

**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

November 16, 2020

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))

Securities registered pursuant to 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$5.00	PNC	New York Stock Exchange
Depository Shares Each Representing a 1/4,000 Interest in a Share of Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series P	PNC P	New York Stock Exchange

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

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

Item 7.01 Regulation FD Disclosure.

On November 16, 2020, The PNC Financial Services Group, Inc. (“PNC”) issued a press release announcing the entry into a Stock Purchase Agreement on November 15, 2020 with Banco Bilbao Vizcaya Argentaria, S.A. for the purchase by PNC of 100% of the issued and outstanding shares of BBVA USA Bancshares, Inc., a financial holding company, conducting its business operations primarily through its U.S. banking subsidiary, BBVA USA, an Alabama-chartered bank, for \$11.6 billion in cash on hand in a fixed price structure. PNC is not acquiring BBVA Securities, Inc., Propel Venture Partners Fund I, L.P. and BBVA Processing Services, Inc. On November 16, 2020, PNC also held a conference call with investors regarding the announcement. PNC provided electronic presentation slides on its website used in connection with the related conference call. Copies of PNC’s press release and electronic presentation slides are attached as Exhibits 99.1 and 99.2 to this Report, respectively.

In accordance with general instruction B.2 of Form 8-K, the information in this report (including exhibits) that is being furnished pursuant to Item 7.01 of Form 8-K shall not be deemed to be “filed” for the purposes of Section 18 of the Exchange Act or otherwise subject to liabilities of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as expressly set forth in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Number</u>	<u>Description</u>	<u>Method of Filing</u>
99.1	Press Release dated November 16, 2020	Furnished herewith
99.2	Electronic presentation slides for related November 16, 2020 investor call	Furnished herewith
104	The cover page of this Current Report on Form 8-K, formatted in Inline XBRL	

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: November 16, 2020

THE PNC FINANCIAL SERVICES GROUP, INC.
(Registrant)

By: /s/ Gregory H. Kozich

Gregory H. Kozich

Senior Vice President and Controller



NEWS RELEASE

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PNC ANNOUNCES AGREEMENT TO BUY BBVA USA BANCSHARES, INC.

Acquisition significantly accelerates PNC's national expansion strategy;
creates nation's 5th largest bank by asset size

PITTSBURGH, Nov. 16, 2020 - The PNC Financial Services Group, Inc. (NYSE: PNC) and the Spanish financial group, Banco Bilbao Vizcaya Argentaria, S.A. (NYSE and MAD: BBVA) today announced that they have signed a definitive agreement for PNC to acquire BBVA USA Bancshares, Inc., including its U.S. banking subsidiary, BBVA USA, for a purchase price of \$11.6 billion to be funded with cash on hand in a fixed price structure.

BBVA USA Bancshares, with \$104 billion in assets and headquartered in Houston, Texas, provides commercial and retail banking services through its banking subsidiary BBVA USA and operates 637 branches in Texas, Alabama, Arizona, California, Florida, Colorado and New Mexico. When combined with PNC's existing footprint, the company will have a coast-to-coast franchise with a presence in 29 of the 30 largest markets in the U.S.

"Our acquisition of BBVA USA will accelerate our growth trajectory and drive long-term shareholder value through a strategic deployment of the proceeds from the sale of our BlackRock investment," said William S. Demchak, PNC's chairman, president and chief executive officer. "This transaction is an opportunity to navigate our future from a position of strength, accelerating PNC's national expansion strategy while drawing on our experience as a disciplined acquirer. We are excited to bring our industry-leading technology and innovative products and services to new markets and clients, leveraging our mutual commitment to building diverse and high performing teams and supporting the communities we serve."

"This is a very positive transaction for all sides. PNC has recognized the great value of our unique client franchise and of our great team in the U.S., who will be part of a leading financial services group in the country," said BBVA Group Executive Chairman Carlos Torres Vila. "The deal enhances our already strong financial position. We will have ample flexibility to profitably deploy capital in our markets strengthening our long-term growth profile and supporting economies in the recovery phase, and to increase distributions to shareholders."

PNC expects the transaction to be approximately 21% accretive to earnings in 2022 and to substantially replace the net income benefit from PNC's passive equity investment in BlackRock that was divested in May 2020. The transaction has an estimated internal rate of return to PNC in excess of 19%. The purchase price is estimated at 134% of BBVA USA's tangible book value, based on its balance sheet as of Sept. 30, 2020, and reflects a deposit premium of 3.7%.

The acquisition adds approximately \$86 billion of deposits and \$66 billion of loans based on BBVA USA's Sept. 30, 2020 balance sheet. Post-closing, the estimated allowance for credit losses to total loans for the combined entity is 2.85%, including reserves for the acquired loans from BBVA USA of 3.85%.

