

**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**

**October 16, 2019**

**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.

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**Item 2.02 Results of Operations and Financial Condition.**

On October 16, 2019, The PNC Financial Services Group, Inc. (“the Corporation”) issued a press release regarding the Corporation's earnings and business results for the third quarter of 2019. 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 October 16, 2019, the Corporation held a conference call for investors regarding the Corporation’s earnings and business results for the third quarter of 2019. 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          | <a href="#">Financial Supplement (unaudited) for the Third Quarter 2019</a>         | Furnished herewith      |
| 99.2          | <a href="#">Electronic presentation slides for earnings release conference call</a> | 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.

Date: October 16, 2019

**THE PNC FINANCIAL SERVICES GROUP, INC.**  
*(Registrant)*

By: /s/ Gregory H. Kozich

Gregory H. Kozich

*Senior Vice President and Controller*



**THE PNC FINANCIAL SERVICES GROUP, INC.**

**FINANCIAL SUPPLEMENT  
THIRD QUARTER 2019  
(Unaudited)**

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**THE PNC FINANCIAL SERVICES GROUP, INC.**  
**FINANCIAL SUPPLEMENT**  
**THIRD QUARTER 2019**  
**(UNAUDITED)**

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The information contained in this Financial Supplement is preliminary, unaudited and based on data available on October 16, 2019. 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 retail branch network is located in markets across the Mid-Atlantic, Midwest and Southeast. PNC also has strategic international offices in four countries outside the U.S.

**THE PNC FINANCIAL SERVICES GROUP, INC.**

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Table 1: Consolidated Income Statement (Unaudited)

| <i>In millions, except per share data</i>                 | <i>Three months ended</i> |          |          |             |              | <i>Nine months ended</i> |              |
|---|---------------------------|----------|----------|-------------|--------------|--------------------------|--------------|
|   | September 30              | June 30  | March 31 | December 31 | September 30 | September 30             | September 30 |
|   | 2019                      | 2019     | 2019     | 2018        | 2018         | 2019                     | 2018         |
| <b>Interest Income</b>                                    |                           |          |          |             |              |                          |              |
| Loans   | \$ 2,678                  | \$ 2,672 | \$ 2,602 | \$ 2,555    | \$ 2,452     | \$ 7,952                 | \$ 7,025     |
| Investment securities                                     | 617                       | 629      | 620      | 608         | 584          | 1,866                    | 1,653        |
| Other   | 208                       | 196      | 206      | 196         | 187          | 610                      | 545          |
| Total interest income                                     | 3,503                     | 3,497    | 3,428    | 3,359       | 3,223        | 10,428                   | 9,223        |
| <b>Interest Expense</b>                                   |                           |          |          |             |              |                          |              |
| Deposits  | 531                       | 515      | 472      | 419         | 336          | 1,518                    | 810          |
| Borrowed funds  | 468                       | 484      | 481      | 459         | 421          | 1,433                    | 1,173        |
| Total interest expense                                    | 999                       | 999      | 953      | 878         | 757          | 2,951                    | 1,983        |
| Net interest income                                       | 2,504                     | 2,498    | 2,475    | 2,481       | 2,466        | 7,477                    | 7,240        |
| <b>Noninterest Income</b>                                 |                           |          |          |             |              |                          |              |
| Asset management  | 464                       | 445      | 437      | 428         | 486          | 1,346                    | 1,397        |
| Consumer services   | 402                       | 392      | 371      | 387         | 377          | 1,165                    | 1,115        |
| Corporate services  | 469                       | 484      | 462      | 468         | 465          | 1,415                    | 1,381        |
| Residential mortgage                                      | 134                       | 82       | 65       | 59          | 76           | 281                      | 257          |
| Service charges on deposits                               | 178                       | 171      | 168      | 192         | 186          | 517                      | 522          |
| Other (a)   | 342                       | 367      | 308      | 325         | 301          | 1,017                    | 880          |
| Total noninterest income                                  | 1,989                     | 1,941    | 1,811    | 1,859       | 1,891        | 5,741                    | 5,552        |
| Total revenue   | 4,493                     | 4,439    | 4,286    | 4,340       | 4,357        | 13,218                   | 12,792       |
| <b>Provision For Credit Losses</b>                        | 183                       | 180      | 189      | 148         | 88           | 552                      | 260          |
| <b>Noninterest Expense</b>                                |                           |          |          |             |              |                          |              |
| Personnel   | 1,400                     | 1,365    | 1,414    | 1,348       | 1,413        | 4,179                    | 4,123        |
| Occupancy   | 206                       | 212      | 215      | 202         | 195          | 633                      | 616          |
| Equipment   | 291                       | 298      | 273      | 285         | 264          | 862                      | 818          |
| Marketing   | 76                        | 83       | 65       | 84          | 71           | 224                      | 201          |
| Other   | 650                       | 653      | 611      | 658         | 665          | 1,914                    | 1,961        |
| Total noninterest expense                                 | 2,623                     | 2,611    | 2,578    | 2,577       | 2,608        | 7,812                    | 7,719        |
| Income before income taxes and noncontrolling interests   | 1,687                     | 1,648    | 1,519    | 1,615       | 1,661        | 4,854                    | 4,813        |
| Income taxes  | 295                       | 274      | 248      | 264         | 261          | 817                      | 818          |
| Net income  | 1,392                     | 1,374    | 1,271    | 1,351       | 1,400        | 4,037                    | 3,995        |
| Less: Net income attributable to noncontrolling interests | 13                        | 12       | 10       | 14          | 11           | 35                       | 31           |
| Preferred stock dividends (b)                             | 63                        | 55       | 63       | 55          | 63           | 181                      | 181          |
| Preferred stock discount accretion and redemptions        | 1                         | 1        | 1        | 1           | 1            | 3                        | 3            |
| Net income attributable to common shareholders            | \$ 1,315                  | \$ 1,306 | \$ 1,197 | \$ 1,281    | \$ 1,325     | \$ 3,818                 | \$ 3,780     |
| <b>Earnings Per Common Share</b>                          |                           |          |          |             |              |                          |              |
| Basic   | \$ 2.95                   | \$ 2.89  | \$ 2.62  | \$ 2.77     | \$ 2.84      | \$ 8.45                  | \$ 8.03      |
| Diluted   | \$ 2.94                   | \$ 2.88  | \$ 2.61  | \$ 2.75     | \$ 2.82      | \$ 8.42                  | \$ 7.96      |
| <b>Average Common Shares Outstanding</b>                  |                           |          |          |             |              |                          |              |
| Basic   | 444                       | 451      | 455      | 461         | 465          | 450                      | 469          |
| Diluted   | 445                       | 452      | 456      | 463         | 467          | 451                      | 472          |
| <b>Efficiency</b>   | 58%                       | 59%      | 60%      | 59%         | 60%          | 59%                      | 60%          |
| <b>Noninterest income to total revenue</b>                | 44%                       | 44%      | 42%      | 43%         | 43%          | 43%                      | 43%          |
| <b>Effective tax rate (c)</b>                             | 17.5%                     | 16.6%    | 16.3%    | 16.3%       | 15.7%        | 16.8%                    | 17.0%        |

(a) Includes net gains (losses) on sales of securities of \$3 million, \$20 million, \$13 million, \$5 million, and \$(1) million for the quarters ended September 30, 2019, June 30, 2019, March 31, 2019, December 31, 2018 and September 30, 2018, respectively, and \$36 million and \$(5) million for the nine months ended September 30, 2019 and September 30, 2018, respectively.

(b) 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.

(c) 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.

**Table 2: Consolidated Balance Sheet (Unaudited)**

| <i>In millions, except par value</i>                                 | September 30<br>2019 | June 30<br>2019   | March 31<br>2019  | December 31<br>2018 | September 30<br>2018 |
|--|----------------------|-------------------|-------------------|---------------------|----------------------|
| <b>Assets</b>  |                      |                   |                   |                     |                      |
| Cash and due from banks  | \$ 5,671             | \$ 5,416          | \$ 5,062          | \$ 5,608            | \$ 5,248             |
| Interest-earning deposits with banks (a)                             | 19,036               | 18,362            | 15,261            | 10,893              | 19,800               |
| Loans held for sale (b)  | 1,872                | 1,144             | 686               | 994                 | 1,108                |
| Investment securities – available for sale                           | 69,057               | 69,355            | 65,051            | 63,389              | 61,211               |
| Investment securities – held to maturity                             | 18,826               | 18,948            | 18,818            | 19,312              | 19,593               |
| Loans (b)  | 237,377              | 237,215           | 232,293           | 226,245             | 223,053              |
| Allowance for loan and lease losses                                  | (2,738)              | (2,721)           | (2,692)           | (2,629)             | (2,584)              |
| Net loans  | 234,639              | 234,494           | 229,601           | 223,616             | 220,469              |
| Equity investments (c)   | 13,325               | 13,001            | 12,567            | 12,894              | 12,446               |
| Mortgage servicing rights  | 1,483                | 1,627             | 1,812             | 1,983               | 2,136                |
| Goodwill   | 9,233                | 9,221             | 9,218             | 9,218               | 9,218                |
| Other (b)  | 35,774               | 34,193            | 34,761            | 34,408              | 28,851               |
| Total assets   | <u>\$ 408,916</u>    | <u>\$ 405,761</u> | <u>\$ 392,837</u> | <u>\$ 382,315</u>   | <u>\$ 380,080</u>    |
| <b>Liabilities</b>   |                      |                   |                   |                     |                      |
| Deposits   |                      |                   |                   |                     |                      |
| Noninterest-bearing  | \$ 74,077            | \$ 69,867         | \$ 71,606         | \$ 73,960           | \$ 74,736            |
| Interest-bearing   | 211,506              | 203,393           | 199,615           | 193,879             | 190,148              |
| Total deposits   | 285,583              | 273,260           | 271,221           | 267,839             | 264,884              |
| Borrowed funds   |                      |                   |                   |                     |                      |
| Federal Home Loan Bank borrowings                                    | 21,901               | 29,376            | 20,501            | 21,501              | 20,036               |
| Bank notes and senior debt   | 27,148               | 27,694            | 25,598            | 25,018              | 26,676               |
| Subordinated debt  | 5,473                | 5,406             | 5,977             | 5,895               | 5,764                |
| Other (b)  | 6,832                | 6,549             | 7,784             | 5,005               | 5,479                |
| Total borrowed funds   | 61,354               | 69,025            | 59,860            | 57,419              | 57,955               |
| Allowance for unfunded loan commitments and letters of credit        | 304                  | 291               | 279               | 285                 | 288                  |
| Accrued expenses and other liabilities                               | 12,220               | 13,804            | 12,902            | 9,002               | 9,851                |
| Total liabilities  | <u>359,461</u>       | <u>356,380</u>    | <u>344,262</u>    | <u>334,545</u>      | <u>332,978</u>       |
| <b>Equity</b>  |                      |                   |                   |                     |                      |
| Preferred stock (d)  |                      |                   |                   |                     |                      |
| Common stock - \$5 par value   |                      |                   |                   |                     |                      |
| Authorized 800 shares, issued 542 shares                             | 2,711                | 2,711             | 2,711             | 2,711               | 2,710                |
| Capital surplus  | 16,297               | 16,248            | 16,173            | 16,277              | 16,299               |
| Retained earnings  | 41,413               | 40,616            | 39,742            | 38,919              | 38,080               |
| Accumulated other comprehensive income (loss)                        | 837                  | 631               | (5)               | (725)               | (1,260)              |
| Common stock held in treasury at cost: 103, 95, 90, 85 and 80 shares | (11,838)             | (10,866)          | (10,085)          | (9,454)             | (8,771)              |
| Total shareholders' equity   | 49,420               | 49,340            | 48,536            | 47,728              | 47,058               |
| Noncontrolling interests   |                      |                   |                   |                     |                      |
|  | 35                   | 41                | 39                | 42                  | 44                   |
| Total equity   | 49,455               | 49,381            | 48,575            | 47,770              | 47,102               |
| Total liabilities and equity   | <u>\$ 408,916</u>    | <u>\$ 405,761</u> | <u>\$ 392,837</u> | <u>\$ 382,315</u>   | <u>\$ 380,080</u>    |

(a) Amounts include balances held with the Federal Reserve Bank of Cleveland of \$18.8 billion, \$18.1 billion, \$15.0 billion, \$10.5 billion and \$19.6 billion as of September 30, 2019, June 30, 2019, March 31, 2019, December 31, 2018 and September 30, 2018, respectively.

