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

January 18, 2023
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	**25-1435979**
(State or other jurisdiction of incorporation)	**(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:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value $5.00	PNC	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 2.02 Results of Operations and Financial Condition.

On January 18, 2023, The PNC Financial Services Group, Inc. ("the Corporation") issued a press release regarding the Corporation's earnings and business results for the fourth quarter and full year of 2022. A copy of the Corporation's press release is included in this Report as Exhibit 99.1 and is furnished herewith.

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 99.2 and is furnished herewith.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Number	Description	Method of Filing
99.1	Press release dated January 18, 2023	Furnished herewith
99.2	Financial Supplement (unaudited) for the Fourth Quarter 2022	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.

THE PNC FINANCIAL SERVICES GROUP, INC.
(Registrant)

Date: January 18, 2023

By: /s/ Gregory H. Kozich
Gregory H. Kozich
Senior Vice President and Controller

Exhibit 99.1

NEWS RELEASE

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PNC REPORTS FULL YEAR 2022 NET INCOME OF $6.1 BILLION, $13.85 DILUTED EPS OR $13.96 AS ADJUSTED

Fourth quarter net income was $1.5 billion, $3.47 diluted EPS or $3.49 as adjusted
3% avg. loan growth; 4% revenue increase; 10 basis point NIM expansion

PITTSBURGH, Jan. 18, 2023 – The PNC Financial Services Group, Inc. (NYSE: PNC) today reported:

	For the quarter		For the year	
In millions, except per share data and as noted	**4Q22**	**3Q22**	**2022**	**2021**
Financial Results				
Revenue	$ 5,763	$ 5,549	$ 21,120	$ 19,211
Noninterest expense	3,474	3,280	13,170	13,002
Pretax, pre-provision earnings (PPNR) *(non-GAAP)*	2,289	2,269	7,950	6,209
Integration costs	9	1	55	798
PPNR excluding integration costs *(non-GAAP)*	2,298	2,270	8,005	7,007
Provision for (recapture of) credit losses	408	241	477	(779)
Net income	1,548	1,640	6,113	5,725
Per Common Share				
Diluted earnings - as reported	$ 3.47	$ 3.78	$13.85	$ 12.70
Impact from integration costs *(non-GAAP)*	0.02	—	0.11	1.48
Diluted earnings - as adjusted *(non-GAAP)*	3.49	3.78	13.96	14.18
Average diluted common shares outstanding	404	410	412	426
Book value	99.93	97.59	99.93	120.61
Tangible book value *(non-GAAP)*	72.12	69.98	72.12	94.11
Balance Sheet & Credit Quality				
Average loans *In billions*	$ 321.9	$ 313.0	$ 307.7	$ 268.7
Average deposits *In billions*	434.9	439.2	443.4	418.9
Accumulated other comprehensive income (loss) (AOCI) *In billions*	(10.2)	(10.5)	(10.2)	0.4
Net loan charge-offs	224	119	563	657
Allowance for credit losses (ACL) to total loans	1.67 %	1.67 %	1.67 %	1.92 %
Selected Ratios				
Return on average common shareholders' equity	14.19 %	14.97 %	13.52 %	10.78 %
Return on average assets	1.10	1.19	1.11	1.09
Net interest margin (NIM) *(non-GAAP)*	2.92	2.82	2.65	2.29
Noninterest income to total revenue	36	37	38	45
Efficiency	60	59	62	68
Efficiency excluding integration costs *(non-GAAP)*	60	59	62	64
Common equity Tier 1 capital ratio	9.1	9.3	9.1	10.3

Diluted earnings as adjusted is a non-GAAP measure calculated by excluding post-tax integration costs for BBVA USA. See this and other non-GAAP financial measures in the Consolidated Financial Highlights accompanying this release.