PNC expects to incur merger and integration costs of \$980 million, inclusive of approximately \$250 million in write-offs of capitalized items, and achieve cost savings in excess of \$900 million, or 35% of BBVA USA's 2022 estimated annual noninterest expense through operational and administrative efficiency improvements.

The transaction, which has been approved by both companies' boards of directors, is expected to close in mid-2021, subject to customary closing conditions, including regulatory approvals. Upon closing, PNC intends to merge BBVA USA Bancshares into PNC with PNC continuing as the surviving entity. Post-closing, PNC intends to merge BBVA USA into PNC Bank, N.A. and convert BBVA USA customers to the PNC platform with BBVA USA branches assuming the PNC Bank name. PNC is not acquiring BBVA Securities, Inc., Propel Venture Partners Fund I, L.P. and BBVA Processing Services, Inc.

PNC has a long history of supporting the communities it serves. The company has earned an "Outstanding" rating under the Community Reinvestment Act since those examinations began more than 40 years ago. Furthermore, PNC has long supported full inclusivity of all people and groups, and remains committed to strengthening and enriching the lives of the communities where it operates. This includes PNC's 2020 pledge to provide \$30 million in charitable support for COVID-19 relief efforts, and a \$1 billion commitment announced earlier this year to support economic empowerment and combat systemic racism of Black Americans and low to moderate income communities. PNC will include all new markets in these initiatives, while maintaining its commitment to those it currently serves.

Bank of America, Citi, Evercore and PNC Financial Institutions Advisory acted as financial advisers to PNC and Wachtell, Lipton, Rosen & Katz was legal counsel. J.P. Morgan Securities plc represented BBVA as financial adviser and Sullivan & Cromwell LLP was legal counsel.

CONFERENCE CALL AND SUPPLEMENTAL INFORMATION

PNC Chairman, President and Chief Executive Officer William S. Demchak and Executive Vice President and Chief Financial Officer Robert Q. Reilly will hold a conference call for investors today at 8:00 a.m. Eastern Time regarding the announcement of the definitive agreement. Dial-in numbers for the conference call are (877) 402-9115 and (303) 223-4398 (international) and Internet access to the live audio listen-only webcast of the call is available at www.pnc.com/investorevents. PNC's press release and presentation slides to accompany the conference call remarks will be available at www.pnc.com/investorevents prior to the beginning of the call. A telephone replay of the call will be available for one week at (800) 633-8284 and (402) 977-9140 (international), conference ID 21972430 and a replay of the audio webcast will be available on PNC's website for 30 days.

The PNC Financial Services Group, Inc. is one of the largest diversified financial services institutions in the United States, organized around its customers and communities for strong relationships and local delivery of retail and business banking including a full range of lending products; specialized services for corporations and government entities, including corporate banking, real estate finance and asset-based lending; wealth management and asset management. For information about PNC, visit www.pnc.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This press release contains forward-looking statements regarding our outlook or expectations with respect to the planned acquisition of BBVA USA Bancshares, Inc., the combination of BBVA USA Bancshares, Inc. into PNC and BBVA USA into PNC Bank, and the impact of the transaction on PNC's future performance.

Forward-looking statements are necessarily 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, risk and uncertainty to which our forward-looking statements are subject. The forward-looking statements in this press release speak only as of the date of this press release, and we assume no duty, and do not undertake, to update them. Actual results or future events could differ, possibly materially, from those that we anticipated in these forward-looking statements. As a result, we caution against placing undue reliance on any forward-looking statements.

Forward-looking statements in this press release are subject to the following risks and uncertainties related both to the acquisition transaction itself and to the integration of the acquired business into PNC after closing:

- The business of BBVA USA Bancshares, Inc., including its U.S. banking subsidiary, BBVA USA, going forward may not perform as we currently project or in a manner consistent with historical performance. As a result, the anticipated benefits, including estimated cost savings, of the transaction may be significantly harder or take longer to achieve than expected or may not be achieved in their entirety as a result of unexpected factors or events, including those that are outside of our control.
- The combination of BBVA USA Bancshares, Inc., including its U.S. banking subsidiary, BBVA USA, with that of PNC and PNC Bank may be more difficult to achieve than anticipated or have unanticipated adverse results relating to BBVA USA Bancshares, Inc., including its U.S. banking subsidiary, BBVA USA, or our existing businesses.
- Completion of the transaction is dependent on the satisfaction of customary closing conditions, which cannot be assured. The timing of completion of the transaction is dependent on various factors that cannot be predicted with precision at this point.

These forward-looking statements are also subject to the principal risks and uncertainties applicable to our businesses generally that are disclosed in PNC's 2019 Form 10-K and 2020 Form 10-Qs and in PNC's subsequent SEC filings. Our SEC filings are accessible on the SEC's website at www.sec.gov and on our corporate website at www.pnc.com/secfilings. We have included these web addresses as inactive textual references only. Information on these websites is not part of this document.