(b) Amounts include assets and liabilities for which PNC has elected the fair value option. Our second quarter 2019 Form 10-Q included, and our third quarter 2019 Form 10-Q will include, additional information regarding these items.

(c) Amounts include our equity interest in BlackRock.

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



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

| In millions                                 | Three months ended |            |            |             |              | Nine months ended |              |
|---|--------------------|------------|------------|-------------|--------------|-------------------|--------------|
|   | September 30       | June 30    | March 31   | December 31 | September 30 | September 30      | September 30 |
|   | 2019               | 2019       | 2019       | 2018        | 2018         | 2019              | 2018         |
| <b>Assets</b>                               |                    |            |            |             |              |                   |              |
| Interest-earning assets:                    |                    |            |            |             |              |                   |              |
| Investment securities                       |                    |            |            |             |              |                   |              |
| Securities available for sale               |                    |            |            |             |              |                   |              |
| Residential mortgage-backed                 |                    |            |            |             |              |                   |              |
| Agency                                      | \$ 32,926          | \$ 30,169  | \$ 29,002  | \$ 28,375   | \$ 28,241    | \$ 30,714         | \$ 26,746    |
| Non-agency                                  | 1,716              | 1,801      | 1,890      | 1,993       | 2,128        | 1,802             | 2,265        |
| Commercial mortgage-backed                  | 5,728              | 5,545      | 5,368      | 4,830       | 4,366        | 5,549             | 4,449        |
| Asset-backed                                | 5,208              | 5,395      | 5,136      | 5,186       | 5,459        | 5,247             | 5,260        |
| U.S. Treasury and government agencies       | 17,573             | 18,815     | 18,240     | 18,443      | 16,757       | 18,207            | 15,603       |
| Other                                       | 3,053              | 3,237      | 3,671      | 3,920       | 3,996        | 3,316             | 4,113        |
| Total securities available for sale         | 66,204             | 64,962     | 63,307     | 62,747      | 60,947       | 64,835            | 58,436       |
| Securities held to maturity                 |                    |            |            |             |              |                   |              |
| Residential mortgage-backed                 | 15,768             | 15,350     | 15,627     | 15,941      | 16,292       | 15,582            | 15,578       |
| Commercial mortgage-backed                  | 544                | 570        | 600        | 648         | 715          | 571               | 807          |
| Asset-backed                                | 79                 | 172        | 177        | 185         | 189          | 143               | 194          |
| U.S. Treasury and government agencies       | 769                | 765        | 760        | 756         | 752          | 765               | 747          |
| Other                                       | 1,802              | 1,822      | 1,847      | 1,856       | 1,871        | 1,823             | 1,894        |
| Total securities held to maturity           | 18,962             | 18,679     | 19,011     | 19,386      | 19,819       | 18,884            | 19,220       |
| Total investment securities                 | 85,166             | 83,641     | 82,318     | 82,133      | 80,766       | 83,719            | 77,656       |
| Loans                                       |                    |            |            |             |              |                   |              |
| Commercial                                  | 125,356            | 124,441    | 119,345    | 116,596     | 113,883      | 123,069           | 112,907      |
| Commercial real estate                      | 28,855             | 28,423     | 28,147     | 28,382      | 28,860       | 28,477            | 28,883       |
| Equipment lease financing                   | 7,272              | 7,283      | 7,263      | 7,216       | 7,202        | 7,273             | 7,512        |
| Consumer                                    | 55,702             | 55,202     | 54,996     | 55,331      | 55,449       | 55,303            | 55,474       |
| Residential real estate                     | 20,497             | 19,496     | 18,794     | 18,405      | 17,948       | 19,602            | 17,609       |
| Total loans                                 | 237,682            | 234,845    | 228,545    | 225,930     | 223,342      | 233,724           | 222,385      |
| Interest-earning deposits with banks (b)    | 15,632             | 13,469     | 15,017     | 16,691      | 19,151       | 14,708            | 21,921       |
| Other interest-earning assets               | 14,094             | 13,145     | 11,068     | 10,431      | 7,114        | 12,780            | 7,305        |
| Total interest-earning assets               | 352,574            | 345,100    | 336,948    | 335,185     | 330,373      | 344,931           | 329,267      |
| Noninterest-earning assets                  | 54,135             | 51,862     | 48,950     | 47,906      | 47,504       | 51,668            | 47,332       |
| Total assets                                | \$ 406,709         | \$ 396,962 | \$ 385,898 | \$ 383,091  | \$ 377,877   | \$ 396,599        | \$ 376,599   |
| <b>Liabilities and Equity</b>               |                    |            |            |             |              |                   |              |
| Interest-bearing liabilities:               |                    |            |            |             |              |                   |              |
| Interest-bearing deposits                   |                    |            |            |             |              |                   |              |
| Money market                                | \$ 56,271          | \$ 54,814  | \$ 54,702  | \$ 55,228   | \$ 55,507    | \$ 55,268         | \$ 56,732    |
| Demand                                      | 65,444             | 64,431     | 63,480     | 62,207      | 60,138       | 64,459            | 60,058       |
| Savings                                     | 64,054             | 61,949     | 58,821     | 55,065      | 52,919       | 61,627            | 50,845       |
| Time deposits                               | 21,173             | 20,040     | 18,813     | 18,743      | 17,756       | 20,017            | 17,081       |
| Total interest-bearing deposits             | 206,942            | 201,234    | 195,816    | 191,243     | 186,320      | 201,371           | 184,716      |
| Borrowed funds                              |                    |            |            |             |              |                   |              |
| Federal Home Loan Bank borrowings           | 25,883             | 22,681     | 21,491     | 20,683      | 21,516       | 23,368            | 21,067       |
| Bank notes and senior debt                  | 27,409             | 26,865     | 25,418     | 26,380      | 27,301       | 26,571            | 28,352       |
| Subordinated debt                           | 5,189              | 5,526      | 5,883      | 5,874       | 5,253        | 5,530             | 5,096        |
| Other                                       | 5,452              | 7,263      | 6,991      | 5,847       | 5,768        | 6,564             | 4,966        |
| Total borrowed funds                        | 63,933             | 62,335     | 59,783     | 58,784      | 59,838       | 62,033            | 59,481       |
| Total interest-bearing liabilities          | 270,875            | 263,569    | 255,599    | 250,027     | 246,158      | 263,404           | 244,197      |
| Noninterest-bearing liabilities and equity: |                    |            |            |             |              |                   |              |
| Noninterest-bearing deposits                | 72,149             | 71,648     | 71,402     | 75,228      | 76,155       | 71,736            | 76,666       |
| Accrued expenses and other liabilities      | 14,529             | 13,122     | 11,242     | 10,833      | 8,853        | 12,975            | 8,971        |
| Equity                                      | 49,156             | 48,623     | 47,655     | 47,003      | 46,711       | 48,484            | 46,765       |
| Total liabilities and equity                | \$ 406,709         | \$ 396,962 | \$ 385,898 | \$ 383,091  | \$ 377,877   | \$ 396,599        | \$ 376,599   |

(a) Calculated using average daily balances.

(b) Amounts include average balances held with the Federal Reserve Bank of Cleveland of \$ 15.3 billion, \$ 13.2 billion, \$ 14.7 billion, \$ 16.4 billion and \$ 18.8 billion for the three months ended September 30, 2019, June 30, 2019, March 31, 2019, December 31, 2018 and September 30, 2018, respectively, and \$ 14.4 billion and \$ 21.6 billion for the nine months ended September 30, 2019 and September 30 2018, respectively.

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

|   | <i>Three months ended</i> |         |          |             |              | <i>Nine months ended</i> |              |
|---|---------------------------|---------|----------|-------------|--------------|--------------------------|--------------|
|   | September 30              | June 30 | March 31 | December 31 | September 30 | September 30             | September 30 |
|   | 2019                      | 2019    | 2019     | 2018        | 2018         | 2019                     | 2018         |
| Average yields/rates (a)                            |                           |         |          |             |              |                          |              |
| Yield on interest-earning assets                    |                           |         |          |             |              |                          |              |
| Investment securities                               |                           |         |          |             |              |                          |              |
| Securities available for sale                       |                           |         |          |             |              |                          |              |
| Residential mortgage-backed                         |                           |         |          |             |              |                          |              |
| Agency  | 2.70%                     | 2.93%   | 2.94%    | 2.86%       | 2.76%        | 2.85%                    | 2.68%        |
| Non-agency  | 8.89%                     | 7.99%   | 7.31%    | 7.08%       | 7.18%        | 8.04%                    | 6.54%        |
| Commercial mortgage-backed                          | 2.97%                     | 3.06%   | 3.13%    | 2.99%       | 2.72%        | 3.05%                    | 2.75%        |
| Asset-backed  | 3.31%                     | 3.34%   | 3.35%    | 3.24%       | 3.37%        | 3.33%                    | 3.12%        |
| U.S. Treasury and government agencies               | 2.44%                     | 2.48%   | 2.49%    | 2.41%       | 2.25%        | 2.47%                    | 2.20%        |
| Other   | 3.41%                     | 3.33%   | 3.34%    | 3.37%       | 3.28%        | 3.36%                    | 3.50%        |
| Total securities available for sale                 | 2.90%                     | 3.01%   | 3.01%    | 2.93%       | 2.86%        | 2.97%                    | 2.80%        |
| Securities held to maturity                         |                           |         |          |             |              |                          |              |
| Residential mortgage-backed                         | 2.78%                     | 2.93%   | 3.01%    | 2.98%       | 2.92%        | 2.91%                    | 2.88%        |
| Commercial mortgage-backed                          | 3.68%                     | 3.57%   | 3.53%    | 3.68%       | 3.71%        | 3.59%                    | 3.73%        |
| Asset-backed  | 5.48%                     | 3.92%   | 3.83%    | 3.76%       | 3.65%        | 4.18%                    | 3.34%        |
| U.S. Treasury and government agencies               | 2.86%                     | 2.84%   | 2.81%    | 2.86%       | 2.85%        | 2.84%                    | 2.83%        |
| Other   | 4.40%                     | 4.44%   | 4.40%    | 4.41%       | 4.42%        | 4.41%                    | 4.42%        |
| Total securities held to maturity                   | 2.98%                     | 3.10%   | 3.16%    | 3.14%       | 3.10%        | 3.08%                    | 3.07%        |
| Total investment securities                         | 2.91%                     | 3.03%   | 3.05%    | 2.98%       | 2.92%        | 3.00%                    | 2.87%        |
| Loans   |                           |         |          |             |              |                          |              |
| Commercial  | 4.06%                     | 4.22%   | 4.33%    | 4.17%       | 4.06%        | 4.20%                    | 3.93%        |
| Commercial real estate                              | 4.40%                     | 4.43%   | 4.37%    | 4.42%       | 4.10%        | 4.40%                    | 3.98%        |
| Equipment lease financing                           | 3.82%                     | 4.06%   | 3.93%    | 3.77%       | 3.78%        | 3.94%                    | 3.54%        |
| Consumer  | 5.61%                     | 5.56%   | 5.54%    | 5.32%       | 5.17%        | 5.57%                    | 5.00%        |
| Residential real estate                             | 4.21%                     | 4.27%   | 4.29%    | 4.41%       | 4.45%        | 4.25%                    | 4.40%        |
| Total loans   | 4.47%                     | 4.56%   | 4.61%    | 4.49%       | 4.36%        | 4.54%                    | 4.23%        |
| Interest-earning deposits with banks                | 2.17%                     | 2.38%   | 2.43%    | 2.25%       | 1.97%        | 2.32%                    | 1.74%        |
| Other interest-earning assets                       | 3.49%                     | 3.55%   | 4.14%    | 3.93%       | 5.19%        | 3.70%                    | 4.74%        |
| Total yield on interest-earning assets              | 3.95%                     | 4.06%   | 4.11%    | 3.99%       | 3.89%        | 4.04%                    | 3.75%        |
| Rate on interest-bearing liabilities                |                           |         |          |             |              |                          |              |
| Interest-bearing deposits                           |                           |         |          |             |              |                          |              |
| Money market  | 1.14%                     | 1.17%   | 1.15%    | .99%        | .80%         | 1.15%                    | .66%         |
| Demand  | .58%                      | .55%    | .52%     | .46%        | .32%         | .55%                     | .26%         |
| Savings   | 1.14%                     | 1.19%   | 1.13%    | 1.04%       | .92%         | 1.15%                    | .75%         |
| Time deposits                                       | 1.66%                     | 1.67%   | 1.55%    | 1.38%       | 1.18%        | 1.63%                    | 1.02%        |
| Total interest-bearing deposits                     | 1.02%                     | 1.03%   | .98%     | .87%        | .71%         | 1.01%                    | .59%         |
| Borrowed funds                                      |                           |         |          |             |              |                          |              |
| Federal Home Loan Bank borrowings                   | 2.48%                     | 2.69%   | 2.77%    | 2.57%       | 2.42%        | 2.63%                    | 2.14%        |
| Bank notes and senior debt                          | 3.21%                     | 3.36%   | 3.50%    | 3.31%       | 2.92%        | 3.35%                    | 2.76%        |
| Subordinated debt                                   | 3.53%                     | 4.17%   | 4.50%    | 4.44%       | 4.10%        | 4.09%                    | 4.16%        |
| Other   | 2.43%                     | 2.44%   | 2.44%    | 2.36%       | 2.11%        | 2.44%                    | 2.04%        |
| Total borrowed funds                                | 2.87%                     | 3.08%   | 3.21%    | 3.07%       | 2.76%        | 3.05%                    | 2.60%        |
| Total rate on interest-bearing liabilities          | 1.45%                     | 1.51%   | 1.50%    | 1.38%       | 1.21%        | 1.48%                    | 1.08%        |
| Interest rate spread                                | 2.50%                     | 2.55%   | 2.61%    | 2.61%       | 2.68%        | 2.56%                    | 2.67%        |
| Benefit from use of noninterest bearing sources (b) | .34                       | .36     | .37      | .35         | .31          | .35                      | .28          |
| Net interest margin                                 | 2.84%                     | 2.91%   | 2.98%    | 2.96%       | 2.99%        | 2.91%                    | 2.95%        |

