62	87	56	112
Noninterest expense	639	626	643	599	602	1,265	1,186
Pretax earnings	881	762	873	818	789	1,643	1,543
Income taxes (benefit)	206	178	(64)	293	271	384	541
Earnings	\$ 675	\$ 584	\$ 937	\$ 525	\$ 518	\$ 1,259	\$ 1,002
Average Balance Sheet							
Loans held for sale	\$ 594	\$ 1,189	\$ 845	\$ 917	\$ 716	\$ 890	\$ 915
Loans							
Commercial	\$ 102,722	\$ 100,802	\$ 100,726	\$ 98,794	\$ 96,012	\$ 101,767	\$ 94,067
Commercial real estate	26,715	26,732	27,259	27,559	27,575	26,723	27,334
Equipment lease financing	7,495	7,845	7,670	7,704	7,602	7,669	7,550
Total commercial lending	136,932	135,379	135,655	134,057	131,189	136,159	128,951
Consumer	39	77	107	222	278	58	304
Total loans	\$ 136,971	\$ 135,456	\$ 135,762	\$ 134,279	\$ 131,467	\$ 136,217	\$ 129,255
Total assets	\$ 153,619	\$ 151,909	\$ 151,721	\$ 150,948	\$ 148,267	\$ 152,769	\$ 145,445
Deposits							
Noninterest-bearing demand	\$ 44,383	\$ 45,896	\$ 48,116	\$ 47,180	\$ 46,327	\$ 45,136	\$ 46,872
Money market	22,832	23,406	23,992	23,413	21,321	23,118	21,204
Other	18,589	18,592	17,247	16,879	16,016	18,590	15,706
Total deposits	\$ 85,804	\$ 87,894	\$ 89,355	\$ 87,472	\$ 83,664	\$ 86,844	\$ 83,782
Performance Ratios							
Return on average assets	1.76%	1.56%	2.45%	1.38%	1.40%	1.66%	1.39%
Noninterest income to total revenue	41%	38%	40%	38%	40%	40%	39%
Efficiency	42%	44%	43%	41%	41%	43%	42%
Other Information							
Consolidated revenue from: (b)							
Treasury Management (c)	\$ 446	\$ 419	\$ 401	\$ 384	\$ 372	\$ 865	\$ 731
Capital Markets (c)	\$ 283	\$ 258	\$ 271	\$ 231	\$ 268	\$ 541	\$ 515
Commercial mortgage banking activities							
Commercial mortgage loans held for sale (d)	\$ 38	\$ 14	\$ 42	\$ 22	\$ 38	\$ 52	\$ 51
Commercial mortgage loan servicing income (e)	60	55	59	56	55	115	113
Commercial mortgage servicing rights valuation, net of economic hedge (f)	20	4	13	6	19	24	35
Total	\$ 118	\$ 73	\$ 114	\$ 84	\$ 112	\$ 191	\$ 199
MSR asset value (g)	\$ 748	\$ 723	\$ 668	\$ 628	\$ 618		
Average Loans by C&IB business							
Corporate Banking	\$ 58,523	\$ 57,856	\$ 57,064	\$ 56,867	\$ 54,937	\$ 58,191	\$ 54,416
Real Estate	37,419	37,252	38,949	38,516	38,318	37,336	37,730
Business Credit	17,336	16,818	16,612	16,097	15,645	17,078	15,244
Equipment Finance	14,352	14,243	13,912	13,744	13,481	14,298	12,982
Commercial Banking	7,065	7,066	6,957	7,042	7,124	7,065	7,057
Other	2,276	2,221	2,268	2,013	1,962	2,250	1,826
Total average loans	\$ 136,971	\$ 135,456	\$ 135,762	\$ 134,279	\$ 131,467	\$ 136,218	\$ 129,255
Credit-related statistics							
Nonperforming assets (g)	\$ 385	\$ 508	\$ 531	\$ 549	\$ 586		
Net charge-offs	\$ (2)	\$ 9	\$ 29	\$ 22	\$ 21	\$ 7	\$ 42

(a) See notes (a) and (b) on page 11.

(b) Represents consolidated amounts.

(c) Includes amounts reported in net interest income and noninterest income.

(d) Includes other noninterest income for valuations on commercial mortgage loans held for sale and related commitments, derivative valuations, originations fees, gains on sale of loans held for sale and net interest income on loans held for sale.

(e) Includes net interest income and noninterest income (primarily in corporate service fees) from loan servicing net of reduction in commercial mortgage servicing rights due to amortization expense and payoffs. Commercial mortgage servicing rights valuation, net of economic hedge is shown separately.

(f) Includes amounts reported in corporate service fees.

(g) Presented as of period end.

Table 18: Asset Management Group (Unaudited) (a)