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**PNC Announces Agreement to Buy BBVA USA Bancshares, Inc.
Accelerating PNC's National Expansion Strategy**

Investor Presentation

November 16, 2020

The PNC Financial Services Group



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



This presentation contains forward-looking statements regarding our outlook or expectations with respect to the planned acquisition of BBVA USA Bancshares, Inc., the combination of BBVA USA Bancshares, Inc. into PNC and BBVA USA into PNC Bank, and the impact of the transaction on PNC's future performance.

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- The combination of BBVA USA Bancshares, Inc., including its U.S. banking subsidiary, BBVA USA, with that of PNC and PNC Bank may be more difficult to achieve than anticipated or have unanticipated adverse results relating to BBVA USA Bancshares, Inc.'s, including its U.S. banking subsidiary, BBVA USA, or our existing businesses.
- Completion of the transaction is dependent on the satisfaction of customary closing conditions, which cannot be assured. The timing of completion of the transaction is dependent on various factors that cannot be predicted with precision at this point.

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We include non-GAAP financial information in this presentation such as tangible book value. 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.

Strategic Rationale



- Substantially enhances PNC's scale, distribution and reach
- Complementary acquisition accelerates PNC's national strategy, creating franchise with coast-to-coast branch presence
- Financially compelling with significant synergies
- Attractive and opportunistic redeployment of BlackRock proceeds
- Demonstrated track record of delivering shareholder value by integrating and growing acquired franchises

BBVA USA: A Premier Sunbelt Franchise



- Top 40 U.S. commercial bank with complementary local market coverage
 - Assets of \$104 billion
 - 637 branches
- #4 deposit market share rank in Texas, the fastest growing state by projected population in U.S.

Projected Population Growth

5.3%
2021 - 2026

6 of top 10
Fastest Growing MSAs

Attractive Balance Sheet Profile

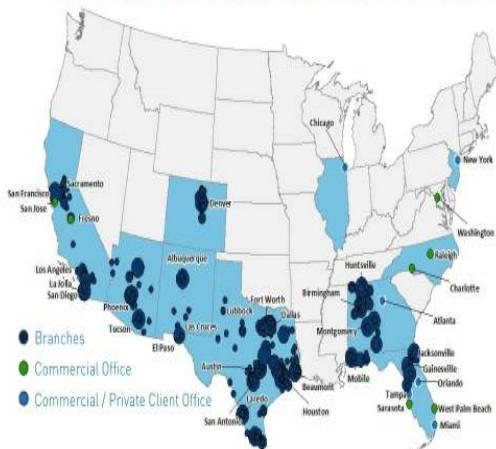
Loans

as of 9/30/20



Fast Growing Footprint

21st National Deposit Market Share Rank



BBVA USA Top Markets by Deposits

MSA	2021-2026 Projected Population Growth
1 Houston, TX	7.6%
2 Birmingham, AL	1.4%
3 Dallas, TX	7.5%
4 Phoenix, AZ	6.9%
5 Austin, TX	8.5%
6 Jacksonville, FL	6.2%
7 Denver, CO	7.0%

Deposits

as of 9/30/20



Source: SNL Financial, FactSet, FDIC and Company Filings.

2021 - 2026 Projected population growth represents deposit weighted average projected population growth; Fastest growing MSAs are based on projected population for MSAs with population over 1 million; size of each branch data point on the map is related to the dollar amount of deposits at each branch.