(a) Yields and rates are calculated using the applicable annualized interest income or interest expense divided by the applicable average earning assets or interest-bearing liabilities. Net interest margin is the total yield on interest-earning assets minus the total rate on interest-bearing liabilities and includes the benefit from use of noninterest-bearing sources. 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 September 30, 2019, June 30, 2019, March 31, 2019, December 31, 2018 and September 30, 2018 were \$25 million, \$27 million, \$27 million, \$28 million and \$29 million, respectively. The taxable-equivalent adjustments to net interest income for the nine months ended September 30, 2019 and September 30, 2018 were \$79 million and \$87 million, respectively.

(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>Nine months ended</i> |          |
|---|---------------------------|----------|----------|-------------|--------------|--------------------------|----------|
|   | September 30              | June 30  | March 31 | December 31 | September 30 | September 30             |          |
|   | 2019                      | 2019     | 2019     | 2018        | 2018         | 2019                     | 2018     |
| <b>Basic</b>  |                           |          |          |             |              |                          |          |
| Net income  | \$ 1,392                  | \$ 1,374 | \$ 1,271 | \$ 1,351    | \$ 1,400     | \$ 4,037                 | \$ 3,995 |
| Less:   |                           |          |          |             |              |                          |          |
| Net income attributable to noncontrolling interests                                 | 13                        | 12       | 10       | 14          | 11           | 35                       | 31       |
| Preferred stock dividends (a)   | 63                        | 55       | 63       | 55          | 63           | 181                      | 181      |
| Preferred stock discount accretion and redemptions                                  | 1                         | 1        | 1        | 1           | 1            | 3                        | 3        |
| Net income attributable to common shareholders                                      | 1,315                     | 1,306    | 1,197    | 1,281       | 1,325        | 3,818                    | 3,780    |
| Less: Dividends and undistributed earnings allocated to nonvested restricted shares | 6                         | 4        | 5        | 5           | 6            | 15                       | 16       |
| Net income attributable to basic common shares                                      | \$ 1,309                  | \$ 1,302 | \$ 1,192 | \$ 1,276    | \$ 1,319     | \$ 3,803                 | \$ 3,764 |
| Basic weighted-average common shares outstanding                                    | 444                       | 451      | 455      | 461         | 465          | 450                      | 469      |
| Basic earnings per common share   | \$ 2.95                   | \$ 2.89  | \$ 2.62  | \$ 2.77     | \$ 2.84      | \$ 8.45                  | \$ 8.03  |
| <b>Diluted</b>  |                           |          |          |             |              |                          |          |
| Net income attributable to basic common shares                                      | \$ 1,309                  | \$ 1,302 | \$ 1,192 | \$ 1,276    | \$ 1,319     | \$ 3,803                 | \$ 3,764 |
| Less: Impact of BlackRock earnings per share dilution                               | 2                         | 2        | 3        | 2           | 2            | 7                        | 7        |
| Net income attributable to diluted common shares                                    | \$ 1,307                  | \$ 1,300 | \$ 1,189 | \$ 1,274    | \$ 1,317     | \$ 3,796                 | \$ 3,757 |
| Basic weighted-average common shares outstanding                                    | 444                       | 451      | 455      | 461         | 465          | 450                      | 469      |
| Dilutive potential common shares  | 1                         | 1        | 1        | 2           | 2            | 1                        | 3        |
| Diluted weighted-average common shares outstanding                                  | 445                       | 452      | 456      | 463         | 467          | 451                      | 472      |
| Diluted earnings per common share   | \$ 2.94                   | \$ 2.88  | \$ 2.61  | \$ 2.75     | \$ 2.82      | \$ 8.42                  | \$ 7.96  |

(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>             | September 30 | June 30    | March 31   | December 31 | September 30 |
|--------------------------------|--------------|------------|------------|-------------|--------------|
|                                | 2019         | 2019       | 2019       | 2018        | 2018         |
| <b>Commercial lending</b>      |              |            |            |             |              |
| Commercial                     |              |            |            |             |              |
| Manufacturing                  | \$ 21,846    | \$ 22,191  | \$ 22,575  | \$ 21,207   | \$ 21,272    |
| Retail/wholesale trade         | 21,761       | 22,280     | 21,655     | 20,850      | 19,689       |
| Service providers              | 16,189       | 15,387     | 15,266     | 14,869      | 14,386       |
| Real estate related (a)        | 12,294       | 12,264     | 12,287     | 12,312      | 12,539       |
| Financial services             | 10,437       | 11,916     | 10,475     | 9,500       | 9,441        |
| Health care                    | 8,137        | 8,594      | 8,731      | 8,886       | 9,217        |
| Transportation and warehousing | 7,216        | 6,588      | 6,744      | 5,781       | 5,715        |
| Other industries               | 26,134       | 26,404     | 25,260     | 23,429      | 21,412       |
| Total commercial               | 124,014      | 125,624    | 122,993    | 116,834     | 113,671      |
| Commercial real estate         | 28,884       | 28,570     | 28,101     | 28,140      | 28,563       |
| Equipment lease financing      | 7,290        | 7,409      | 7,348      | 7,308       | 7,214        |
| Total commercial lending       | 160,188      | 161,603    | 158,442    | 152,282     | 149,448      |
| <b>Consumer lending</b>        |              |            |            |             |              |
| Home equity                    | 24,971       | 25,132     | 25,500     | 26,123      | 26,628       |
| Residential real estate        | 21,082       | 20,092     | 19,107     | 18,657      | 18,203       |
| Automobile                     | 16,004       | 15,612     | 14,707     | 14,419      | 14,309       |
| Credit card                    | 6,815        | 6,511      | 6,267      | 6,357       | 5,979        |
| Education                      | 3,461        | 3,555      | 3,707      | 3,822       | 3,954        |
| Other consumer                 | 4,856        | 4,710      | 4,563      | 4,585       | 4,532        |
| Total consumer lending         | 77,189       | 75,612     | 73,851     | 73,963      | 73,605       |
| Total loans                    | \$ 237,377   | \$ 237,215 | \$ 232,293 | \$ 226,245  | \$ 223,053   |

(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

|  | September 30 | June 30  | March 31 | December 31 | September 30 |
|--|--------------|----------|----------|-------------|--------------|
| <i>Three months ended - dollars in millions</i>  | 2019         | 2019     | 2019     | 2018        | 2018         |
| Beginning balance  | \$ 2,721     | \$ 2,692 | \$ 2,629 | \$ 2,584    | \$ 2,581     |
| Gross charge-offs:   |              |          |          |             |              |
| Commercial   | (41)         | (50)     | (25)     | (30)        | (26)         |
| Commercial real estate   | (11)         | (2)      | (3)      |             |              |
| Equipment lease financing  | (2)          | (1)      | (3)      | (2)         | (2)          |
| Home equity  | (11)         | (18)     | (23)     | (25)        | (24)         |
| Residential real estate  | (1)          | (2)      | (2)      | 3           | (3)          |
| Automobile   | (71)         | (54)     | (58)     | (54)        | (40)         |
| Credit card  | (61)         | (65)     | (67)     | (56)        | (52)         |
| Education  | (7)          | (7)      | (6)      | (7)         | (7)          |
| Other consumer   | (36)         | (28)     | (28)     | (29)        | (24)         |
| Total gross charge-offs  | (241)        | (227)    | (215)    | (200)       | (178)        |
| Recoveries:  |              |          |          |             |              |
| Commercial   | 14           | 17       | 14       | 17          | 18           |
| Commercial real estate   | 3            | 2        | 3        | 6           | 4            |
| Equipment lease financing  | 2            | 2        | 2        | 2           | 1            |
| Home equity  | 20           | 18       | 18       | 31          | 23           |
| Residential real estate  | 4            | 4        | 3        | 3           | 8            |
| Automobile   | 30           | 29       | 26       | 21          | 21           |
| Credit card  | 7            | 7        | 7        | 6           | 6            |
| Education  | 2            | 2        | 2        | 2           | 2            |
| Other consumer   | 4            | 4        | 4        | 5           | 4            |
| Total recoveries   | 86           | 85       | 79       | 93          | 87           |
| Net (charge-offs) / recoveries:  |              |          |          |             |              |
| Commercial   | (27)         | (33)     | (11)     | (13)        | (8)          |
| Commercial real estate   | (8)          |          |          | 6           | 4            |
| Equipment lease financing  |              | 1        | (1)      |             | (1)          |
| Home equity  | 9            |          | (5)      | 6           | (1)          |
| Residential real estate  | 3            | 2        | 1        | 6           | 5            |
| Automobile   | (41)         | (25)     | (32)     | (33)        | (19)         |
| Credit card  | (54)         | (58)     | (60)     | (50)        | (46)         |
| Education  | (5)          | (5)      | (4)      | (5)         | (5)          |
| Other consumer   | (32)         | (24)     | (24)     | (24)        | (20)         |
| Total net (charge-offs)  | (155)        | (142)    | (136)    | (107)       | (91)         |
| Provision for credit losses  | 183          | 180      | 189      | 148         | 88           |
| Net (increase) / decrease in allowance for unfunded loan commitments and letters of credit | (13)         | (12)     | 6        | 3           | 1            |
| Other  | 2            | 3        | 4        | 1           | 5            |
| Ending balance   | \$ 2,738     | \$ 2,721 | \$ 2,692 | \$ 2,629    | \$ 2,584     |
| <b>Supplemental Information</b>  |              |          |          |             |              |
| Net charge-offs to average loans (annualized)  | .26%         | .24%     | .24%     | .19%        | .16%         |
| Allowance for loan and lease losses to total loans   | 1.15%        | 1.15%    | 1.16%    | 1.16%       | 1.16%        |
| Commercial lending net charge-offs   | \$ (35)      | \$ (32)  | \$ (12)  | \$ (7)      | \$ (5)       |
| Consumer lending net charge-offs   | (120)        | (110)    | (124)    | (100)       | (86)         |
| Total net charge-offs  | \$ (155)     | \$ (142) | \$ (136) | \$ (107)    | \$ (91)      |
| Net charge-offs to average loans (annualized)  |              |          |          |             |              |
| Commercial lending   | .09%         | .08%     | .03%     | .02%        | .01%         |
| Consumer lending   | .62%         | .59%     | .68%     | .54%        | .46%         |