	Three months ended					Six months ended	
	June 30	March 31	December 31	September 30	June 30	June 30	June 30
	2018	2018	2017	2017	2017	2018	2017
<i>Dollars in millions, except as noted</i>							
Income Statement							
Net interest income	\$ 72	\$ 74	\$ 71	\$ 72	\$ 73	\$ 146	\$ 144
Noninterest income	222	226	226	220	217	448	435
Total revenue	294	300	297	292	290	594	579
Provision for credit losses (benefit)	7	(7)	7	3	(7)	—	(9)
Noninterest expense	223	218	217	214	215	441	432
Pretax earnings	64	89	73	75	82	153	156
Income taxes	15	21	17	28	30	36	57
Earnings	\$ 49	\$ 68	\$ 56	\$ 47	\$ 52	\$ 117	\$ 99
Average Balance Sheet							
Loans							
Consumer	\$ 4,698	\$ 4,785	\$ 4,894	\$ 4,977	\$ 5,089	\$ 4,741	\$ 5,101
Commercial and commercial real estate	742	733	745	680	700	738	719
Residential mortgage	1,561	1,517	1,433	1,330	1,246	1,539	1,218
Total loans	\$ 7,001	\$ 7,035	\$ 7,072	\$ 6,987	\$ 7,035	\$ 7,018	\$ 7,038
Total assets	\$ 7,469	\$ 7,499	\$ 7,545	\$ 7,464	\$ 7,516	\$ 7,484	\$ 7,517
Deposits							
Noninterest-bearing demand	\$ 1,459	\$ 1,466	\$ 1,609	\$ 1,464	\$ 1,468	\$ 1,462	\$ 1,519
Interest-bearing demand	3,448	3,540	3,517	3,469	3,704	3,494	3,766
Money market	2,332	2,577	2,863	3,058	3,219	2,454	3,358
Savings	4,690	4,613	4,282	3,961	3,770	4,651	3,769
Other	382	305	288	237	230	345	239
Total deposits	\$ 12,311	\$ 12,501	\$ 12,559	\$ 12,189	\$ 12,391	\$ 12,406	\$ 12,651
Performance Ratios							
Return on average assets	2.63%	3.68%	2.94%	2.50%	2.78%	3.15%	2.66%
Noninterest income to total revenue	76%	75%	76%	75%	75%	75%	75%
Efficiency	76%	73%	73%	73%	74%	74%	75%
Other Information							
Nonperforming assets (b)	\$ 51	\$ 52	\$ 49	\$ 45	\$ 49		
Net charge-offs	\$ 1	\$ 6	\$ (1)	\$ 3	\$ 1	\$ 7	\$ 2
Client Assets Under Administration (in billions) (b) (c)							
Discretionary client assets under management	\$ 149	\$ 148	\$ 151	\$ 146	\$ 141		
Nondiscretionary client assets under administration	130	129	131	129	125		
Total	\$ 279	\$ 277	\$ 282	\$ 275	\$ 266		
Discretionary client assets under management							
Personal	\$ 92	\$ 92	\$ 94	\$ 90	\$ 89		
Institutional	57	56	57	56	52		
Total	\$ 149	\$ 148	\$ 151	\$ 146	\$ 141		

(a) See notes (a) and (b) on page 11.

(b) As of period end.

(c) Excludes brokerage account client assets.

Glossary of Terms

Adjusted average total assets - Primarily consisted of total average quarterly (or annual) assets plus (less) unrealized losses (gains) on investment securities, less goodwill and certain other intangible assets (net of eligible deferred taxes).

Basel III common equity Tier 1 capital - Common stock plus related surplus, net of treasury stock, plus retained earnings, plus accumulated other comprehensive income for securities currently and those transferred from available for sale and pension and other postretirement benefit plans, subject to phase-in limits, less goodwill, net of associated deferred tax liabilities, less other disallowed intangibles, net of deferred tax liabilities and plus/less other adjustments. Significant common stock investments in unconsolidated financial institutions, as well as mortgage servicing rights and deferred tax assets, must then be deducted to the extent such items individually exceed 10%, or in the aggregate exceed 15%, of our adjusted Basel III common equity Tier 1 capital.

Basel III common equity Tier 1 capital ratio - Common equity Tier 1 capital divided by period-end risk-weighted assets (as applicable).

Basel III Tier 1 capital - Common equity Tier 1 capital, plus qualifying preferred stock, plus certain trust preferred capital securities, plus certain noncontrolling interests that are held by others and plus/less other adjustments.

Basel III Tier 1 capital ratio - Tier 1 capital divided by period-end risk-weighted assets (as applicable).

Basel III Total capital - Tier 1 capital plus qualifying subordinated debt, plus certain trust preferred securities, plus, under the Basel III transitional rules and the standardized approach, the allowance for loan and lease losses included in Tier 2 capital and other.

Basel III Total capital ratio - Total capital divided by period-end risk-weighted assets (as applicable).

Charge-off - Process of removing a loan or portion of a loan from our balance sheet because it is considered uncollectible. We also record a charge-off when a loan is transferred from portfolio holdings to held for sale by reducing the loan carrying amount to the fair value of the loan, if fair value is less than carrying amount.

Combined loan-to-value ratio (CLTV) - This is the aggregate principal balance(s) of the mortgages on a property divided by its appraised value or purchase price.

Common shareholders' equity - Total shareholders' equity less the liquidation value of preferred stock.

Credit valuation adjustment - Represents an adjustment to the fair value of our derivatives for our own and counterparties' non-performance risk.

Criticized commercial loans - Loans with potential or identified weaknesses based upon internal risk ratings that comply with the regulatory classification definitions of "Special Mention," "Substandard" or "Doubtful."

Discretionary client 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.

Duration of equity - An estimate of the rate sensitivity of our economic value of equity. A negative duration of equity is associated with asset sensitivity (i.e., positioned for rising interest rates), while a positive value implies liability sensitivity (i.e., positioned for declining interest rates). For example, if the duration of equity is -1.5 years, the economic value of equity increases by 1.5% for each 100 basis point increase in interest rates.

Earning assets - Assets that generate income, which include: interest-earning deposits with banks; loans held for sale; loans; investment securities; and certain other assets.

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 total revenue.

Fair value - The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fee income - When referring to the components of Noninterest income, we use the term fee income to refer to the following categories within Noninterest income: Asset management; Consumer services; Corporate services; Residential mortgage; and Service charges on deposits.

FICO score - A credit bureau-based industry standard score created by Fair Isaac Co. which predicts the likelihood of borrower default. We use FICO scores both in underwriting and assessing credit risk in our consumer lending portfolio. Lower FICO scores indicate likely higher risk of default, while higher FICO scores indicate likely lower risk of default. FICO scores are updated on a periodic basis.

Futures and forward contracts - Contracts in which the buyer agrees to purchase and the seller agrees to deliver a specific financial instrument at a predetermined price or yield. May be settled either in cash or by delivery of the underlying financial instrument.

GAAP - Accounting principles generally accepted in the United States of America.

Impaired loans - Loans are determined to be impaired when, based on current information and events, it is probable that all contractually required payments will not be collected. Impaired loans include commercial nonperforming loans and consumer and commercial TDRs, regardless of nonperforming status. Excluded from impaired loans are nonperforming leases, loans held for sale, loans accounted for under the fair value option, smaller balance homogenous type loans and purchased impaired loans.