Substantially Enhances Scale, Distribution and Reach



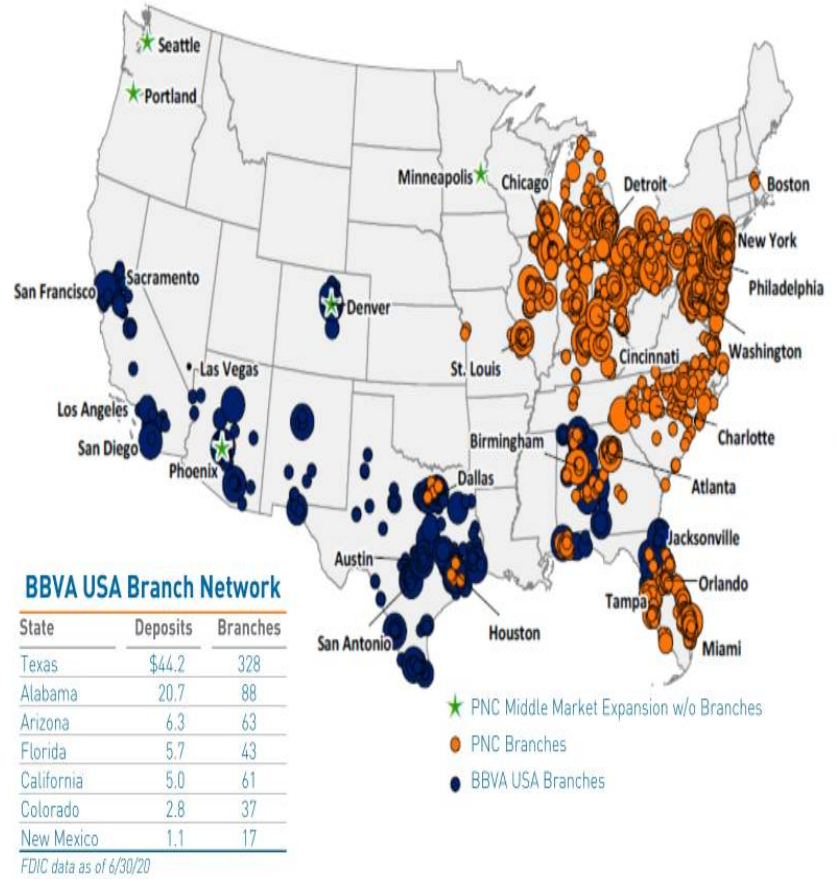
Combined Presence in 29 of the Top 30 U.S. MSAs

Accelerating Expansion in Fast Growing Sunbelt Markets

Rank	MSA	PNC	BBVA USA
1	New York, NY	✓	✓
2	Los Angeles, CA	✓	✓
3	Chicago, IL	✓	✓
4	Dallas, TX	✓	✓
5	Houston, TX	✓	✓
6	Washington, DC	✓	✓
7	Miami, FL	✓	✓
8	Philadelphia, PA	✓	✓
9	Atlanta, GA	✓	✓
10	Phoenix, AZ	✓	✓
11	Boston, MA	✓	✓
12	San Francisco, CA	✓	✓
13	Riverside, CA	✓	✓
14	Detroit, MI	✓	✓
15	Seattle, WA	✓	✓
16	Minneapolis, MN	✓	✓
17	San Diego, CA	✓	✓
18	Tampa, FL	✓	✓
19	Denver, CO	✓	✓
20	St. Louis, MO	✓	✓
21	Baltimore, MD	✓	✓
22	Charlotte, NC	✓	✓
23	Orlando, FL	✓	✓
24	San Antonio, TX	✓	✓
25	Portland, OR	✓	✓
26	Sacramento, CA	✓	✓
27	Pittsburgh, PA	✓	✓
28	Las Vegas, NV	✓	✓
29	Austin, TX	✓	✓
30	Cincinnati, OH	✓	✓

PNC: ✓ Branch presence ✓ Middle Market Expansion, w/o branch presence

BBVA USA: ✓ Branch presence ✓ Commercial / Private Client Offices



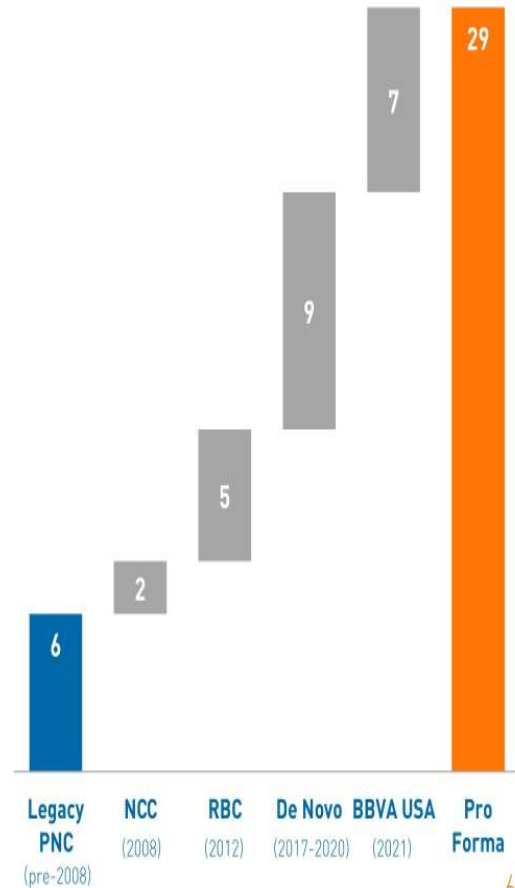
Source: FDIC and Company Website and Filings; Top MSAs by population; size of each branch data point on the map is related to the dollar amount of deposits at each branch.