## Details of Nonperforming Assets (Unaudited)

Table 8: Nonperforming Assets by Type

|   | September 30 | June 30  | March 31 | December 31 | September 30 |
|---|--------------|----------|----------|-------------|--------------|
| <i>Dollars in millions</i>                                      | 2019         | 2019     | 2019     | 2018        | 2018         |
| Nonperforming loans, including TDRs                             |              |          |          |             |              |
| Commercial lending  |              |          |          |             |              |
| Commercial  |              |          |          |             |              |
| Retail/wholesale trade  | \$ 61        | \$ 42    | \$ 35    | \$ 38       | \$ 47        |
| Manufacturing   | 109          | 88       | 88       | 54          | 43           |
| Service providers   | 55           | 53       | 52       | 50          | 53           |
| Real estate related (a)   | 33           | 19       | 16       | 17          | 18           |
| Health care   | 17           | 15       | 19       | 20          | 14           |
| Transportation and warehousing                                  | 13           | 21       | 8        | 8           | 7            |
| Other industries  | 203          | 203      | 151      | 159         | 138          |
| Total commercial  | 491          | 441      | 369      | 346         | 320          |
| Commercial real estate  | 75           | 93       | 54       | 75          | 68           |
| Equipment lease financing                                       | 10           | 6        | 7        | 11          | 5            |
| Total commercial lending  | 576          | 540      | 430      | 432         | 393          |
| Consumer lending (b)  |              |          |          |             |              |
| Home equity   | 685          | 712      | 763      | 797         | 828          |
| Residential real estate   | 325          | 339      | 339      | 350         | 363          |
| Automobile  | 128          | 118      | 107      | 100         | 95           |
| Credit card   | 9            | 8        | 7        | 7           | 6            |
| Other consumer  | 5            | 7        | 7        | 8           | 9            |
| Total consumer lending  | 1,152        | 1,184    | 1,223    | 1,262       | 1,301        |
| Total nonperforming loans (c)                                   | 1,728        | 1,724    | 1,653    | 1,694       | 1,694        |
| OREO and foreclosed assets                                      | 119          | 126      | 132      | 114         | 131          |
| Total nonperforming assets                                      | \$ 1,847     | \$ 1,850 | \$ 1,785 | \$ 1,808    | \$ 1,825     |
| Nonperforming loans to total loans                              | .73%         | .73%     | .71%     | .75%        | .76%         |
| Nonperforming assets to total loans, OREO and foreclosed assets | .78%         | .78%     | .77%     | .80%        | .82%         |
| Nonperforming assets to total assets                            | .45%         | .46%     | .45%     | .47%        | .48%         |
| Allowance for loan and lease losses to nonperforming loans      | 158%         | 158%     | 163%     | 155%        | 153%         |

(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>                                 | July 1, 2019<br>September 30, 2019 | April 1, 2019<br>June 30, 2019 | January 1, 2019<br>March 31, 2019 | October 1, 2018<br>December 31, 2018 | July 1, 2018 -<br>September 30, 2018 |
|--|------------------------------------|--------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|
| Beginning balance                                  | \$ 1,850                           | \$ 1,785                       | \$ 1,808                          | \$ 1,825                             | \$ 1,854                             |
| New nonperforming assets                           | 290                                | 408                            | 287                               | 325                                  | 260                                  |
| Charge-offs and valuation adjustments              | (112)                              | (170)                          | (164)                             | (148)                                | (126)                                |
| Principal activity, including paydowns and payoffs | (122)                              | (101)                          | (92)                              | (97)                                 | (99)                                 |
| Asset sales and transfers to loans held for sale   | (34)                               | (27)                           | (13)                              | (38)                                 | (38)                                 |
| Returned to performing status                      | (25)                               | (45)                           | (41)                              | (59)                                 | (26)                                 |
| Ending balance                                     | \$ 1,847                           | \$ 1,850                       | \$ 1,785                          | \$ 1,808                             | \$ 1,825                             |

**Table 10: Largest Individual Nonperforming Assets (a)**

September 30, 2019 - Dollars in millions

| Ranking | Outstandings | Industry                                      |
|---------|--------------|---|
| 1       | \$ 33        | Information                                   |
| 2       | 32           | Manufacturing                                 |
| 3       | 29           | Retail Trade                                  |
| 4       | 29           | Real Estate and Rental and Leasing            |
| 5       | 29           | Mining, Quarrying, and Oil and Gas Extraction |
| 6       | 25           | Real Estate and Rental and Leasing            |
| 7       | 21           | Mining, Quarrying, and Oil and Gas Extraction |
| 8       | 15           | Construction                                  |
| 9       | 15           | Service Providers                             |
| 10      | 15           | Manufacturing                                 |
| Total   | \$ 243       |   |

As a percent of total nonperforming assets 13%

(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 |         |         |         |          |
|----------------------------|----------|---------|---------|---------|----------|-------------------------------|---------|---------|---------|----------|
|                            | Sept. 30 | Jun. 30 | Mar. 31 | Dec. 31 | Sept. 30 | Sept. 30                      | Jun. 30 | Mar. 31 | Dec. 31 | Sept. 30 |
|                            | 2019     | 2019    | 2019    | 2018    | 2018     | 2019                          | 2019    | 2019    | 2018    | 2018     |
| Commercial                 | \$ 82    | \$ 105  | \$ 80   | \$ 82   | \$ 60    | .07%                          | .08%    | .07%    | .07%    | .05%     |
| Commercial real estate     | 3        | 9       | 43      | 6       | 8        | .01%                          | .03%    | .15%    | .02%    | .03%     |
| Equipment lease financing  | 6        | 7       | 84      | 56      | 29       | .08%                          | .09%    | 1.14%   | .77%    | .40%     |
| Home equity                | 53       | 56      | 59      | 66      | 77       | .21%                          | .22%    | .23%    | .25%    | .29%     |
| Residential real estate    |          |         |         |         |          |                               |         |         |         |          |
| Non government insured     | 76       | 80      | 91      | 75      | 70       | .36%                          | .40%    | .48%    | .40%    | .38%     |
| Government insured         | 53       | 54      | 62      | 60      | 60       | .25%                          | .27%    | .32%    | .32%    | .33%     |
| Automobile                 | 145      | 119     | 97      | 113     | 104      | .91%                          | .76%    | .66%    | .78%    | .73%     |
| Credit card                | 56       | 47      | 45      | 46      | 45       | .82%                          | .72%    | .72%    | .72%    | .75%     |
| Education                  |          |         |         |         |          |                               |         |         |         |          |
| Non government insured     | 8        | 7       | 9       | 10      | 10       | .23%                          | .20%    | .24%    | .26%    | .25%     |
| Government insured         | 48       | 53      | 54      | 59      | 71       | 1.39%                         | 1.49%   | 1.46%   | 1.54%   | 1.80%    |
| Other consumer             | 17       | 13      | 10      | 12      | 17       | .35%                          | .28%    | .22%    | .26%    | .38%     |
| Total                      | \$ 547   | \$ 550  | \$ 634  | \$ 585  | \$ 551   | .23%                          | .23%    | .27%    | .26%    | .25%     |

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

| <i>Dollars in millions</i> | Amount   |         |         |         |          | Percent of Total Outstandings |         |         |         |          |
|----------------------------|----------|---------|---------|---------|----------|-------------------------------|---------|---------|---------|----------|
|                            | Sept. 30 | Jun. 30 | Mar. 31 | Dec. 31 | Sept. 30 | Sept. 30                      | Jun. 30 | Mar. 31 | Dec. 31 | Sept. 30 |
|                            | 2019     | 2019    | 2019    | 2018    | 2018     | 2019                          | 2019    | 2019    | 2018    | 2018     |
| Commercial                 | \$ 49    | \$ 33   | \$ 25   | \$ 54   | \$ 35    | .04%                          | .03%    | .02%    | .05%    | .03%     |
| Commercial real estate     | 3        | 1       | 1       | 3       | 3        | .01%                          | .00%    | .00%    | .01%    | .01%     |
| Equipment lease financing  | 4        | 3       | 5       | 12      | 16       | .05%                          | .04%    | .07%    | .16%    | .22%     |
| Home equity                | 24       | 20      | 21      | 25      | 30       | .10%                          | .08%    | .08%    | .10%    | .11%     |
| Residential real estate    |          |         |         |         |          |                               |         |         |         |          |
| Non government insured     | 20       | 20      | 13      | 17      | 16       | .09%                          | .10%    | .07%    | .09%    | .09%     |
| Government insured         | 57       | 55      | 49      | 56      | 51       | .27%                          | .27%    | .26%    | .30%    | .28%     |
| Automobile                 | 36       | 29      | 26      | 29      | 25       | .22%                          | .19%    | .18%    | .20%    | .17%     |
| Credit card                | 33       | 29      | 28      | 29      | 28       | .48%                          | .45%    | .45%    | .46%    | .47%     |
| Education                  |          |         |         |         |          |                               |         |         |         |          |
| Non government insured     | 5        | 4       | 5       | 4       | 6        | .14%                          | .11%    | .13%    | .10%    | .15%     |
| Government insured         | 30       | 32      | 33      | 37      | 42       | .87%                          | .90%    | .89%    | .97%    | 1.06%    |
| Other consumer             | 8        | 9       | 6       | 5       | 6        | .16%                          | .19%    | .13%    | .11%    | .13%     |
| Total                      | \$ 269   | \$ 235  | \$ 212  | \$ 271  | \$ 258   | .11%                          | .10%    | .09%    | .12%    | .12%     |

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

| <i>Dollars in millions</i> | Amount   |         |         |         |          | Percent of Total Outstandings |         |         |         |          |
|----------------------------|----------|---------|---------|---------|----------|-------------------------------|---------|---------|---------|----------|
|                            | Sept. 30 | Jun. 30 | Mar. 31 | Dec. 31 | Sept. 30 | Sept. 30                      | Jun. 30 | Mar. 31 | Dec. 31 | Sept. 30 |
|                            | 2019     | 2019    | 2019    | 2018    | 2018     | 2019                          | 2019    | 2019    | 2018    | 2018     |
| Commercial                 | \$ 64    | \$ 59   | \$ 71   | \$ 52   | \$ 67    | .05%                          | .05%    | .06%    | .04%    | .06%     |
| Residential real estate    |          |         |         |         |          |                               |         |         |         |          |
| Non government insured     | 15       | 13      | 18      | 19      | 15       | .07%                          | .06%    | .09%    | .10%    | .08%     |
| Government insured         | 287      | 293     | 305     | 344     | 342      | 1.36%                         | 1.46%   | 1.60%   | 1.84%   | 1.88%    |
| Automobile                 | 11       | 8       | 10      | 12      | 8        | .07%                          | .05%    | .07%    | .08%    | .06%     |
| Credit card                | 57       | 48      | 53      | 53      | 48       | .84%                          | .74%    | .85%    | .83%    | .80%     |
| Education                  |          |         |         |         |          |                               |         |         |         |          |
| Non government insured     | 3        | 3       | 3       | 3       | 3        | .09%                          | .08%    | .08%    | .08%    | .08%     |
| Government insured         | 87       | 92      | 123     | 138     | 129      | 2.51%                         | 2.59%   | 3.32%   | 3.61%   | 3.26%    |
| Other consumer             | 8        | 8       | 7       | 8       | 7        | .16%                          | .17%    | .15%    | .17%    | .15%     |
| Total                      | \$ 532   | \$ 524  | \$ 590  | \$ 629  | \$ 619   | .22%                          | .22%    | .25%    | .28%    | .28%     |

(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 products and services to consumer and small business customers. Our customers are serviced through our branch network, ATMs, call centers, online banking and mobile channels. The branch network is located in markets across the Mid-Atlantic, Midwest and Southeast. In 2018, Retail Banking launched its national expansion strategy designed to grow customers with digitally-led banking and an ultra-thin branch network in markets outside of our existing retail branch network. 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.