Fourth Quarter Highlights

Comparisons reflect 4Q22 vs. 3Q22

- Net interest income grew 6%
  - NIM increased 10 basis points
- Noninterest income increased $5 million
  - Fee income grew 4%
- Revenue increased 4%
- Expenses increased 6%
- PPNR increased 1%
- Average loans grew 3%, driven by commercial and consumer loan growth
- Deposits were relatively stable
  - Average deposits declined 1%
  - Spot deposits decreased 0.4%
- Provision for credit losses of $408 million
  - ACL build of $172 million
- Net loan charge-offs were $224 million or 0.28% annualized to average loans
- Tangible book value increased 3%
- PNC returned $1.2 billion of capital to shareholders

From Bill Demchak, PNC Chairman, President and Chief Executive Officer:

"By focusing on serving customers and communities, PNC delivered strong results in 2022. Capitalizing on opportunities across our coast to coast franchise, we grew loans and generated record revenue during a rapidly rising rate environment. At the same time, we controlled expenses and delivered substantial positive operating leverage. Our credit quality metrics remained strong and our solid capital position allowed us to return $6 billion of capital to shareholders throughout the year. As we enter 2023, we are well positioned to continue generating value for our stakeholders."

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Income Statement Highlights

Fourth quarter 2022 compared with third quarter 2022

- Net income of $1.5 billion decreased $92 million, or 6%, and included a higher provision for credit losses.
- Total revenue of $5.8 billion increased $214 million, or 4%, primarily due to higher net interest income.
- Net interest income of $3.7 billion increased $209 million, or 6%, driven by higher interest-earning asset yields and balances, partially offset by higher funding costs.
  - Net interest margin of 2.92% increased 10 basis points due to higher interest-earning asset yields, partially offset by higher funding costs.
- Noninterest income of $2.1 billion increased $5 million.
  - Fee income of $1.8 billion increased $75 million, or 4%, and included higher capital markets and advisory revenue.
  - Other noninterest income of $247 million decreased $70 million driven by negative Visa Class B derivative fair value adjustments of $41 million related to litigation escrow funding and other valuation changes. The third quarter of 2022 included positive Visa Class B derivative fair value adjustments of $13 million.
- Noninterest expense of $3.5 billion increased $194 million, or 6%, primarily due to increased personnel costs, reflecting higher variable compensation related to increased business activity and market impacts on long-term incentive compensation as well as seasonally elevated medical benefits expense.
- Provision for credit losses of $408 million in the fourth quarter included the impact of a weaker economic outlook and continued loan growth. The third quarter of 2022 included a provision for credit losses of $241 million.
- The effective tax rate was 17.7% for the fourth quarter and 19.1% for the third quarter.

Balance Sheet Highlights

Fourth quarter 2022 compared with third quarter 2022 or December 31, 2022 compared with September 30, 2022

- Average loans of $321.9 billion increased $8.9 billion, or 3%.
  - Average commercial loans of $221.6 billion increased $7.5 billion driven by growth in PNC's corporate banking, real estate and business credit businesses.
  - Average consumer loans of $100.3 billion grew $1.4 billion due to higher residential mortgage, home equity and credit card loans, partially offset by lower auto loans.
- Credit quality performance:
  - Delinquencies of $1.5 billion decreased $136 million, or 8%, as a result of lower commercial delinquencies.
  - Total nonperforming loans of $2.0 billion decreased $83 million, or 4%, driven by lower commercial and consumer nonperforming loans.
  - Net loan charge-offs of $224 million increased $105 million and included the impact of one large commercial loan credit.
  - The allowance for credit losses of $5.4 billion increased $172 million. The allowance for credit losses to total loans was 1.67% at both December 31, 2022 and September 30, 2022.
- Average deposits of $434.9 billion were relatively stable.

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- Average investment securities of $142.9 billion grew $5.9 billion, or 4%, reflecting net purchases.
- Average Federal Reserve Bank balances of $30.0 billion decreased $1.5 billion.
  - Federal Reserve Bank balances at December 31, 2022 of $26.9 billion decreased $12.9 billion, driven by higher loans outstanding.
- PNC maintained strong capital and liquidity positions.
  - On January 4, 2023, the PNC board of directors declared a quarterly cash dividend on common stock of $1.50 per share. The dividend, with a payment date of February 5, 2023, will be payable the next business day.
  - PNC returned $1.2 billion of capital to shareholders, reflecting $0.6 billion of common share repurchases, representing 3.8 million shares, and $0.6 billion of dividends on common shares.
  - The Basel III common equity Tier 1 capital ratio was an estimated 9.1% at December 31, 2022 and 9.3% at September 30, 2022.
  - The Liquidity Coverage Ratio at December 31, 2022 for PNC exceeded the regulatory minimum requirement.