Delivering Best-In-Class Product Offering in More Markets



Broad Set of Products and Services Organized Around the Client

C&IB Presence in the Top 30 Largest MSAs



Committed to our Employees, Customers and Communities



A Commitment to all PNC and BBVA USA Constituents

“ Our philosophy, as a Main Street bank, is that our prosperity will be proportional to the prosperity we help to create for our customers, communities where we operate and our employees. ” - *Bill Demchak*



Creates Top 5 U.S. Bank with Coast-to-Coast Franchise



(\$ billions)	PNC as of 9/30/20	BBVA USA as of 9/30/20	PNC Pro Forma	
Assets	\$461.8	\$102.4	\$564.2	#5 U.S. Bank
Loans	\$249.3	\$66.2	\$315.5	#5 U.S. Bank
Deposits	\$355.1	\$86.4	\$441.5	#5 U.S. Bank
Branches	2,207	637	2,844	#5 U.S. Bank
Loans to deposits	70%	77%	71%	Core funded
Loan Mix: Commercial / Consumer	69% / 31%	65% / 35%	68% / 32%	Maintaining commercial expertise
ACL / loans	2.6%	2.9%	2.9%	Well reserved; 2.6% for PNC and 3.9% for BBVA, respectively

Strong Pro Forma Capital and Returns



– Source: Company filings

– BBVA USA 9/30/20 excludes assets that are carved out of the transaction; Pro forma combined assets, loans and deposits do not reflect purchase accounting and other merger related adjustments; pro forma ACL / loans reflects the fair value marks and accounting adjustments; pro forma combined branches do not reflect PNC planned branch closures prior to closing the transaction.

Financially Compelling Transaction

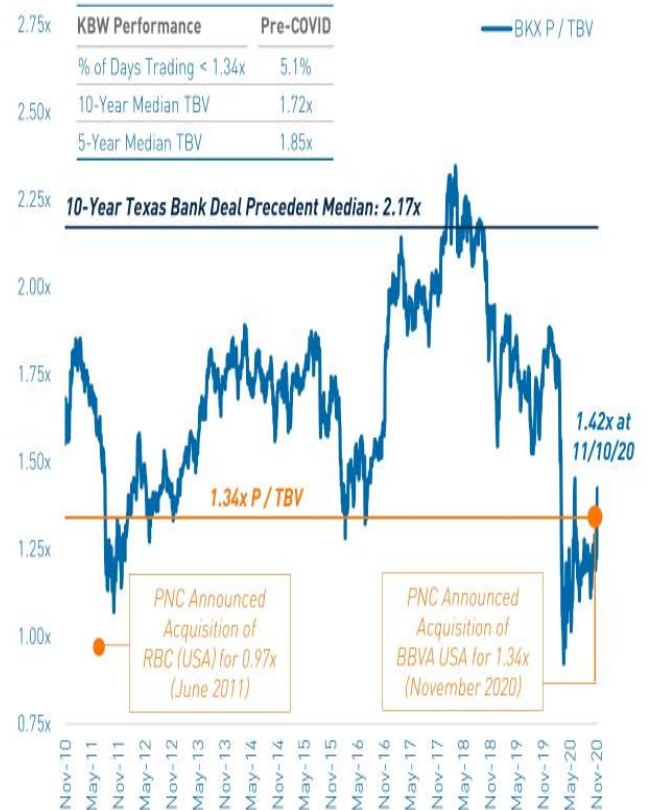


Transaction Summary

Transaction total value	\$11.567 billion, all cash
Price to tangible book	1.34x
Deposit premium	3.7%
Earnings per share accretion	-21% in 2022
Internal rate of return	> 19%
Annual expense reduction	~\$900 million, expected to be realized in 2022 (35% of BBVA USA's 2022 expense base)
Merger and integration costs	~\$980 million
Credit marks	3.9% of BBVA USA's estimated loans at closing
Closing conditions	Regulatory approvals & customary conditions
Estimated closing	Mid-2021