**Asset Management Group** provides personal wealth management for high net worth and ultra high net worth clients and institutional asset management. The Asset Management group is comprised of three distinct operating units:

- Wealth management provides products and services to individuals and their families including investment and retirement planning, customized investment management, private banking, 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 clients.
- Institutional asset management provides outsourced chief investment officer, custody, private real estate, cash and fixed income client solutions, and fiduciary retirement advisory services to institutional clients including corporations, healthcare systems, insurance companies, unions, municipalities and non-profits.

**BlackRock**, in which we hold an equity investment, is a leading publicly-traded investment management firm providing a broad range of investment and technology services to institutional and retail clients worldwide. Using a diverse platform of alpha-seeking active, index and cash management investment strategies across asset classes, BlackRock tailors 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 technology services, including an investment and risk management technology platform, as well as advisory services and solutions to a broad base of institutional and wealth management clients. 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 September 30, 2019, our economic interest in BlackRock was 22%.

**Table 14: Period End Employees**

|                            | September 30<br>2019 | June 30<br>2019 | March 31<br>2019 | December 31<br>2018 | September 30<br>2018 |
|----------------------------|----------------------|-----------------|------------------|---------------------|----------------------|
| <b>Full-time employees</b> |                      |                 |                  |                     |                      |
| Retail Banking             | 28,279               | 28,671          | 28,992           | 29,180              | 29,296               |
| Other full-time employees  | 21,701               | 21,571          | 21,652           | 21,748              | 21,768               |
| Total full-time employees  | 49,980               | 50,242          | 50,644           | 50,928              | 51,064               |
| <b>Part-time employees</b> |                      |                 |                  |                     |                      |
| Retail Banking             | 1,823                | 2,037           | 1,887            | 1,974               | 2,071                |
| Other part-time employees  | 153                  | 518             | 180              | 161                 | 187                  |
| Total part-time employees  | 1,976                | 2,555           | 2,067            | 2,135               | 2,258                |
| <b>Total</b>               | <b>51,956</b>        | <b>52,797</b>   | <b>52,711</b>    | <b>53,063</b>       | <b>53,322</b>        |



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

| <i>In millions</i>                | <i>Three months ended</i> |          |          |             |              | <i>Nine months ended</i> |              |
|-----------------------------------|---------------------------|----------|----------|-------------|--------------|--------------------------|--------------|
|                                   | September 30              | June 30  | March 31 | December 31 | September 30 | September 30             | September 30 |
|                                   | 2019                      | 2019     | 2019     | 2018        | 2018         | 2019                     | 2018         |
| <b>Income</b>                     |                           |          |          |             |              |                          |              |
| Retail Banking                    | \$ 347                    | \$ 325   | \$ 264   | \$ 313      | \$ 228       | \$ 936                   | \$ 751       |
| Corporate & Institutional Banking | 645                       | 602      | 552      | 651         | 642          | 1,799                    | 1,857        |
| Asset Management Group            | 46                        | 80       | 45       | 42          | 55           | 171                      | 160          |
| Other, including BlackRock (b)    | 354                       | 367      | 410      | 345         | 475          | 1,131                    | 1,227        |
| Net income                        | \$ 1,392                  | \$ 1,374 | \$ 1,271 | \$ 1,351    | \$ 1,400     | \$ 4,037                 | \$ 3,995     |
| <b>Revenue</b>                    |                           |          |          |             |              |                          |              |
| Retail Banking                    | \$ 2,137                  | \$ 2,033 | \$ 1,944 | \$ 2,015    | \$ 1,927     | \$ 6,114                 | \$ 5,735     |
| Corporate & Institutional Banking | 1,584                     | 1,578    | 1,474    | 1,562       | 1,517        | 4,636                    | 4,481        |
| Asset Management Group            | 286                       | 354      | 287      | 286         | 299          | 927                      | 893          |
| Other, including BlackRock (b)    | 486                       | 474      | 581      | 477         | 614          | 1,541                    | 1,683        |
| Total revenue                     | \$ 4,493                  | \$ 4,439 | \$ 4,286 | \$ 4,340    | \$ 4,357     | \$ 13,218                | \$ 12,792    |

- (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) 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>Nine months ended</i> |            |
|---------------------------------------|---------------------------|------------|------------|-------------|--------------|--------------------------|------------|
|                                       | September 30              | June 30    | March 31   | December 31 | September 30 | September 30             |            |
|                                       | 2019                      | 2019       | 2019       | 2018        | 2018         | 2019                     | 2018       |
| <b>Income Statement</b>               |                           |            |            |             |              |                          |            |
| Net interest income                   | \$ 1,393                  | \$ 1,376   | \$ 1,349   | \$ 1,319    | \$ 1,305     | \$ 4,118                 | \$ 3,800   |
| Noninterest income                    | 744                       | 657        | 595        | 696         | 622          | 1,996                    | 1,935      |
| Total revenue                         | 2,137                     | 2,033      | 1,944      | 2,015       | 1,927        | 6,114                    | 5,735      |
| Provision for credit losses           | 147                       | 81         | 128        | 119         | 113          | 356                      | 254        |
| Noninterest expense                   | 1,536                     | 1,527      | 1,468      | 1,487       | 1,514        | 4,531                    | 4,491      |
| Pretax earnings                       | 454                       | 425        | 348        | 409         | 300          | 1,227                    | 990        |
| Income taxes                          | 107                       | 100        | 84         | 96          | 72           | 291                      | 239        |
| Earnings                              | \$ 347                    | \$ 325     | \$ 264     | \$ 313      | \$ 228       | \$ 936                   | \$ 751     |
| <b>Average Balance Sheet</b>          |                           |            |            |             |              |                          |            |
| Loans held for sale                   | \$ 760                    | \$ 554     | \$ 441     | \$ 559      | \$ 704       | \$ 586                   | \$ 662     |
| <b>Loans</b>                          |                           |            |            |             |              |                          |            |
| <b>Consumer</b>                       |                           |            |            |             |              |                          |            |
| Home equity                           | \$ 22,434                 | \$ 22,620  | \$ 22,990  | \$ 23,407   | \$ 23,777    | \$ 22,679                | \$ 24,188  |
| Automobile                            | 15,761                    | 15,222     | 14,608     | 14,375      | 14,169       | 15,201                   | 13,643     |
| Education                             | 3,538                     | 3,665      | 3,816      | 3,918       | 4,039        | 3,672                    | 4,208      |
| Credit cards                          | 6,624                     | 6,376      | 6,204      | 6,112       | 5,889        | 6,403                    | 5,746      |
| Other                                 | 2,309                     | 2,179      | 2,068      | 1,985       | 1,857        | 2,187                    | 1,794      |
| Total consumer                        | 50,666                    | 50,062     | 49,686     | 49,797      | 49,731       | 50,142                   | 49,579     |
| Commercial and commercial real estate | 10,379                    | 10,481     | 10,461     | 10,339      | 10,209       | 10,440                   | 10,397     |
| Residential mortgage                  | 16,630                    | 15,737     | 15,034     | 14,637      | 14,153       | 15,806                   | 13,767     |
| Total loans                           | \$ 77,675                 | \$ 76,280  | \$ 75,181  | \$ 74,773   | \$ 74,093    | \$ 76,388                | \$ 73,743  |
| Total assets                          | \$ 93,222                 | \$ 92,350  | \$ 91,255  | \$ 91,164   | \$ 89,963    | \$ 92,282                | \$ 89,259  |
| <b>Deposits</b>                       |                           |            |            |             |              |                          |            |
| Noninterest-bearing demand            | \$ 32,092                 | \$ 31,516  | \$ 30,389  | \$ 31,011   | \$ 31,159    | \$ 31,338                | \$ 30,555  |
| Interest-bearing demand               | 41,420                    | 42,735     | 42,477     | 41,655      | 41,778       | 42,207                   | 42,172     |
| Money market                          | 24,807                    | 25,799     | 26,773     | 27,256      | 28,876       | 25,786                   | 30,656     |
| Savings                               | 57,752                    | 56,075     | 53,100     | 49,771      | 47,964       | 55,659                   | 46,091     |
| Certificates of deposit               | 12,766                    | 12,704     | 12,381     | 12,153      | 11,974       | 12,619                   | 11,957     |
| Total deposits                        | \$ 168,837                | \$ 168,829 | \$ 165,120 | \$ 161,846  | \$ 161,751   | \$ 167,609               | \$ 161,431 |
| <b>Performance Ratios</b>             |                           |            |            |             |              |                          |            |
| Return on average assets              | 1.48%                     | 1.41%      | 1.17%      | 1.36%       | 1.01%        | 1.36%                    | 1.12%      |
| Noninterest income to total revenue   | 35%                       | 32%        | 31%        | 35%         | 32%          | 33%                      | 34%        |
| Efficiency                            | 72%                       | 75%        | 76%        | 74%         | 79%          | 74%                      | 78%        |

(a) See note (a) on page 11.

## Retail Banking (Unaudited) (Continued)

| <i>Dollars in millions, except as noted</i>                                  | <i>Three months ended</i> |          |          |             |              | <i>Nine months ended</i> |        |
|--|---------------------------|----------|----------|-------------|--------------|--------------------------|--------|
|  | September 30              | June 30  | March 31 | December 31 | September 30 | September 30             |        |
|  | 2019                      | 2019     | 2019     | 2018        | 2018         | 2019                     | 2018   |
| <b>Supplemental Noninterest Income Information</b>                           |                           |          |          |             |              |                          |        |
| Consumer services  | \$ 305                    | \$ 299   | \$ 277   | \$ 291      | \$ 284       | \$ 881                   | \$ 837 |
| Brokerage  | \$ 92                     | \$ 86    | \$ 89    | \$ 90       | \$ 86        | \$ 267                   | \$ 260 |
| Residential mortgage   | \$ 134                    | \$ 82    | \$ 65    | \$ 59       | \$ 76        | \$ 281                   | \$ 257 |
| Service charges on deposits  | \$ 178                    | \$ 164   | \$ 162   | \$ 185      | \$ 179       | \$ 504                   | \$ 503 |
| <b>Residential Mortgage Information</b>                                      |                           |          |          |             |              |                          |        |
| Residential mortgage servicing statistics (in billions, except as noted) (a) |                           |          |          |             |              |                          |        |
| Serviced portfolio balance (b)   | \$ 123                    | \$ 124   | \$ 123   | \$ 125      | \$ 127       |                          |        |
| Serviced portfolio acquisitions  | \$ 3                      | \$ 5     | \$ 1     | \$ 2        | \$ 6         | \$ 9                     | \$ 10  |
| MSR asset value (b)  | \$ 0.9                    | \$ 1.0   | \$ 1.1   | \$ 1.3      | \$ 1.4       |                          |        |
| MSR capitalization value (in basis points) (b)                               | 72                        | 80       | 92       | 100         | 108          |                          |        |
| Servicing income: (in millions)  |                           |          |          |             |              |                          |        |
| Servicing fees, net (c)  | \$ 44                     | \$ 42    | \$ 53    | \$ 49       | \$ 42        | \$ 139                   | \$ 132 |
| Mortgage servicing rights valuation, net of economic hedge                   | \$ 40                     | \$ 7     | \$ (9)   | \$ (19)     | \$ —         | \$ 38                    | \$ 22  |
| <b>Residential mortgage loan statistics</b>                                  |                           |          |          |             |              |                          |        |
| Loan origination volume (in billions)  | \$ 3.4                    | \$ 2.9   | \$ 1.7   | \$ 1.6      | \$ 2.1       | \$ 8.0                   | \$ 5.8 |
| Loan sale margin percentage  | 2.59%                     | 2.24%    | 2.35%    | 2.49%       | 2.21%        | 2.41%                    | 2.39%  |
| Percentage of originations represented by:                                   |                           |          |          |             |              |                          |        |
| Purchase volume (d)  | 44%                       | 54%      | 56%      | 67%         | 72%          | 50%                      | 67%    |
| Refinance volume   | 56%                       | 46%      | 44%      | 33%         | 28%          | 50%                      | 33%    |
| <b>Other Information (b)</b>   |                           |          |          |             |              |                          |        |
| <b>Customer-related statistics (average)</b>                                 |                           |          |          |             |              |                          |        |
| Non-teller deposit transactions (e)  | 58%                       | 56%      | 57%      | 55%         | 55%          | 57%                      | 54%    |
| Digital consumer customers (f)   | 70%                       | 69%      | 68%      | 67%         | 66%          | 69%                      | 65%    |
| <b>Credit-related statistics</b>   |                           |          |          |             |              |                          |        |
| Nonperforming assets   | \$ 1,056                  | \$ 1,074 | \$ 1,109 | \$ 1,126    | \$ 1,145     |                          |        |
| Net charge-offs  | \$ 128                    | \$ 120   | \$ 132   | \$ 112      | \$ 96        | \$ 380                   | \$ 308 |
| <b>Other statistics</b>  |                           |          |          |             |              |                          |        |
| ATMs   | 9,102                     | 9,072    | 9,112    | 9,162       | 9,093        |                          |        |
| Branches (g)   | 2,310                     | 2,321    | 2,347    | 2,372       | 2,388        |                          |        |
| Brokerage account client assets (in billions) (h)                            | \$ 52                     | \$ 52    | \$ 51    | \$ 47       | \$ 51        |                          |        |

(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 quarterly averages, and net charge-offs, which are for the three months ended.