Earnings Summary

In millions, except per share data	4Q22	3Q22	4Q21
Net income	$ 1,548	$ 1,640	$ 1,306
Net income attributable to diluted common shares - as reported	$ 1,400	$ 1,550	$ 1,214
Net income attributable to diluted common shares - as adjusted *(non-GAAP)*	$ 1,408	$ 1,551	$ 1,560
Diluted earnings per common share - as reported	$ 3.47	$ 3.78	$ 2.86
Diluted earnings per common share - as adjusted *(non-GAAP)*	$ 3.49	$ 3.78	$ 3.68
Average diluted common shares outstanding	404	410	424
Cash dividends declared per common share	$ 1.50	$ 1.50	$ 1.25

See non-GAAP financial measures included in the Consolidated Financial Highlights accompanying this news release

The Consolidated Financial Highlights accompanying this news release include additional information regarding reconciliations of non-GAAP financial measures to reported (GAAP) amounts. This information supplements results as reported in accordance with GAAP and should not be viewed in isolation from, or as a substitute for, GAAP results. Effective for the first quarter of 2022, the presentation of noninterest income has been recategorized. Fee income, a non-GAAP financial measure, refers to noninterest income in the following categories: asset management and brokerage, capital markets and advisory, card and cash management, lending and deposit services and residential and commercial mortgage. See a description of each noninterest income revenue category in PNC's third quarter 2022 Form 10-Q. In the fourth quarter of 2022, PNC updated the name of the fee income line item "capital markets related" to "capital markets and advisory." This update did not impact the components of the category. All periods presented herein reflect these changes. Information in this news release, including the financial tables, is unaudited.

CONSOLIDATED REVENUE REVIEW

Revenue *In millions*	4Q22	3Q22	4Q21	Change 4Q22 vs 3Q22	Change 4Q22 vs 4Q21
Net interest income	$ 3,684	$ 3,475	$ 2,862	6 %	29 %
Noninterest income	2,079	2,074	2,265	—	(8) %
Total revenue	$ 5,763	$ 5,549	$ 5,127	4 %	12 %

Total revenue for the fourth quarter of 2022 increased $214 million and $636 million compared with the third quarter of 2022 and the fourth quarter of 2021, respectively, driven by higher net interest income.

Net interest income of $3.7 billion for the fourth quarter of 2022 increased $209 million and $822 million compared to the third quarter of 2022 and fourth quarter of 2021, respectively. In both comparisons, the increase was driven by higher interest-earning asset yields and balances, partially offset by higher funding costs.

The net interest margin was 2.92% in the fourth quarter of 2022, increasing 10 basis points and 65 basis points compared with the third quarter of 2022 and the fourth quarter of 2021, respectively. In both comparisons, the increase was due to higher interest-earning asset yields, partially offset by higher funding costs.

Noninterest Income *In millions*	4Q22	3Q22	4Q21	Change 4Q22 vs 3Q22	Change 4Q22 vs 4Q21
Asset management and brokerage	$ 345	$ 357	$ 385	(3) %	(10) %
Capital markets and advisory	336	299	460	12 %	(27) %
Card and cash management	671	671	646	—	4 %
Lending and deposit services	296	287	273	3 %	8 %
Residential and commercial mortgage	184	143	209	29 %	(12) %
Other	247	317	292	(22) %	(15) %
Total noninterest income	$ 2,079	$ 2,074	$ 2,265	—	(8) %

Note: Integration costs related to noninterest income were $5 million for the fourth quarter of 2022, $1 million for the third quarter of 2022 and $47 million for the fourth quarter of 2021.