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

LIBOR - Acronym for London InterBank Offered Rate. LIBOR is the average interest rate charged when banks in the London wholesale money market (or interbank market) borrow unsecured funds from each other. LIBOR rates are used as a benchmark for interest rates on a global basis. Our product set includes loans priced using LIBOR as a benchmark.

Loan-to-value ratio (LTV) - A calculation of a loan's collateral coverage that is used both in underwriting and assessing credit risk in our lending portfolio. LTV is the sum total of loan obligations secured by collateral divided by the market value of that same collateral. Market values of the collateral are based on an independent valuation of the collateral. For example, a LTV of less than 90% is better secured and has less credit risk than a LTV of greater than or equal to 90%.

Loss given default (LGD) - An estimate of loss, net of recovery based on collateral type, collateral value, loan exposure, and other factors. Each loan has its own LGD. The LGD risk rating measures the percentage of exposure of a specific credit obligation that we expect to lose if default occurs. LGD is net of recovery, through any means, including but not limited to the liquidation of collateral or deficiency judgments rendered from foreclosure or bankruptcy proceedings.

Nonaccrual loans - Loans for which we do not accrue interest income. Nonaccrual loans include nonperforming loans, in addition to loans accounted for under fair value option and loans accounted for as held for sale for which full collection of contractual principal and/or interest is not probable.

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

Nonperforming assets - Nonperforming assets include nonperforming loans and OREO, foreclosed and other assets, but exclude certain government insured or guaranteed loans for which we expect to collect substantially all principal and interest, loans held for sale, loans accounted for under the fair value option and purchased impaired loans. We do not accrue interest income on assets classified as nonperforming.

Nonperforming loans - Loans accounted for at amortized cost for which we do not accrue interest income. Nonperforming loans include loans to commercial, commercial real estate, equipment lease financing, home equity, residential real estate, credit card and other consumer customers as well as TDRs which have not returned to performing status. Nonperforming loans exclude certain government insured or guaranteed loans for which we expect to collect substantially all principal and interest, loans held for sale, loans accounted for under the fair value option and purchased impaired loans. Nonperforming loans exclude purchased impaired loans as we are currently accreting interest income over the expected life of the loans.

Notional amount - A number of currency units, shares, or other units specified in a derivative contract.

Operating leverage - The period to period dollar or percentage change in total revenue (GAAP basis) less the dollar or percentage change in noninterest expense. A positive variance indicates that revenue growth exceeded expense growth (i.e., positive operating leverage) while a negative variance implies expense growth exceeded revenue growth (i.e., negative operating leverage).

Options - Contracts that grant the purchaser, for a premium payment, the right, but not the obligation, to either purchase or sell the associated financial instrument at a set price during a specified period or at a specified date in the future.

Other real estate owned (OREO), foreclosed and other assets - Assets taken in settlement of troubled loans primarily through deed-in-lieu of foreclosure or foreclosure. Foreclosed and other assets include real and personal property, equity interests in corporations, partnerships, and limited liability companies. Excludes certain assets that have a government-guarantee which are classified as other receivables.

Probability of default (PD) - An internal risk rating that indicates the likelihood that a credit obligor will enter into default status.

Recovery - Cash proceeds received on a loan that we had previously charged off. We credit the amount received to the allowance for loan and lease losses.

Risk-weighted assets - 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.

Servicing rights - An intangible asset or liability created by an obligation to service assets for others. Typical servicing rights include the right to receive a fee for collecting and forwarding payments on loans and related taxes and insurance premiums held in escrow.

Taxable-equivalent interest income - The interest income earned on certain assets that is completely or partially exempt from federal income tax. These tax-exempt instruments typically yield lower returns than taxable investments. To provide more meaningful comparisons of yields and margins for all interest-earning assets, we use interest income on a taxable-equivalent basis in calculating average yields and net interest margins by increasing the interest income earned on tax-exempt assets to make it fully equivalent to interest income earned on other taxable investments. This adjustment is not permitted under GAAP on the Consolidated Income Statement.

Troubled debt restructuring (TDR) - A loan whose terms have been restructured in a manner that grants a concession to a borrower experiencing financial difficulties.

Yield curve - A graph showing the relationship between the yields on financial instruments or market indices of the same credit quality with different maturities. For example, a "normal" or "positive" yield curve exists when long-term bonds have higher yields than short-term bonds. A "flat" yield curve exists when yields are the same for short-term and long-term bonds. A "steep" yield curve exists when yields on long-term bonds are significantly higher than on short-term bonds. An "inverted" or "negative" yield curve exists when short-term bonds have higher yields than long-term bonds.

Second Quarter 2018

Earnings Conference Call
July 13, 2018

The PNC Financial Services Group



Cautionary Statement Regarding Forward-Looking and Non-GAAP Financial Information



Our earnings conference call presentation is not intended as a full business or financial review and should be viewed in the context of all of the information made available by PNC in its SEC filings and on its corporate website.

The presentation contains forward-looking statements regarding our outlook for earnings, revenues, expenses, tax rates, capital and liquidity levels and ratios, asset levels, asset quality, financial position, and other matters regarding or affecting PNC and its future business and operations. Forward-looking statements are necessarily subject to numerous assumptions, risks and uncertainties, which change over time. The forward-looking statements in this presentation are qualified by the factors affecting forward-looking statements identified in the more detailed Cautionary Statement included in the Appendix. We provide greater detail regarding these as well as other factors in our 2017 Form 10-K and our first quarter 2018 Form 10-Q, and in our subsequent SEC filings. Our forward-looking statements may also be subject to other risks and uncertainties, including those we may discuss in this presentation or in our SEC filings. Future events or circumstances may change our outlook and may also affect the nature of the assumptions, risks and uncertainties to which our forward-looking statements are subject. Forward-looking statements in this presentation speak only as of the date of this presentation. We do not assume any duty and do not undertake to update those statements. Actual results or future events could differ, possibly materially, from those anticipated in forward-looking statements, as well as from historical performance.