Low Entry Point with Solid Upside for Shareholders

KBW Bank Index P / TBV



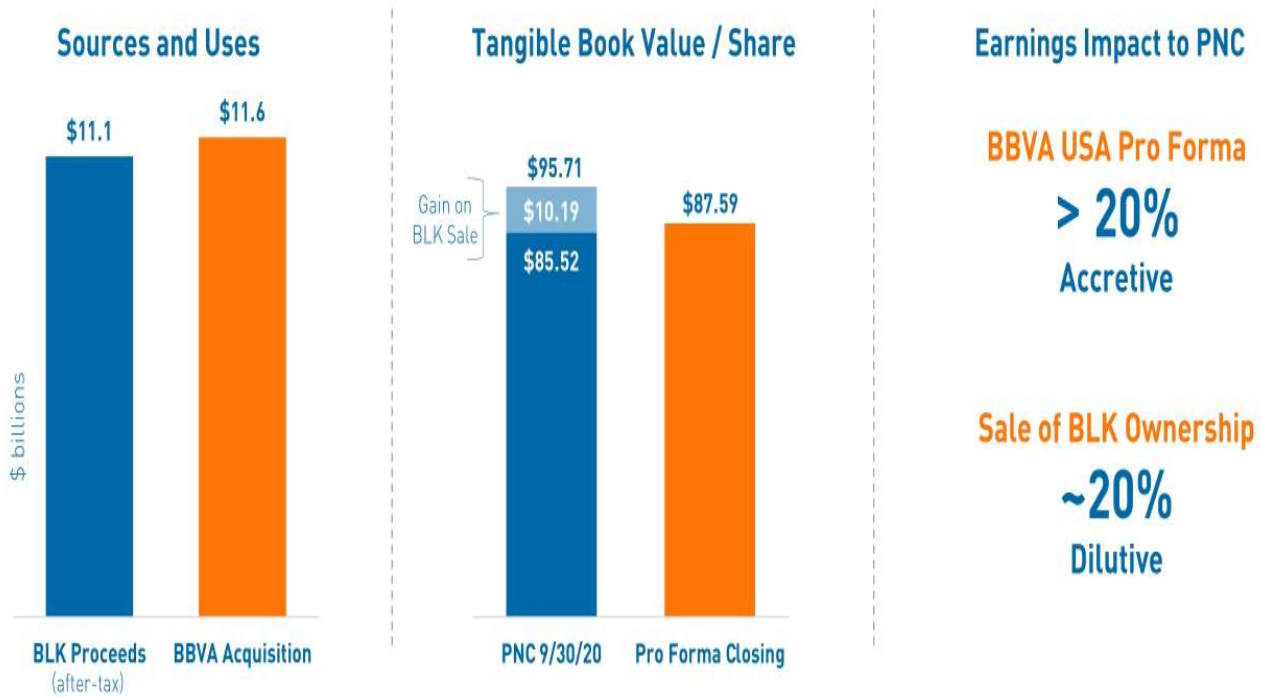
– IRR, EPS accretion, expense reduction, integration costs and credit marks are estimates based on due diligence and management projections; approximately 25% of annual expense reduction will be write-offs of capitalized items. KBW Bank Index P / TBV is the daily average of each of the 24 component bank's price to tangible book value; Pre-COVID as of February 21, 2020; Texas Bank precedents with target assets >\$1 billion since 2011

Effectively Deploying BLK Proceeds to Accelerate Growth



Transaction Expected to Replace BLK Earnings Contribution

- PNC's stake in BlackRock was a highly concentrated passive investment in the world's leading asset manager, with complex regulatory and capital treatment
- The acquisition of BBVA USA delivers a strategic earnings stream and enhances PNC's core businesses



- BLK earnings contribution assumes equity method of accounting on ~35 million shares of BLK and that PNC did not sell BLK ownership; BLK earnings contribution is based on YTD 3Q20 actual earnings annualized; BBVA USA 2022E earnings contribution is based on due diligence and management projections and includes synergies and purchase accounting adjustments.
 - Tangible book value per share (Non-GAAP) - See Reconciliation in Appendix.

Demonstrated Success with Prior Acquisitions

Many Similarities to Past Transactions



Experience Integrating Large Franchises

	National City		BBVA
Date	2008	2012	2021
Seller	Domestic Bank	Foreign Bank Parent	Foreign Bank Parent
Geographic Expansion	Midwest	Southeast	Sunbelt
Branches	1,434 in 9 states ~126% of PNC	424 in 6 states ~17% of PNC	637 in 7 states ~29% of PNC
Deposits	\$95.6 billion ~112% of PNC	\$19.4 billion ~10% of PNC	\$86.4 billion ~24% of PNC
Loans	\$110 billion ~145% of PNC	\$15.7 billion ~11% of PNC	\$66.4 billion ~27% of PNC
Anticipated Cost Savings	\$1.2 billion 25% of NCC expenses	\$230 million 27% of RBC expenses	~\$900 million 35% of BBVA USA 2022 expenses
Realized Cost Savings	Achieved 50% higher cost savings than expected	Achieved 90% of year-1 target in first 2.5 months	
Execution Highlights	In the first 2 years, revenue from C&IB and Asset Management in the largest legacy NCC markets grew ~50%	In the first 18 months, PNC grew commercial loans in-footprint 40%+ and added 40,000 new deposit households	

– RBC realized cost savings are based on annualized reduction in expenses.