(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 &amp; Institutional Banking (Unaudited) (a)

| <i>Dollars in millions</i>  | <i>Three months ended</i> |            |            |             |              | <i>Nine months ended</i> |              |
|---|---------------------------|------------|------------|-------------|--------------|--------------------------|--------------|
|   | September 30              | June 30    | March 31   | December 31 | September 30 | September 30             | September 30 |
|   | 2019                      | 2019       | 2019       | 2018        | 2018         | 2019                     | 2018         |
| <b>Income Statement</b>   |                           |            |            |             |              |                          |              |
| Net interest income   | \$ 930                    | \$ 917     | \$ 898     | \$ 930      | \$ 925       | \$ 2,745                 | \$ 2,707     |
| Noninterest income  | 654                       | 661        | 576        | 632         | 592          | 1,891                    | 1,774        |
| Total revenue   | 1,584                     | 1,578      | 1,474      | 1,562       | 1,517        | 4,636                    | 4,481        |
| Provision for credit losses (benefit)                                     | 48                        | 100        | 71         | 42          | (13)         | 219                      | 43           |
| Noninterest expense   | 703                       | 698        | 686        | 687         | 698          | 2,087                    | 2,019        |
| Pretax earnings   | 833                       | 780        | 717        | 833         | 832          | 2,330                    | 2,419        |
| Income taxes  | 188                       | 178        | 165        | 182         | 190          | 531                      | 562          |
| Earnings  | \$ 645                    | \$ 602     | \$ 552     | \$ 651      | \$ 642       | \$ 1,799                 | \$ 1,857     |
| <b>Average Balance Sheet</b>  |                           |            |            |             |              |                          |              |
| Loans held for sale   | \$ 720                    | \$ 330     | \$ 347     | \$ 669      | \$ 514       | \$ 467                   | \$ 763       |
| <b>Loans</b>  |                           |            |            |             |              |                          |              |
| Commercial  | \$ 114,701                | \$ 113,702 | \$ 108,641 | \$ 106,082  | \$ 103,474   | \$ 112,371               | \$ 102,342   |
| Commercial real estate  | 26,570                    | 26,224     | 25,971     | 26,183      | 26,650       | 26,257                   | 26,699       |
| Equipment lease financing   | 7,272                     | 7,284      | 7,264      | 7,216       | 7,202        | 7,273                    | 7,512        |
| Total commercial lending  | 148,543                   | 147,210    | 141,876    | 139,481     | 137,326      | 145,901                  | 136,553      |
| Consumer  | 13                        | 16         | 20         | 22          | 32           | 16                       | 49           |
| Total loans   | \$ 148,556                | \$ 147,226 | \$ 141,896 | \$ 139,503  | \$ 137,358   | \$ 145,917               | \$ 136,602   |
| <b>Total assets</b>   |                           |            |            |             |              |                          |              |
| \$ 168,193  | \$ 163,897                | \$ 157,169 | \$ 156,997 | \$ 153,987  | \$ 163,126   | \$ 153,149               |              |
| <b>Deposits</b>   |                           |            |            |             |              |                          |              |
| Noninterest-bearing demand  | \$ 38,740                 | \$ 38,765  | \$ 39,551  | \$ 42,678   | \$ 43,480    | \$ 39,016                | \$ 44,577    |
| Money market  | 29,456                    | 26,948     | 25,630     | 25,691      | 24,285       | 27,358                   | 23,511       |
| Other   | 27,623                    | 24,811     | 23,374     | 23,423      | 20,343       | 25,285                   | 19,182       |
| Total deposits  | \$ 95,819                 | \$ 90,524  | \$ 88,555  | \$ 91,792   | \$ 88,108    | \$ 91,659                | \$ 87,270    |
| <b>Performance Ratios</b>   |                           |            |            |             |              |                          |              |
| Return on average assets  | 1.52%                     | 1.47%      | 1.42%      | 1.65%       | 1.66%        | 1.47%                    | 1.62%        |
| Noninterest income to total revenue                                       | 41%                       | 42%        | 39%        | 40%         | 39%          | 41%                      | 40%          |
| Efficiency  | 44%                       | 44%        | 47%        | 44%         | 46%          | 45%                      | 46%          |
| <b>Other Information</b>  |                           |            |            |             |              |                          |              |
| Consolidated revenue from:  |                           |            |            |             |              |                          |              |
| Treasury Management (b)   | \$ 460                    | \$ 467     | \$ 445     | \$ 461      | \$ 453       | \$ 1,372                 | \$ 1,318     |
| Capital Markets (b)   | \$ 290                    | \$ 313     | \$ 246     | \$ 272      | \$ 275       | \$ 849                   | \$ 816       |
| <b>Commercial mortgage banking activities</b>                             |                           |            |            |             |              |                          |              |
| Commercial mortgage loans held for sale (c)                               | \$ 38                     | \$ 20      | \$ 15      | \$ 29       | \$ 26        | \$ 73                    | \$ 78        |
| Commercial mortgage loan servicing income (d)                             | 71                        | 65         | 54         | 68          | 64           | 190                      | 179          |
| Commercial mortgage servicing rights valuation, net of economic hedge (e) | 1                         | 11         | 5          | 1           | 2            | 17                       | 26           |
| Total   | \$ 110                    | \$ 96      | \$ 74      | \$ 98       | \$ 92        | \$ 280                   | \$ 283       |
| MSR asset value (f)   | \$ 595                    | \$ 630     | \$ 681     | \$ 726      | \$ 766       |                          |              |
| <b>Average Loans by C&amp;IB business (g)</b>                             |                           |            |            |             |              |                          |              |
| Corporate Banking   | \$ 74,883                 | \$ 74,366  | \$ 71,089  | \$ 67,567   | \$ 66,560    | \$ 73,460                | \$ 66,145    |
| Real Estate   | 38,172                    | 37,143     | 36,357     | 38,141      | 37,463       | 37,231                   | 37,379       |
| Business Credit   | 22,824                    | 22,877     | 21,728     | 21,431      | 20,928       | 22,480                   | 20,588       |
| Commercial Banking  | 7,947                     | 8,080      | 8,118      | 8,031       | 8,112        | 8,048                    | 8,135        |
| Other   | 4,730                     | 4,760      | 4,604      | 4,333       | 4,295        | 4,698                    | 4,355        |
| Total average loans   | \$ 148,556                | \$ 147,226 | \$ 141,896 | \$ 139,503  | \$ 137,358   | \$ 145,917               | \$ 136,602   |
| <b>Credit-related statistics</b>  |                           |            |            |             |              |                          |              |
| Nonperforming assets (f)  | \$ 526                    | \$ 497     | \$ 388     | \$ 377      | \$ 355       |                          |              |
| Net charge-offs   | \$ 30                     | \$ 23      | \$ 5       | \$ 2        | \$ 1         | \$ 58                    | \$ 8         |

(a) See note (a) on page 11.

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

(c) 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.

(d) Represents 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.

(e) Includes amounts reported in corporate service fees.

(f) Presented as of period end.

(g) As a result of our first quarter 2019 C&amp;IB business realignment, average loans previously reported as Equipment Finance were reclassified to other C&amp;IB businesses for all periods presented.

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

| <i>Dollars in millions, except as noted</i>             | <i>Three months ended</i> |           |           |             |              | <i>Nine months ended</i> |              |
|---|---------------------------|-----------|-----------|-------------|--------------|--------------------------|--------------|
|   | September 30              | June 30   | March 31  | December 31 | September 30 | September 30             | September 30 |
|   | 2019                      | 2019      | 2019      | 2018        | 2018         | 2019                     | 2018         |
| <b>Income Statement</b>                                 |                           |           |           |             |              |                          |              |
| Net interest income                                     | \$ 70                     | \$ 68     | \$ 70     | \$ 70       | \$ 71        | \$ 208                   | \$ 217       |
| Noninterest income                                      | 216                       | 286       | 217       | 216         | 228          | 719                      | 676          |
| Total revenue   | 286                       | 354       | 287       | 286         | 299          | 927                      | 893          |
| Provision for credit losses (benefit)                   | (1)                       | —         | (1)       | —           | 2            | (2)                      | 2            |
| Noninterest expense                                     | 228                       | 249       | 230       | 232         | 225          | 707                      | 681          |
| Pretax earnings   | 59                        | 105       | 58        | 54          | 72           | 222                      | 210          |
| Income taxes  | 13                        | 25        | 13        | 12          | 17           | 51                       | 50           |
| Earnings  | \$ 46                     | \$ 80     | \$ 45     | \$ 42       | \$ 55        | \$ 171                   | \$ 160       |
| <b>Average Balance Sheet</b>                            |                           |           |           |             |              |                          |              |
| <b>Loans</b>  |                           |           |           |             |              |                          |              |
| Consumer  | \$ 4,207                  | \$ 4,216  | \$ 4,362  | \$ 4,522    | \$ 4,623     | \$ 4,261                 | \$ 4,702     |
| Commercial and commercial real estate                   | 758                       | 731       | 752       | 705         | 727          | 747                      | 734          |
| Residential mortgage                                    | 1,980                     | 1,792     | 1,723     | 1,666       | 1,605        | 1,833                    | 1,561        |
| Total loans   | \$ 6,945                  | \$ 6,739  | \$ 6,837  | \$ 6,893    | \$ 6,955     | \$ 6,841                 | \$ 6,997     |
| Total assets  | \$ 7,331                  | \$ 7,150  | \$ 7,259  | \$ 7,328    | \$ 7,397     | \$ 7,247                 | \$ 7,455     |
| <b>Deposits</b>   |                           |           |           |             |              |                          |              |
| Noninterest-bearing demand                              | \$ 1,299                  | \$ 1,347  | \$ 1,388  | \$ 1,469    | \$ 1,440     | \$ 1,344                 | \$ 1,455     |
| Interest-bearing demand                                 | 3,393                     | 2,891     | 3,076     | 3,055       | 3,253        | 3,121                    | 3,413        |
| Money market  | 1,740                     | 1,785     | 2,036     | 2,001       | 2,112        | 1,852                    | 2,339        |
| Savings   | 6,302                     | 5,875     | 5,723     | 5,294       | 4,955        | 5,969                    | 4,754        |
| Other   | 893                       | 797       | 697       | 634         | 537          | 797                      | 408          |
| Total deposits  | \$ 13,627                 | \$ 12,695 | \$ 12,920 | \$ 12,453   | \$ 12,297    | \$ 13,083                | \$ 12,369    |
| <b>Performance Ratios</b>                               |                           |           |           |             |              |                          |              |
| Return on average assets                                | 2.49%                     | 4.49%     | 2.51%     | 2.27%       | 2.95%        | 3.15%                    | 2.87%        |
| Noninterest income to total revenue                     | 76%                       | 81%       | 76%       | 76%         | 76%          | 78%                      | 76%          |
| Efficiency  | 80%                       | 70%       | 80%       | 81%         | 75%          | 76%                      | 76%          |
| <b>Other Information</b>                                |                           |           |           |             |              |                          |              |
| Nonperforming assets (b)                                | \$ 42                     | \$ 45     | \$ 48     | \$ 46       | \$ 51        |                          |              |
| Net charge-offs   | \$ —                      | \$ —      | \$ 1      | \$ 1        | \$ 1         | \$ 1                     | \$ 8         |
| <b>Client Assets Under Administration (in billions)</b> |                           |           |           |             |              |                          |              |
| <b>(b) (c)</b>  |                           |           |           |             |              |                          |              |
| Discretionary client assets under management            | \$ 163                    | \$ 162    | \$ 158    | \$ 148      | \$ 159       |                          |              |
| Nondiscretionary client assets under administration     | 135                       | 132       | 130       | 124         | 134          |                          |              |
| Total   | \$ 298                    | \$ 294    | \$ 288    | \$ 272      | \$ 293       |                          |              |
| <b>Discretionary client assets under management</b>     |                           |           |           |             |              |                          |              |
| Personal  | \$ 98                     | \$ 99     | \$ 95     | \$ 87       | \$ 97        |                          |              |
| Institutional   | 65                        | 63        | 63        | 61          | 62           |                          |              |
| Total   | \$ 163                    | \$ 162    | \$ 158    | \$ 148      | \$ 159       |                          |              |

(a) See note (a) 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.