We include non-GAAP financial information in this presentation. Non-GAAP financial information includes financial metrics that have been adjusted for the impact of new tax legislation and other significant items as well as fee income, tangible book value, pretax, pre-provision earnings and return on tangible common equity. Reconciliations for such financial information may be found in our presentation, in these slides, including the Appendix, in other materials on our corporate website, and in our SEC filings. This information supplements our results as reported in accordance with GAAP and should not be viewed in isolation from, or as a substitute for, our GAAP results. We believe that this information and the related reconciliations may be useful to investors, analysts, regulators and others to help understand and evaluate our financial results, and with respect to adjusted metrics, because we believe they better reflect the ongoing financial results and trends of our businesses and increase comparability of period-to-period results. We may also use annualized, pro forma, estimated or third party numbers for illustrative or comparative purposes only. These may not reflect actual results.

References to our corporate website are to www.pnc.com under "About Us—Investor Relations." Our SEC filings are available both on our corporate website and on the SEC's website at www.sec.gov. We include web addresses here as inactive textual references only. Information on these websites is not part of this presentation.

Second Quarter 2018 Highlights



- Delivered strong results
 - Net income up 9%
 - Revenue up 5%
 - Net interest income up 2%
 - Net interest margin up 5 bps
 - Noninterest income up 9%
 - Noninterest expense up 2%
 - Average loans up 1%
 - Average investment securities up 4%

Net Income
\$1.4 billion

Diluted Earnings Per Share
\$2.72

Return on Average Assets
1.45%

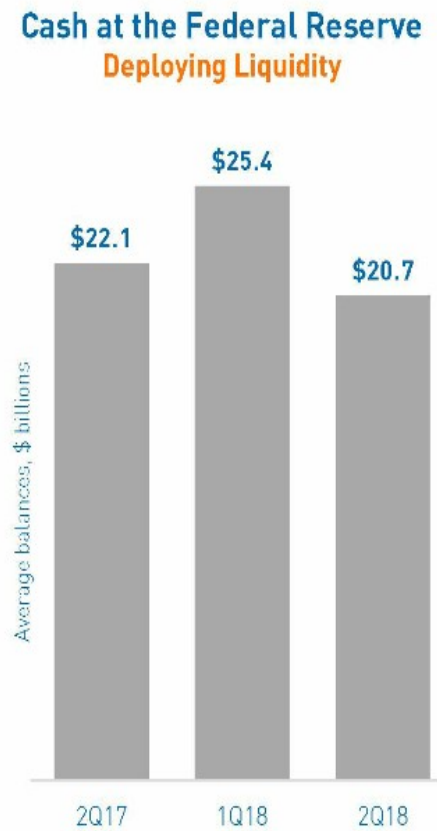
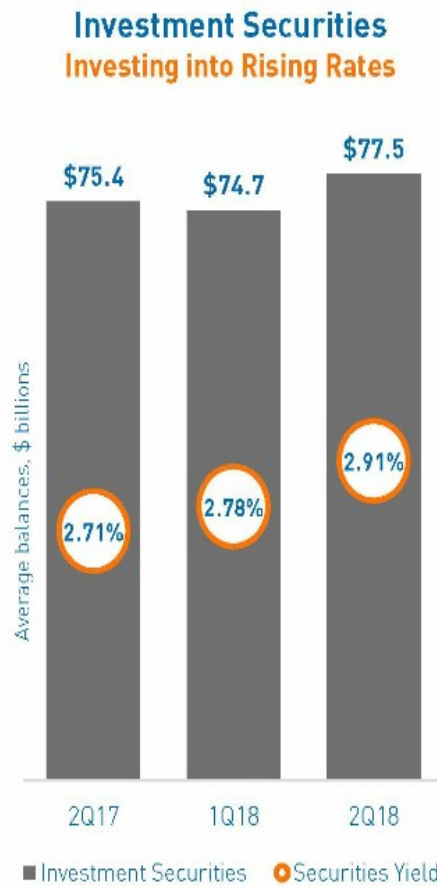
Return on Common Equity
12.13%

Balance Sheet: **Well-Positioned**



Average balances, \$ billions	2Q18	Change vs.		Highlights
		1Q18	2Q17	
Total loans	\$222.7	\$1.6	\$6.3	▪ Growth in commercial and consumer lending
Investment securities	\$77.5	\$2.8	\$2.1	▪ Investing into rising rate environment
Federal Reserve Bank balances	\$20.7	\$(4.7)	\$(1.4)	▪ Deployed liquidity
Deposits	\$261.0	\$0.3	\$4.6	▪ Stable deposit base
Common shareholders' equity	\$42.7	\$(0.1)	\$0.9	▪ 92% payout ratio in 2Q18 — 5.7 million shares repurchased for \$0.8 billion and dividends of \$0.4 billion
	6/30/18	3/31/18	6/30/17	
Basel III common equity Tier 1 capital ratio	9.5%	9.6%	9.8%	▪ Strong capital position
Tangible book value per common share	\$72.25	\$71.58	\$68.55	▪ 5% increase over 2Q17

- Payout ratio – Refers to amount used to fund common stock dividends and share repurchases as a percentage of net income attributable to diluted common shares
- Basel III common equity Tier 1 capital ratio – June 30, 2018 ratio is estimated. All ratios calculated based on the standardized approach. 2017 period presented reflects currently applicable methodology (which was previously referred to as pro forma fully phased-in Basel III common equity Tier 1 capital). See Appendix for additional information.
- Tangible book value per common share (Non-GAAP) – See Reconciliation in Appendix.