Proven Ability to Grow Acquired Franchises



Transformational Acquisitions

De-risking acquired businesses by exiting asset classes that didn't meet risk / return profile

■ Total Assets



NationalCity

Execution and Organic Growth



Enhancing Products and Capabilities & Building Scalable Tech Platform

New Markets



Leverage Strength of Combined Franchise to Deliver Consistent Growth and Efficiency

(\$ billions)	12/31/12	9/30/20	Change
Loans	\$185.9	\$249.3	5.3% CAGR
Deposits	\$213.1	\$355.1	6.8% CAGR
Noninterest income / revenue	36%	41%	500 bps improvement
Efficiency	69%	60%	900 bps improvement
Employees	56,285	51,502	Down 8.5%
Branches	2,881	2,207	Down 23.4%

- Noninterest income to total revenue and efficiency for the 2012 period have been adjusted to exclude BLK earnings contribution; 2012 efficiency ratio excludes \$267 million of RBC USA integrations costs; Noninterest income to total revenue and efficiency for the 9/30/20 period are calculated on a year-to-date basis; CAGR calculations are based on 7.75 years, representing year end 2012 to 9/30/20.

Thorough Due Diligence to Ensure Successful Integration



Experienced Management Team Driving Extensive Due Diligence Process



Comprehensive Diligence Process

- Management led review of all functional areas including Credit, Business Lines, Risk and Compliance, Operations, HR, Finance, Legal and Regulatory over a six week period
- Over 350 individuals from PNC dedicated to the diligence process
- Due diligence data room contains over 3,000 documents (excluding credit files) covering all lines of business and functional areas
- Comprehensive credit file review of BBVA USA's loan portfolio
 - ~ 850 commercial credit files were reviewed, representing ~\$33 billion of the commercial loan portfolio



Integration Plan

- Leverage the same playbook as we used for RBC
- Absorb BBVA USA's operations into PNC's
- Convert majority of BBVA USA's systems and IT to PNC's
- Introduce PNC's Regional President model in the acquired markets
- Our technology investments are expected to allow us to quickly and effectively reduce expenses



Summary



Value Added Acquisition Positions PNC Well for the Future

- Substantially enhances PNC's scale, distribution and reach
- Complementary acquisition accelerates PNC's national strategy, creating franchise with coast-to-coast branch presence
- Financially compelling with significant synergies
- Attractive and opportunistic redeployment of BlackRock proceeds
- Demonstrated track record of delivering shareholder value by integrating and growing acquired franchises

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 necessarily 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 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.
 - The length and extent of economic contraction as a result of the COVID-19 pandemic.
 - The impact of the results of the recent U.S. elections on the regulatory landscape, capital markets, and the response to and management of the COVID-19 pandemic.
 - Commodity price volatility.
- 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 view that:
 - The U.S. economy is in a nascent economic recovery in the second half of 2020, following a very severe but very short economic contraction in the first half of the year due to the COVID-19 pandemic and public health measures to contain it. Real GDP declined significantly in the first and second quarters of 2020, as many firms closed, at least temporarily, and consumers stayed at home. Since the late spring/early summer economic activity has picked up due to loosening restrictions on businesses, massive federal stimulus, and extremely low interest rates. Between May and September the economy added back slightly more than half of the 22 million jobs lost in March and April.

Appendix: Cautionary Statement Regarding Forward-Looking Information



- Despite the improvement in the economy in recent months, economic activity remains far below its pre-pandemic level and unemployment remains elevated. Real GDP growth in the third quarter was extremely strong, at an annual rate of 33.1%, but will slow in the fourth quarter and through 2021. PNC does not expect real GDP to return to its pre-pandemic level until late 2021, and does not expect employment to return to its pre-pandemic level until 2023. Risks to this outlook are weighted to the downside; they include a further resurgence in the spread of the coronavirus and a lack of additional stimulus from the federal government.
- Monetary policy remains extremely supportive of economic growth. PNC expects the Federal Open Market Committee to keep the federal funds rate in its current range of 0.00% to 0.25% through at least mid-2024.
- Given the many unknowns and risks being heavily weighted to the downside, our forward-looking statements are subject to the risk that conditions will be substantially different than we are currently expecting. If efforts to contain COVID-19 are unsuccessful and restrictions on businesses and activities are not further lifted or are reimposed, the recovery would be much weaker. There is even the potential that the economy could fall back into recession. PNC's baseline scenario assumes additional fiscal stimulus; continued inaction on stimulus is another major downside risk. The longer it takes to combat the pandemic, the more permanent damage it will cause to business and consumer fundamentals and sentiment; this could make the recovery weaker and result in permanently lower long-run economic growth. An extended global recession due to COVID-19 would weaken the U.S. recovery. As a result, the outbreak and its consequences, including responsive measures to manage it, have had and are likely to continue to have an adverse effect, possibly materially, on our business and financial performance by adversely affecting the demand and profitability of our products and services, the valuation of assets and our ability to meet the needs of our customers.
- PNC's ability to take certain capital actions, including returning capital to shareholders is subject to PNC meeting or exceeding a stress capital buffer established by the Federal Reserve Board in connection with the Federal Reserve Board's Comprehensive Capital Analysis and Review (CCAR) process. The Federal Reserve also has imposed additional limitations on capital distributions through the fourth quarter of 2020 by CCAR-participating bank holding companies and may extend these limitations, potentially in modified form.
- 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.
- 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.