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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, OREO and foreclosed 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, automobile, 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).

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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) and foreclosed assets - Assets taken in settlement of troubled loans primarily through deed-in-lieu of foreclosure or foreclosure. Foreclosed assets include real and personal property. 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.



**Third Quarter 2019**

Earnings Conference Call

October 16, 2019

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 our 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 2018 Form 10-K, subsequent Form 10-Qs, and in our other 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. As a result, we caution against placing undue reliance on any forward-looking statements.

We include non-GAAP financial information in this presentation. Non-GAAP financial information includes financial metrics such 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](http://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](http://www.sec.gov). We include web addresses here as inactive textual references only. Information on these websites is not part of this presentation.

## Third Quarter 2019 Highlights



- Grew loans and deposits
- Grew total revenue
- Generated positive operating leverage and improved efficiency
- Maintained strong credit quality
- Returned significant capital to shareholders
- Continued to invest in our strategic priorities to create long-term shareholder value

Net Income  
**\$1.4 billion**

Diluted Earnings Per Share  
**\$2.94**

Return on Average Assets  
**1.36%**

Return on Common Equity  
**11.56%**

Return on Tangible Common Equity  
**14.55%**



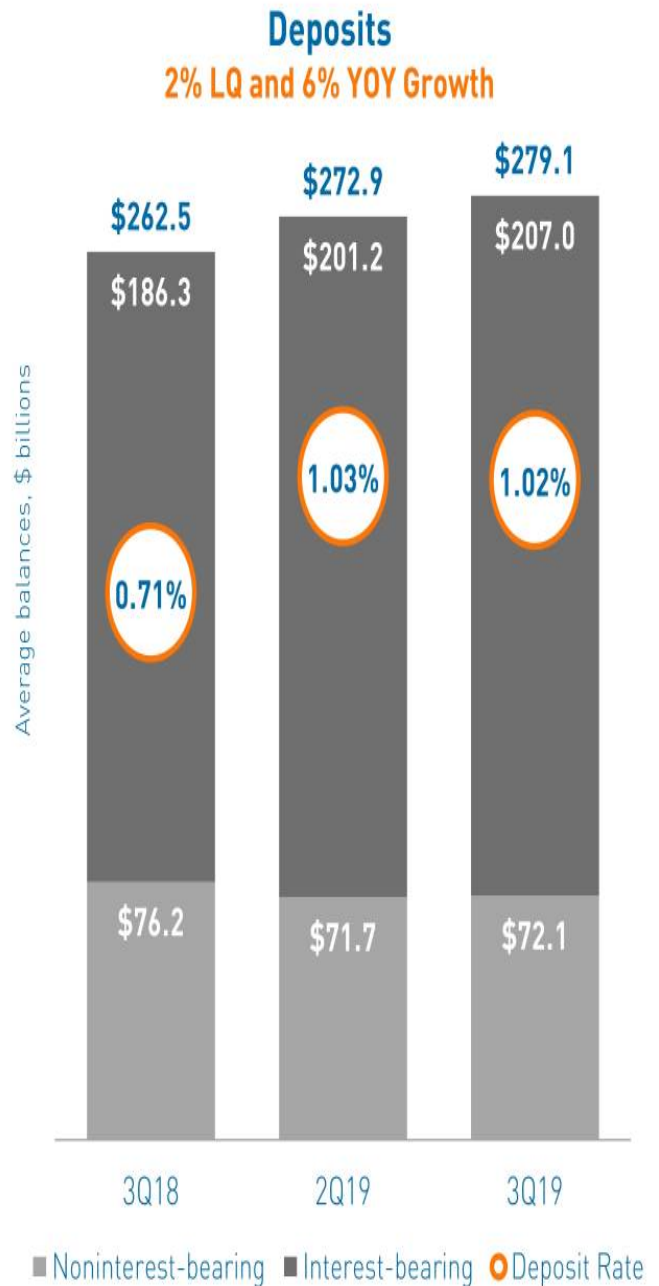
## Balance Sheet: **Grew Loans, Deposits and Securities**



| Average balances, \$ billions                | Change vs.     |         |         | Highlights  |
|--|----------------|---------|---------|---|
|  | 3Q19           | 2Q19    | 3Q18    |   |
| Commercial lending                           | <b>\$161.5</b> | \$1.3   | \$11.6  | ▪ Linked quarter growth primarily in the real estate business and corporate banking   |
| Consumer lending                             | <b>76.2</b>    | 1.5     | 2.8     | ▪ Growth in residential mortgage, auto, credit card   |
| Total loans                                  | <b>\$237.7</b> | \$2.8   | \$14.4  | ▪ 1% linked quarter growth; 6% year-over-year growth  |
| Investment securities                        | <b>\$85.2</b>  | \$1.5   | \$4.4   | ▪ 2% linked quarter growth; 5% year-over-year growth  |
| Federal Reserve Bank balances                | <b>\$15.3</b>  | \$2.1   | (\$3.5) |   |
| Deposits                                     | <b>\$279.1</b> | \$6.2   | \$16.6  | ▪ Overall deposit and customer growth   |
| Common shareholders' equity                  | <b>\$45.1</b>  | \$0.5   | \$2.4   | ▪ Returned \$1.5 billion to shareholders in 3Q19<br>– 7.5 million shares repurchased for \$1 billion and dividends of \$0.5 billion |
|  | 9/30/19        | 6/30/19 | 9/30/18 |   |
| Basel III common equity Tier 1 capital ratio | <b>9.6%</b>    | 9.7%    | 9.3%    | ▪ Maintained strong capital position  |
| Tangible book value per common share         | <b>\$82.37</b> | \$80.76 | \$73.11 | ▪ 13% increase over 9/30/18   |

– Basel III common equity Tier 1 capital ratio – September 30, 2019 ratio is estimated. All ratios calculated based on the standardized approach.  
– Tangible book value per common share (Non-GAAP) – See Reconciliation in Appendix.

# Balance Sheet: Loan Growth Core Funded with Deposits



- LQ = Linked Quarter  
- YOY = Year-over-Year

# Income Statement: **Strong Results, Positive Operating Leverage**



| \$ millions                    | Change vs.     |        |        | Highlights  |
|--------------------------------|----------------|--------|--------|---|
|                                | 3Q19           | 2Q19   | 3Q18   |   |
| Net interest income            | <b>\$2,504</b> | \$6    | \$38   | <ul style="list-style-type: none"> <li>LQ growth driven by higher interest-earning asset balances and an additional day, partially offset by lower rates</li> </ul> |
| Noninterest income             | <b>1,989</b>   | 48     | 98     | <ul style="list-style-type: none"> <li>Solid fee growth of 5% LQ and 4% YoY</li> <li>Total noninterest income growth of 2% LQ and 5% YoY</li> </ul>                 |
| Total revenue                  | <b>\$4,493</b> | \$54   | \$136  | <ul style="list-style-type: none"> <li>1% linked quarter growth; 3% year-over-year growth</li> </ul>  |
| Noninterest expense            | <b>\$2,623</b> | \$12   | \$15   | <ul style="list-style-type: none"> <li>Generated quarterly positive operating leverage on a linked quarter and year-over-year basis</li> </ul>                      |
| Pretax, pre-provision earnings | <b>\$1,870</b> | \$42   | \$121  | <ul style="list-style-type: none"> <li>2% linked quarter growth; 7% year-over-year growth</li> </ul>  |
| Provision                      | <b>\$183</b>   | \$3    | \$95   | <ul style="list-style-type: none"> <li>Credit quality remained strong</li> </ul>  |
| Net income                     | <b>\$1,392</b> | \$18   | (\$8)  |   |
|                                | 3Q19           | 2Q19   | 3Q18   |   |
| Diluted EPS                    | <b>\$2.94</b>  | \$2.88 | \$2.82 | <ul style="list-style-type: none"> <li>2% linked quarter growth; 4% year-over-year growth</li> </ul>  |

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

# Income Statement: Diverse Businesses Drive Revenue Growth



## Total Revenue 1% LQ and 3% YOY Growth

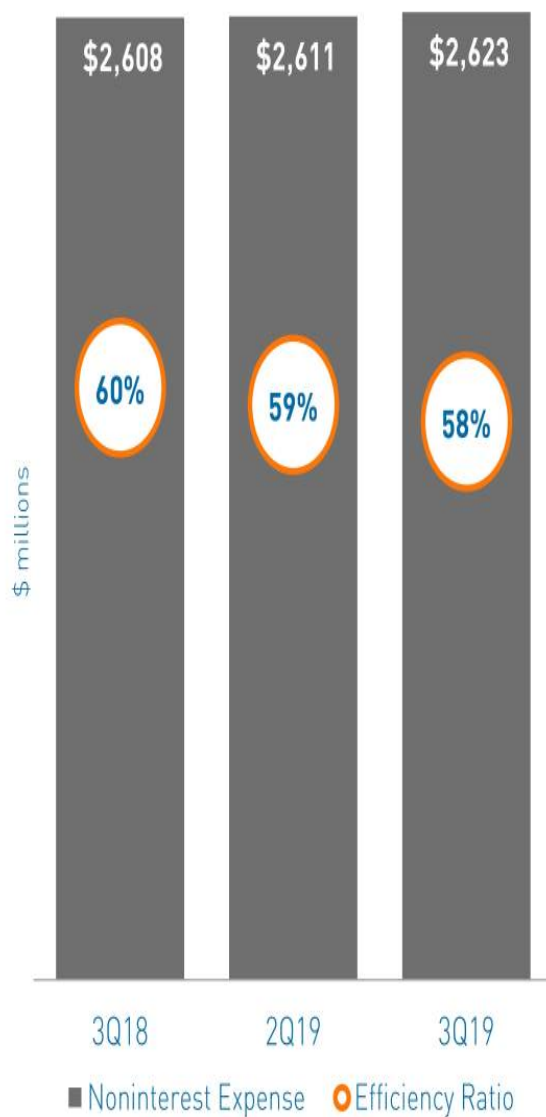


## Noninterest Income Detail 2% LQ and 5% YOY Growth

| \$ millions                 | Change vs. |      |        | Change vs. |         |
|-----------------------------|------------|------|--------|------------|---------|
|                             | 3Q19       | 2Q19 | 3Q18   | YTD '19    | YTD '18 |
| Asset management            | \$464      | \$19 | (\$22) | \$1,346    | (\$51)  |
| Consumer services           | 402        | 10   | 25     | 1,165      | 50      |
| Corporate services          | 469        | (15) | 4      | 1,415      | 34      |
| Residential mortgage        | 134        | 52   | 58     | 281        | 24      |
| Service charges on deposits | 178        | 7    | (8)    | 517        | (5)     |
| Fee income                  | \$1,647    | \$73 | \$57   | \$4,724    | \$52    |
| Other noninterest income    | 342        | (25) | 41     | 1,017      | 137     |
| Noninterest income          | \$1,989    | \$48 | \$98   | \$5,741    | \$189   |

- NII - Net Interest Income.
- NIM - Net Interest Margin.