- LQ - Refers to a comparative period of 2Q18 with 1Q18
 - YOY - Refers to a comparative period of 2Q18 with 2Q17

Stable Deposit Base
85% Average Loan to Deposit Ratio



Deposit Betas
Cumulative Betas Migrating Toward Stated Betas

	Current Beta		Cumulative Beta		Stated Beta
	Dec. 2017 to 1Q18	Mar. 2018 to 2Q18	Dec. 2015 to 1Q18	Dec. 2015 to 2Q18	
Commercial	84%	80%	64%	67%	76%
Consumer	17%	40%	8%	13%	37%
Total	32%	50%	21%	26%	46%

- Commercial deposit betas represent C&IB interest-bearing non-maturity deposits
- Consumer deposit betas represent Retail Banking interest-bearing non-maturity deposits (personal and non-personal)
- Current Betas represent the beta from the date of the rate hike through the end of the period
- Cumulative Betas represent the average beta from the December 2015 rate hike through the end of the period
- Stated Beta represents PNC's long-term expectation for deposit betas based on historical rate performance and future rate expectations.

Income Statement: High Quality Results



\$ millions	2Q18	Change vs.		Highlights
		1Q18	2Q17	
Net interest income	\$2,413	\$52	\$155	▪ Higher interest rates and growth in earning assets, partially offset by increased funding costs
Noninterest income	1,911	161	109	▪ Executing on strategic priorities to grow fee-based revenue
Total revenue	4,324	213	264	▪ 5% linked quarter growth, 7% year over year growth
Noninterest expense	2,584	57	105	▪ Controlling expenses while growing and investing in our business
Pretax, pre-provision earnings	1,740	156	159	
Provision	80	(12)	(18)	▪ Lower commercial provision
Pretax income	1,660	168	177	
Income taxes	304	51	(82)	▪ Effective tax rate of 18.3% in 2Q18
Net income	\$1,356	\$117	\$259	
<hr/>				
	2Q18	1Q18	2Q17	
Diluted EPS	\$2.72	\$2.43	\$2.10	▪ Strong EPS growth

– Pretax, pre-provision earnings (Non-GAAP) – See Reconciliation in Appendix.

Total Revenue

7% Year-Over-Year Total Revenue Growth



Noninterest Income

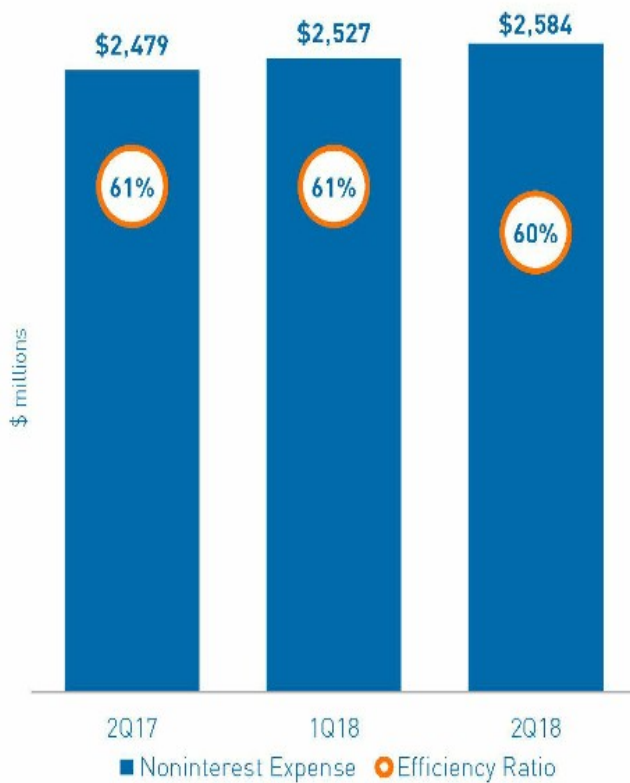
Diverse Sources of Fee-Based Revenue

\$ millions	Change vs.		
	2Q18	1Q18	2Q17
Asset management	\$456	-	15%
Consumer services	381	7%	6%
Corporate services	487	14%	5%
Residential mortgage	84	(13)%	(19)%
Service charges on deposits	169	1%	(1)%
Total fee income	1,577	5%	5%
Other income	334	36%	10%
Noninterest income	\$1,911	9%	6%

- NIM - Net interest margin.

Controlling Expenses

While Growing and Investing in our Business



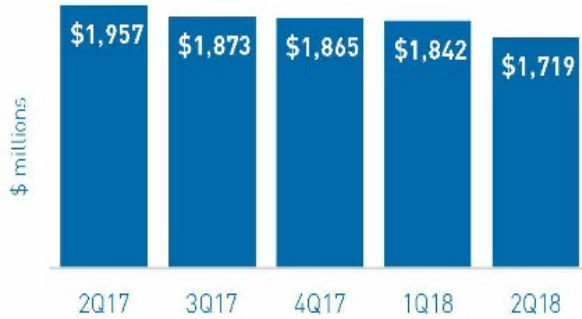
Highlights

- Linked quarter noninterest expense increased \$57 million, or 2%, reflecting seasonally higher business activity and marketing costs
- Year-over-year noninterest expense increased \$105 million, or 4%, reflecting overall business growth and investment
- Efficiency ratio improved to 60% as a result of positive operating leverage in 2Q18
- 2018 Continuous Improvement Program
 - On track to achieve \$250 million target

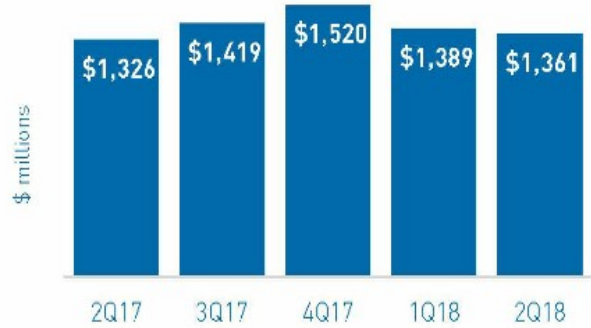
Credit Quality: **Remains Strong**



Nonperforming Loans



Delinquencies

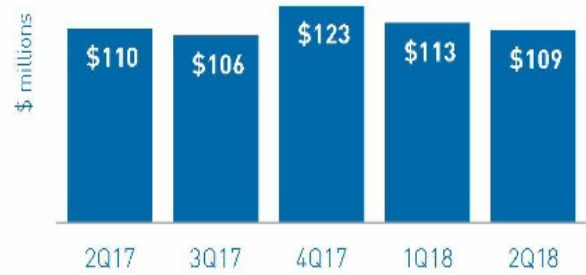


Accruing loans past due 30 days or more

Provision



Net Charge-Offs



NCO / Average Loans for 2Q18: 0.20%

Annualized net charge offs (NCO) to average loans for the three months ended

Balance Sheet	Loans	Up modestly
Income Statement	Net interest income	Up low-single digits
	Fee income	Up low-single digits
	Other noninterest income	\$225 - \$275 million
	Noninterest expense	Stable
	Loan loss provision	\$100 - \$150 million