Appendix: Cautionary Statement Regarding Forward-Looking Information



- 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, cyber attacks or international hostilities through impacts on the economy and financial markets generally or on us or our counterparties specifically.

We provide greater detail regarding these as well as other factors in our 2019 Form 10-K and subsequent 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. In particular, our forward-looking statements are subject to risks and uncertainties related to the COVID-19 pandemic and the resulting governmental and societal responses. Our forward-looking statements may also be subject to other risks and uncertainties, including those we may discuss elsewhere in this news release or in our SEC filings, accessible on the SEC's website at www.sec.gov and on our corporate website at www.pnc.com/secfilings. We have included these web addresses as inactive textual references only. Information on these websites is not part of this document.

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

Tangible Book Value per Common Share (Non-GAAP)

<i>\$ millions, except per share data</i>	<u>Sept. 30, 2020</u>	<u>Impact from Gain on BLK Sale</u>	<u>Sept. 30, 2020 (ex. BLK Impact)</u>
Book value per common share	\$117.44	\$10.19	\$107.25
Tangible book value per common share			
Common shareholders' equity	\$49,760	\$4,321	\$45,439
Goodwill and Other intangible assets	(9,396)	-	(9,396)
Deferred tax liabilities on Goodwill and Other intangible assets	187	-	187
Tangible common shareholders' equity	\$40,551	\$4,321	\$36,230
Period-end common shares outstanding (in millions)	424	424	424
Tangible book value per common share (Non-GAAP)	\$95.71	\$10.19	\$85.52

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.

Appendix: Awards and Recognition



PNC has been recognized nationally and regionally for our accomplishments and success as a diversified financial services firm that reflects the needs, values and aspirations of our customers, employees, communities and shareholders.

Employer of Choice

- 50 Most Engaged Workplaces™, Achievers (2018)
- Most Admired for HR, Human Resource Executive magazine (2018)
- 50 Happiest Companies in America, CareerBliss (2018)

Military & Veteran Support

- Best of the Best Top Veteran-Friendly Companies, U.S. Veterans Magazine (2019)
- Top Veteran Friendly Supplier Diversity Programs, U.S. Veterans magazine (2019)

Community Investments

- Outstanding Community Reinvestment Act Rating
- Silver Halo Award, Engage for Good (2018)
- Laurie D. Zelon Pro Bono Award, Pro Bono Institute (2018)
- Corporate Social Responsibility Leadership Award, Financial Services Roundtable (2017)
- Corporate Citizenship Award, Pittsburgh Business Times (2017)

Environmental Sustainability

- 100 Most Sustainable Companies, Barron's (2018)
- Leader in Climate Disclosure, Carbon Disclosure Project (2017)

Diversity & Inclusion

- 2019 Employer of the Year, Disability:IN (2019)
- Best Finance Companies for Women, Fairygodboss (2019)
- Gender-Equality Index (BFGEI), Bloomberg (2019)
- Best Places to Work for LGBTQ Equality, Human Rights Campaign (2019)
- A. Leon Higginbotham Corporate Leadership Award, National Lawyers' Committee for Civil Rights (2018)
- Top 50 Employers, CAREERS & the disABLED magazine (2020)
- Top 70 Companies for Executive Women, National Association for Female Executives (2019)
- 100% Score on the 2019 Disability Equality Index® (DEI®) Best Places to Work™
- The Most Powerful Women in Banking and Finance, American Banker (2018)
- 50 Best Companies for Diversity, Black Enterprise magazine (2018)
- Best Companies to work for Women, WOMEN'S CHOICE AWARD® (2019)
- Top Financial Companies, Professional Woman's magazine (2019)
- 2019 "Best-of-the-Best" Corporation for Inclusion, National Gay & Lesbian Chamber of Commerce (NGLCC) and National Business Inclusion Consortium (NBIC) (2019)
- Best Companies for Dads, Working Mother magazine (2018)
- 50 Best Places to Work for New Dads, Fatherty (2018)
- Top Supplier Diversity Programs, Black EOE Journal (2019)
- Top Employer, Black EOE Journal (2019)
- Top LGBTQ+ Friendly, Black EOE Journal (2019)
- 50 Out Front: Best Places to work for Women & Diverse Managers, DiversityMBA Magazine (2019)
- Best of the Best for Top Disability-Friendly Companies, DIVERSEability magazine (2018)
- Top Financial/Banking Companies, Hispanic Network magazine (2018)
- Top 1000 Company Worldwide for Millennial Women, Mogul (2018)
- Best Companies to work for Multicultural Women, WOMEN'S CHOICE AWARD® (2019)