**Noninterest Expense**  
Efficiency Ratio Improved

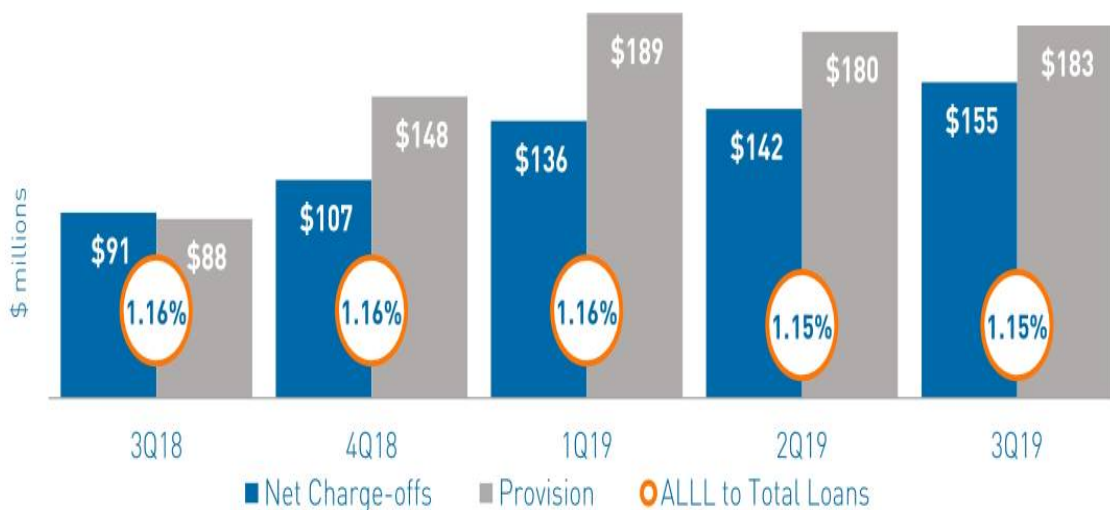


**Noninterest Expense Detail**  
Stable LQ and 1% YOY Growth

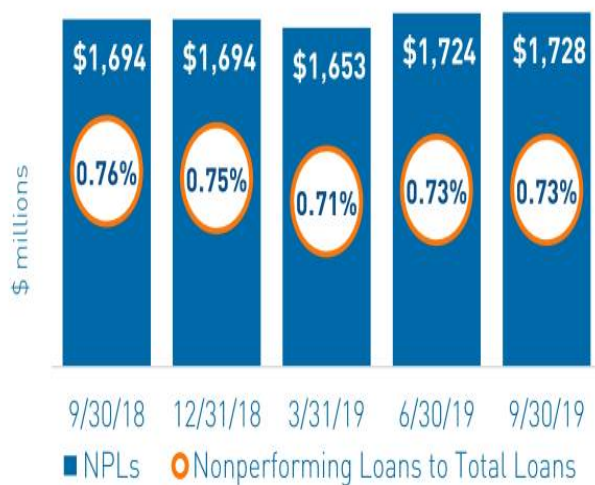
| \$ millions                | Change vs.     |      |        | Change vs.     |         |
|----------------------------|----------------|------|--------|----------------|---------|
|                            | 3Q19           | 2Q19 | 3Q18   | YTD '19        | YTD '18 |
| Personnel                  | <b>\$1,400</b> | \$35 | (\$13) | <b>\$4,179</b> | \$56    |
| Occupancy                  | <b>206</b>     | (6)  | 11     | <b>633</b>     | 17      |
| Equipment                  | <b>291</b>     | (7)  | 27     | <b>862</b>     | 44      |
| Marketing                  | <b>76</b>      | (7)  | 5      | <b>224</b>     | 23      |
| Other                      | <b>650</b>     | (3)  | (15)   | <b>1,914</b>   | (47)    |
| <b>Noninterest expense</b> | <b>\$2,623</b> | \$12 | \$15   | <b>\$7,812</b> | \$93    |



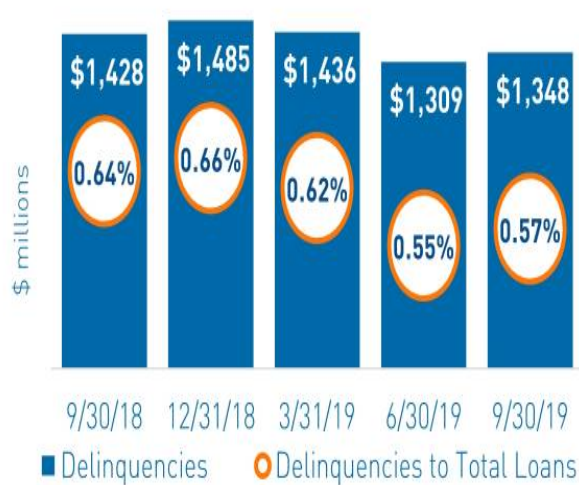
**Net Charge-offs and Provision**  
**NCO / Average Loans for 3Q19: 0.26%**



**Nonperforming Loans**



**Delinquencies**



- ALLL - Allowance for Loan and Lease Losses.  
 - NCO / Average Loans represents annualized net charge-offs (NCO) to average loans for the three months ended  
 - Delinquencies represents accruing loans past due 30-days or more. Delinquencies to Total Loans represents delinquencies divided by spot loans.

|                         |                          |                       |
|-------------------------|--------------------------|-----------------------|
| <b>Balance Sheet</b>    | Average loans            | Up approximately 1%   |
|                         | Net interest income      | Down approximately 1% |
| <b>Income Statement</b> | Fee income               | Stable to up 1%       |
|                         | Other noninterest income | \$300 - \$350 million |
|                         | Noninterest expense      | Up approximately 1%   |
|                         | Loan loss provision      | \$175 - \$225 million |

**Positioned to deliver full year positive operating leverage**

- Refer to Cautionary Statement in the Appendix, including economic and other assumptions. Does not take into account impact of potential legal and regulatory contingencies.
- Average loans, net interest income, fee income and noninterest expense outlook represents estimated percentage change for fourth quarter 2019 compared to third quarter 2019.
- The range for Other Noninterest Income excludes net securities gains and activities related to Visa Class B common shares.

## 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. 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 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. As a result, we caution against placing undue reliance on any forward-looking statements.

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 recently enacted tax legislation, changing business and economic conditions or legislative or regulatory initiatives.
  - Changes in customers', suppliers' and other counterparties' performance and creditworthiness.
  - Impacts of tariffs and other trade policies of the U.S. and its global trading partners.
  - 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 views that:
  - U.S. economic growth, after accelerating a few years ago, has slowed since mid-2018 and is expected to slow further through the rest of this year and into 2020.
  - We expect that further gradual improvement in the labor market this year and into 2020, including job gains and rising wages, will be a positive for consumer spending.
  - Slower global economic growth, trade restrictions and geopolitical concerns are downside risks to the forecast, which have increased in 2019, and risks are weighted to the downside.
  - Inflation has slowed in 2019, to below the FOMC's 2 percent objective, but is expected to gradually increase over the next two years.
  - Our baseline forecast is for one more 0.25 percentage point cut to the federal funds rate in October 2019, taking the rate to a range of 1.50 to 1.75 percent by the end of 2019.
- 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 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 review 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 to laws and regulations, including changes affecting oversight of the financial services industry, consumer protection, bank capital and liquidity standards, pension, bankruptcy and other industry aspects, and changes in accounting policies and principles.
  - 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 and new strategic initiatives. Risks and uncertainties include those presented by the nature of the business acquired and strategic initiative, 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, cyberattacks 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 2018 Form 10-K and subsequent 2019 Form 10-Qs, 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 other 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](http://www.sec.gov) and on our corporate website at [www.pnc.com/secfilings](http://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 company's actual or anticipated results.



### Return on Tangible Common Equity (Non-GAAP)

| \$ millions  | For the three months ended |                  |                   |
|--|----------------------------|------------------|-------------------|
|  | Sept. 30,<br>2019          | June 30,<br>2019 | Sept. 30,<br>2018 |
| Return on average common shareholders' equity                            | 11.56%                     | 11.75%           | 12.32%            |
| Average common shareholders' equity                                      | \$45,127                   | \$44,591         | \$42,668          |
| Average Goodwill and Other intangible assets                             | (9,455)                    | (9,448)          | (9,498)           |
| Average deferred tax liabilities on Goodwill and Other intangible assets | 191                        | 191              | 192               |
| Average tangible common equity   | \$35,863                   | \$35,334         | \$33,362          |
| Net income attributable to common shareholders                           | \$1,315                    | \$1,306          | \$1,325           |
| Net income attributable to common shareholders, if annualized            | \$5,217                    | \$5,238          | \$5,256           |
| Return on average tangible common equity                                 | 14.55%                     | 14.82%           | 15.75%            |

Return on average tangible common equity is a non-GAAP financial measure and is calculated based on annualized net income attributable to common shareholders divided by tangible common equity. We believe that return on average tangible common equity is useful as a tool to help measure and assess a company's use of common equity.

**Tangible Book Value per Common Share (Non-GAAP)**

| <i>\$ millions, except per share data</i>                        | <b>Sept. 30,<br/>2019</b> | <b>June 30,<br/>2019</b> | <b>Sept. 30,<br/>2018</b> | % Change                           |                                    |
|--|---------------------------|--------------------------|---------------------------|------------------------------------|------------------------------------|
|  |                           |                          |                           | <b>9/30/19<br/>vs.<br/>6/30/19</b> | <b>9/30/19<br/>vs.<br/>9/30/18</b> |
| Book value per common share                                      | \$103.37                  | \$101.53                 | \$93.22                   | 2%                                 | 11%                                |
| Tangible book value per common share                             |                           |                          |                           |                                    |                                    |
| Common shareholders' equity                                      | \$45,428                  | \$45,349                 | \$43,076                  |                                    |                                    |
| Goodwill and Other intangible assets                             | (9,459)                   | (9,442)                  | (9,489)                   |                                    |                                    |
| Deferred tax liabilities on Goodwill and Other intangible assets | 191                       | 191                      | 192                       |                                    |                                    |
| Tangible common shareholders' equity                             | <u>\$36,160</u>           | <u>\$36,098</u>          | <u>\$33,779</u>           |                                    |                                    |
| Period-end common shares outstanding (in millions)               | 439                       | 447                      | 462                       |                                    |                                    |
| Tangible book value per common share (Non-GAAP)                  | \$82.37                   | \$80.76                  | \$73.11                   | 2%                                 | 13%                                |

Tangible book value per common share is a non-GAAP financial 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>\$ millions</i>            | For the three months ended |                  |                   |                  |                  |
|-------------------------------|----------------------------|------------------|-------------------|------------------|------------------|
|                               | Sept. 30,<br>2019          | June 30,<br>2019 | Sept. 30,<br>2018 | % Change         |                  |
|                               |                            |                  |                   | 3Q19<br>vs. 2Q19 | 3Q19<br>vs. 3Q18 |
| Net interest income           | \$2,504                    | \$2,498          | \$2,466           | 0%               | 2%               |
| Noninterest income            | 1,989                      | 1,941            | 1,891             | 2%               | 5%               |
| Total revenue                 | 4,493                      | 4,439            | 4,357             | 1%               | 3%               |
| Noninterest expense           | 2,623                      | 2,611            | 2,608             | 0%               | 1%               |
| Pretax pre-provision earnings | \$1,870                    | \$1,828          | \$1,749           | 2%               | 7%               |
| Net income                    | \$1,392                    | \$1,374          | \$1,400           | 1%               | (1%)             |

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.