- Refer to Cautionary Statement in the Appendix, including economic and other assumptions. Does not take into account impact of potential legal and regulatory contingencies.
- Net interest income, fee income and noninterest expense outlook represents estimated percentage change for 3Q18 compared to 2Q18

Balance Sheet	Loans	Up mid-single digits
	Revenue	Up higher end of mid-single digits
Income Statement	Noninterest expense	Up lower end of mid-single digits
	Effective tax rate	Approximately 17%

Guidance is based off of adjusted 2017 results (see Appendix)

- Refer to Cautionary Statement in the Appendix, including economic and other assumptions. Does not take into account impact of potential legal and regulatory contingencies.
- Loans, revenue and noninterest expense outlook represents estimated percentage change for FY18 compared to Adjusted FY17

Appendix: **Cautionary Statement Regarding Forward-Looking Information**



This presentation includes "snapshot" information about PNC used by way of illustration and is not intended as a full business or financial review. It should not be viewed in isolation but rather in the context of all of the information made available by PNC in its SEC filings.

We also make statements in this presentation, and we may from time to time make other statements, regarding our outlook for earnings, revenues, expenses, tax rates, capital and liquidity levels and ratios, asset levels, asset quality, financial position, and other matters regarding or affecting PNC and its future business and operations that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are typically identified by words such as "believe," "plan," "expect," "anticipate," "see," "look," "intend," "outlook," "project," "forecast," "estimate," "goal," "will," "should" and other similar words and expressions.

Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date made. We do not assume any duty and do not undertake to update forward-looking statements. Actual results or future events could differ, possibly materially, from those anticipated in forward-looking statements, as well as from historical performance.

Our forward-looking statements are subject to the following principal risks and uncertainties.

- Our businesses, financial results and balance sheet values are affected by business and economic conditions, including the following:
 - Changes in interest rates and valuations in debt, equity and other financial markets.
 - Disruptions in the U.S. and global financial markets.
 - Actions by the Federal Reserve Board, U.S. Treasury and other government agencies, including those that impact money supply and market interest rates.
 - Changes in customer behavior due to newly enacted tax legislation, changing business and economic conditions or legislative or regulatory initiatives.
 - Changes in customers', suppliers' and other counterparties' performance and creditworthiness.
 - Slowing or reversal of the current U.S. economic expansion.
 - Commodity price volatility.

Appendix: **Cautionary Statement Regarding Forward-Looking Information**



- Our forward looking financial statements are subject to the risk that economic and financial market conditions will be substantially different than those we are currently expecting and do not take into account potential legal and regulatory contingencies. These statements are based on our current view that the U.S. economic growth will accelerate somewhat in 2018, in light of stimulus from corporate and personal income tax cuts passed in late 2017 that are expected to support business investment and consumer spending, respectively. We expect an increase in federal government spending will also support economic growth in 2018. Further gradual improvement in the labor market this year, including job gains and rising wages, is another positive for consumer spending. Other sources of growth for the U.S. economy in 2018 will be the global economic expansion and the housing market, although trade restrictions are a growing downside risk to the forecast. Although inflation slowed in 2017, it should pick up as the labor market continues to tighten. Short-term interest rates and bond yields are expected to rise throughout 2018; after the Federal Open Market Committee raised the federal funds rate in June, our baseline forecast is for one additional rate hike in September 2018, pushing the rate to a range of 2.00 to 2.25% by the end of the year. Longer-term rates are also expected to increase as the Federal Reserve slowly reduces the size of its balance sheet and the federal government borrows more. Long term rates will rise more slowly than short term rates, so we anticipate that the yield curve will flatten but not invert.
- PNC's ability to take certain capital actions, including returning capital to shareholders, is subject to review by the Federal Reserve Board as part of PNC's comprehensive capital plan for the applicable period in connection with the Federal Reserve Board's Comprehensive Capital Analysis and Review (CCAR) process and to the acceptance of such capital plan and non-objection to such capital actions by the Federal Reserve Board.
- PNC's regulatory capital ratios in the future will depend on, among other things, the company's financial performance, the scope and terms of final capital regulations then in effect (particularly those implementing the international regulatory capital framework developed by the Basel Committee on Banking Supervision (Basel Committee), and management actions affecting the composition of PNC's balance sheet. In addition, PNC's ability to determine, evaluate and forecast regulatory capital ratios, and to take actions (such as capital distributions) based on actual or forecasted capital ratios, will be dependent at least in part on the development, validation and regulatory approval of related models.
- Legal and regulatory developments could have an impact on our ability to operate our businesses, financial condition, results of operations, competitive position, reputation, or pursuit of attractive acquisition opportunities. Reputational impacts could affect matters such as business generation and retention, liquidity, funding, and ability to attract and retain management. These developments could include:
 - Changes resulting from legislative and regulatory reforms, including changes affecting oversight of the financial services industry, consumer protection, pension, bankruptcy and other industry aspects, and changes in accounting policies and principles.
 - Changes to regulations governing bank capital and liquidity standards, including due to the Dodd-Frank Act and initiatives of the Basel Committee.
 - Unfavorable resolution of legal proceedings or other claims and regulatory and other governmental investigations or other inquiries. These matters may result in monetary judgments or settlements or other remedies, including fines, penalties, restitution or alterations in our business practices, and in additional expenses and collateral costs, and may cause reputational harm to PNC.
 - Results of the regulatory examination and supervision process, including our failure to satisfy requirements of agreements with governmental agencies.
 - Impact on business and operating results of any costs associated with obtaining rights in intellectual property claimed by others and of adequacy of our intellectual property protection in general.