Noninterest income for the fourth quarter of 2022 increased $5 million compared with the third quarter of 2022. Asset management and brokerage fees decreased $12 million, reflecting the impact of lower average equity markets. Capital markets and advisory revenue increased $37 million driven by higher merger and acquisition advisory fees, partially offset by lower loan syndication revenue. Lending and deposit services increased $9 million driven by higher loan commitment fees. Residential and commercial mortgage revenue increased $41 million due to higher results from residential mortgage servicing rights valuation, net of economic hedge, partially offset by lower commercial mortgage banking activities. Other noninterest income decreased $70 million driven by negative Visa Class B derivative fair value adjustments of $41 million related to litigation escrow funding and other valuation changes. The third quarter of 2022 included positive Visa Class B derivative fair value adjustments of $13 million.

Noninterest income for the fourth quarter of 2022 decreased $186 million compared with the fourth quarter of 2021, as lower results from market sensitive fee businesses and negative Visa Class B derivative fair value adjustments more than offset the benefit of business growth and lower integration costs. The fourth quarter of 2021 included positive Visa Class B derivative fair value adjustments of $1 million.

CONSOLIDATED EXPENSE REVIEW

Noninterest Expense *In millions*	4Q22	3Q22	4Q21	Change 4Q22 vs 3Q22	Change 4Q22 vs 4Q21
Personnel	$ 1,943	$ 1,805	$ 2,038	8 %	(5) %
Occupancy	247	241	260	2 %	(5) %
Equipment	369	344	437	7 %	(16) %
Marketing	106	93	97	14 %	9 %
Other	809	797	959	2 %	(16) %
Total noninterest expense	$ 3,474	$ 3,280	$ 3,791	6 %	(8) %

Note: Integration expenses were $4 million for the fourth quarter of 2022, $0 for the third quarter of 2022 and $391 million for the fourth quarter of 2021.

Noninterest expense for the fourth quarter of 2022 increased $194 million compared with the third quarter of 2022. Personnel costs increased $138 million, reflecting higher variable compensation related to increased business activity and market impacts on long-term incentive compensation as well as seasonally elevated medical benefits expense. Equipment and occupancy expense increased $25 million and $6 million, respectively, and included the impact of impairments. Marketing expense increased $13 million reflecting the timing of annual spend.

Noninterest expense decreased $317 million in comparison with the fourth quarter of 2021, due to lower integration expenses and a decline in variable compensation related to lower business activity, partially offset by continued investments to support business growth.

The effective tax rate was 17.7% for the fourth quarter of 2022, 19.1% for the third quarter of 2022 and 21.5% for the fourth quarter of 2021.

CONSOLIDATED BALANCE SHEET REVIEW

Average total assets were $557.2 billion in the fourth quarter of 2022 compared with $547.1 billion in the third quarter of 2022 and $559.4 billion in the fourth quarter of 2021. Compared to the third quarter of 2022, the increase was primarily attributable to higher loan balances.

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Loans *In billions*	December 31, 2022	September 30, 2022	December 31, 2021	Change 12/31/22 vs 09/30/22	Change 12/31/22 vs 12/31/21
Average					
Commercial	$ 221.6	$ 214.1	$ 193.8	4 %	14 %
Consumer	100.3	98.9	95.1	1 %	5 %
Average loans	$ 321.9	$ 313.0	$ 288.9	3 %	11 %
Quarter end					
Commercial	$ 225.0	$ 215.6	$ 193.1	4 %	17 %
Consumer	101.0	99.8	95.3	1 %	6 %
Total loans	$ 326.0	$ 315.4	$ 288.4	3 %	13 %

Average loans for the fourth quarter of 2022 were $321.9 billion, increasing $8.9 billion compared to the third quarter of 2022. Average commercial loans increased $7.5 billion driven by growth in PNC's corporate banking, real estate and business credit businesses. Average consumer loans grew $1.4 billion due to higher residential mortgage, home equity and credit card loans, partially offset by lower auto loans.

Average loans for the fourth quarter of 2022 increased $33.0 billion compared to the fourth quarter of 2021. Average commercial loans increased $27.8 billion driven by growth in PNC's corporate banking and business credit businesses. Average consumer loans increased $5.2 billion primarily due to growth in residential mortgage loans.