Appendix: **Cautionary Statement Regarding Forward-Looking Information**



- Business and operating results are affected by our ability to identify and effectively manage risks inherent in our businesses, including, where appropriate, through effective use of systems and controls, third-party insurance, derivatives, and capital management techniques, and to meet evolving regulatory capital and liquidity standards.
- Business and operating results also include impacts relating to our equity interest in BlackRock, Inc. and rely to a significant extent on information provided to us by BlackRock. Risks and uncertainties that could affect BlackRock are discussed in more detail by BlackRock in its SEC filings.
- We grow our business in part through acquisitions. Acquisition risks and uncertainties include those presented by the nature of the business acquired, including in some cases those associated with our entry into new businesses or new geographic or other markets and risks resulting from our inexperience in those new areas, as well as risks and uncertainties related to the acquisition transactions themselves, regulatory issues, and the integration of the acquired businesses into PNC after closing.
- Competition can have an impact on customer acquisition, growth and retention and on credit spreads and product pricing, which can affect market share, deposits and revenues. Our ability to anticipate and respond to technological changes can also impact our ability to respond to customer needs and meet competitive demands.
- Business and operating results can also be affected by widespread natural and other disasters, pandemics, dislocations, terrorist activities, system failures, security breaches, cyber attacks or international hostilities through impacts on the economy and financial markets generally or on us or our counterparties specifically.

We provide greater detail regarding these as well as other factors in our 2017 Form 10-K and our first quarter 2018 Form 10-Q, including in the Risk Factors and Risk Management sections and the Legal Proceedings and Commitments Notes of the Notes To Consolidated Financial Statements in those reports, and in our subsequent SEC filings. Our forward-looking statements may also be subject to other risks and uncertainties, including those we may discuss elsewhere in this presentation or in our SEC filings, accessible on the SEC's website at www.sec.gov and on our corporate website at www.pnc.com/secfilings. We have included these web addresses as inactive textual references only. Information on these websites is not part of this document.

Any annualized, pro forma, estimated, third party or consensus numbers in this presentation are used for illustrative or comparative purposes only and may not reflect actual results. Any consensus earnings estimates are calculated based on the earnings projections made by analysts who cover that company. The analysts' opinions, estimates or forecasts (and therefore the consensus earnings estimates) are theirs alone, are not those of PNC or its management, and may not reflect PNC's or other companies' actual or anticipated results.

Because PNC remains in the parallel run qualification phase for the advanced approaches, PNC's regulatory risk-based capital ratios in 2018 and 2017 are calculated using the standardized approach for determining risk-weighted assets. Under the standardized approach for determining credit risk-weighted assets, exposures are generally assigned a pre-defined risk weight. Exposures to high volatility commercial real estate, past due exposures and equity exposures are generally subject to higher risk weights than other types of exposures. With the exception of certain nonqualifying trust preferred capital securities included in PNC's Total risk-based capital, the transitions and multi-year phase-in of the definition of capital under the Basel III rules were completed as of January 1, 2018. Accordingly, we refer to the capital ratios calculated using the definition of capital in effect as of January 1, 2018 and, for the risk-based ratios, standardized risk-weighted assets, as the Basel III ratios. We refer to the capital ratios calculated using the phased-in Basel III provisions in effect for 2017 and, for the risk-based ratios, standardized approach risk-weighted assets, as the 2017 Transitional Basel III ratios.

We provide information below regarding PNC's estimated Basel III June 30, 2018, actual Basel III March 31, 2018, pro forma Fully Phased- In Basel III June 30, 2017 and actual June 30, 2017 Transitional Basel III Common equity Tier 1 ratios. Under the Basel III rules applicable to PNC, significant common stock investments in unconsolidated financial institutions (primarily BlackRock), mortgage servicing rights and deferred tax assets must be deducted from capital (subject to a phase-in schedule that ended December 31, 2017 and net of associated deferred tax liabilities) to the extent they individually exceed 10%, or in the aggregate exceed 15%, of the institution's adjusted common equity Tier 1 capital. Also, Basel III regulatory capital includes (subject to a phase-in schedule that ended December 31, 2017) accumulated other comprehensive income (loss) related to securities currently and those transferred from available for sale, as well as pension and other postretirement plans.

Appendix: Basel III Regulatory Capital Ratios



Basel III Common Equity Tier 1 Capital Ratios

\$ in millions	Basel III ^(a)		Fully Phased-in Basel III (Non-GAAP) ^(b)	2017 Transitional Basel III
	Jun. 30, 2018 (estimated)	Mar. 31, 2018	Jun. 30, 2017	Jun. 30, 2017
Common stock, related surplus, and retained earnings, net of treasury stock	\$43,857	\$43,681	\$42,200	\$42,200
Less regulatory capital adjustments:				
Goodwill and disallowed intangibles, net of deferred tax liabilities	(9,319)	(9,343)	(9,225)	(9,156)
Basel III total threshold deductions	(3,430)	(3,272)	(1,702)	(1,744)
Accumulated other comprehensive income ^(c)	(757)	(645)	(209)	(167)
All other adjustments	(167)	(121)	(161)	(178)
Basel III Common equity Tier 1 capital	\$30,164	\$30,300	\$30,983	\$31,554
Basel III standardized approach risk-weighted assets ^(d)	319,143	314,922	314,389	306,379
Basel III advanced approaches risk-weighted assets ^(e)	280,993	280,385	267,472	N/A
Basel III Common equity Tier 1 capital ratio	9.3%	9.6%	9.6%	10.3%
Risk-weight and associated rules utilized	Standardized		Standardized	Standardized (with 2017 transition adjustments)

^(a) 2018 results are calculated using the regulatory capital methodology applicable to us during 2018 and reflects the full phase-in of all Basel III adjustments to this metric applicable to PNC.

^(b) 2017 Fully Phased-In Basel III results are presented as Pro forma estimates.

^(c) Represents net adjustments related to accumulated other comprehensive income (loss) for securities currently and those transferred from available for sale, as well as pension and other post-retirement plans.

^(d) Basel III standardized approach risk-weighted assets are based on the Basel III standardized approach rules and include credit and market risk-weighted assets.

^(e) Basel III advanced approaches risk-weighted assets are based on the Basel III advanced approaches rules and include credit, market, and operational risk-weighted assets. During the parallel run qualification phase, PNC has refined the data, models and internal processes used as part of the advanced approaches for determining risk-weighted assets. We anticipate additional refinements to this calculation through the parallel run qualification phase.

Our Basel III capital ratios may be impacted by additional regulatory guidance or analysis, and, in the case of those ratios calculated using the advanced approaches, may be subject to variability based on the ongoing evolution, validation and regulatory approval of PNC's models that are integral to the calculation of advanced approaches risk-weighted assets as PNC moves through the parallel run approval process.

Fee Income (Non-GAAP)

<i>\$ in millions</i>	For the three months ended			% Change	
	2Q18	1Q18	2Q17	2Q18 vs. 1Q18	2Q18 vs. 2Q17
Asset management	\$456	\$455	\$398	-	15%
Consumer services	381	357	360	7%	6%
Corporate services	487	429	466	14%	5%
Residential mortgage	84	97	104	(13%)	(19%)
Service charges on deposits	169	167	170	1%	(1%)
Total fee income	\$1,577	\$1,505	\$1,498	5%	5%
Other, including net securities gains	334	245	304	36%	10%
Total noninterest income, as reported	\$1,911	\$1,750	\$1,802	9%	6%

Tangible Book Value per Common Share (Non-GAAP)

<i>\$ in millions, except per share data</i>	Jun. 30, 2018	Mar. 31, 2018	Jun. 30, 2017	% Change	
				6/30/18 vs. 3/31/18	6/30/18 vs. 6/30/17
Book value per common share	\$92.26	\$91.39	\$87.78	1%	5%
Tangible book value per common share					
Common shareholders' equity	\$42,917	\$42,983	\$42,103		
Goodwill and Other intangible assets	(9,511)	(9,533)	(9,527)		
Deferred tax liabilities on Goodwill and Other intangible assets	192	192	302		
Tangible common shareholders' equity	\$33,598	\$33,642	\$32,878		
Period-end common shares outstanding (in millions)	465	470	480		
Tangible book value per common share (Non-GAAP)	\$72.25	\$71.58	\$68.55	1%	5%

Tangible book value per common share is a non-GAAP measure and is calculated based on tangible common shareholders' equity divided by period-end common shares outstanding. We believe this non-GAAP measure serves as a useful tool to help evaluate the strength and discipline of a company's capital management strategies and as an additional, conservative measure of total company value.

Pretax Pre-Provision Earnings (Non-GAAP)

<i>\$ in millions</i>	For the three months ended			% Change	
	2Q18	1Q18	2Q17	2Q18 vs. 1Q18	2Q18 vs. 2Q17
Net interest income	\$2,413	\$2,361	\$2,258	2%	7%
Noninterest income	1,911	1,750	1,802	9%	6%
Total revenue	\$4,324	\$4,111	\$4,060	5%	7%
Noninterest expense	2,584	2,527	2,479	2%	4%
Pretax pre-provision earnings	\$1,740	\$1,584	\$1,581	10%	10%
Net income	\$1,356	\$1,239	\$1,097	9%	24%

We believe that pretax, pre-provision earnings, a non-GAAP financial measure, is useful as a tool to help evaluate the ability to provide for credit costs through operations.

Net Visa Activity

<i>\$ in millions</i>	For the three months ended				
	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sep. 30, 2017	Jun. 30, 2017
Gains on Visa Sales	\$ -	\$ -	\$ -	\$ -	\$ -
Derivative Fair Value Adjustments ^(a)	27	(2)	(248)	(12)	(4)
Net Visa Activity	\$ 27	\$ (2)	\$ (248)	\$ (12)	\$ (4)

^(a) Visa derivative fair value adjustments relate to swap agreements with purchasers of Visa Class B common shares in connection with all prior sales; 4Q17 Visa derivative fair value adjustments were primarily driven by changes in anticipated timing of litigation resolution.

2017 Adjustments for Tax Legislation and Significant Items

	Tax Legislation		Significant Items							Total Significant Items	2017 Adjusted (Non-GAAP)
	2017 Reported (GAAP)	Total Tax Legislation	Flow Through impact of BlackRock	RMSR Fair Value Adjustment	Visa Fair Value Derivative Adjustment	PNC Foundation Contribution	Real Estate Dispositions and Exits	Employee Pension Credits & Cash	Tax Effect		
Net interest income	\$ 9,108	\$ 26								\$ -	\$ 9,134
Noninterest income											
Asset management	1,942	-	(254)							(254)	1,688
Consumer services	1,415	-								-	1,415
Corporate services	1,742	-								-	1,742
Residential mortgage	350	-		71						71	421
Service charges on deposits	695	-								-	695
Fee income	6,144	-								(183)	5,961
Other noninterest income	1,077	-			248	(119)				129	1,206
Total noninterest income	7,221	-								(54)	7,167
Total revenue	16,329	26								(54)	16,301
Noninterest expense											
Personnel	5,268	-							(105)	(105)	5,163
Occupancy	868	-						(29)		(29)	839
Equipment	1,065	-								-	1,065
Marketing	244	-								-	244
Other	2,953	-				(200)	(168)			(368)	2,585
Noninterest expense	10,398	-								(502)	9,896
Pre-tax, pre-provision earnings	5,931	26								448	6,405
Provision	441	-								-	441
Pre-tax income	5,490	26								448	5,964
Income taxes	102	1,155							230	230	1,487
Net income	\$ 5,388	\$ (1,129)								\$ 218	\$ 4,477