Investment Securities	December 31, 2022		September 30, 2022		December 31, 2021	
In billions	*Balance*	*Portfolio Mix*	*Balance*	*Portfolio Mix*	*Balance*	*Portfolio Mix*
Average						
Available for sale	$ 49.7		$ 52.1		$ 126.4	
Held to maturity	93.2		84.9		1.4	
Average investment securities	$ 142.9		$ 137.0		$ 127.8	
Quarter end						
Available for sale	$ 44.1	32%	$ 45.8	34%	$ 131.5	99%
Held to maturity	95.2	68%	90.7	66%	1.5	1%
Total investment securities	$ 139.3		$ 136.5		$ 133.0	

Average investment securities for the fourth quarter of 2022 were $142.9 billion, increasing $5.9 billion and $15.1 billion from the third quarter of 2022 and fourth quarter of 2021, respectively, reflecting net purchases, primarily of agency residential mortgage-backed securities within the held to maturity portfolio. Net unrealized losses on available for sale securities were $4.4 billion at December 31, 2022 and $4.8 billion at September 30, 2022, compared with net unrealized gains of $0.7 billion at December 31, 2021.

- more -

Average Federal Reserve Bank balances for the fourth quarter of 2022 were $30.0 billion, decreasing $1.5 billion from the third quarter of 2022. Average Federal Reserve Bank balances decreased $45.1 billion from the fourth quarter of 2021, primarily due to the redeployment of liquidity into higher interest-earning assets.

Federal Reserve Bank balances at December 31, 2022 were $26.9 billion, decreasing $12.9 billion from September 30, 2022, driven by higher loans outstanding.

Deposits				Change	Change
				12/31/22 vs	12/31/22 vs
In billions	December 31, 2022	September 30, 2022	December 31, 2021	09/30/22	12/31/21
Average					
Commercial	$ 215.8	$ 215.8	$ 231.0	—	(7) %
Consumer	219.1	223.4	221.8	(2) %	(1) %
Average deposits	$ 434.9	$ 439.2	$ 452.8	(1) %	(4) %
Quarter end					
Commercial	$ 207.7	$ 216.0	$ 227.6	(4) %	(9) %
Consumer	228.6	222.2	229.7	3 %	—
Total deposits	$ 436.3	$ 438.2	$ 457.3	—	(5) %

Average deposits for the fourth quarter of 2022 were $434.9 billion, decreasing $4.3 billion compared with the third quarter of 2022 due to lower consumer deposits. The decrease in consumer deposits reflected the impact of inflationary pressures and competitive pricing dynamics. Compared with the fourth quarter of 2021, average deposits decreased $17.9 billion driven by lower commercial deposits, which were impacted by competitive pricing dynamics. In both comparisons, noninterest-bearing balances decreased due to deposit outflows and the shift of commercial deposits to interest-bearing as deposit rates have risen.

Deposits at December 31, 2022 of $436.3 billion, decreased $1.9 billion from September 30, 2022 due to a decline in commercial deposits at year end, partially offset by an increase in consumer deposits reflecting higher time deposits.

Borrowed Funds				Change 12/31/22 vs	Change 12/31/22 vs
In billions	December 31, 2022	September 30, 2022	December 31, 2021	09/30/22	12/31/21
Average	$ 59.2	$ 44.3	$ 34.3	34 %	73 %
Quarter end	$ 58.7	$ 54.6	$ 30.8	8 %	91 %

Average borrowed funds of $59.2 billion in the fourth quarter of 2022 increased $14.9 billion and $24.9 billion compared with the third quarter of 2022 and fourth quarter of 2021, respectively, driven by Federal Home Loan Bank borrowings near the end of the third quarter. In comparison to September 30, 2022, the increase was also driven by higher senior debt.

Capital	December 31, 2022 *	September 30, 2022	December 31, 2021
Common shareholders' equity *In billions*	$ 40.0	$ 39.4	$ 50.7
Accumulated other comprehensive income (loss) *In billions*	$ (10.2)	$ (10.5)	$ 0.4
Basel III common equity Tier 1 capital ratio	9.1 %	9.3 %	10.3 %
Basel III common equity Tier 1 fully implemented capital ratio	8.9 %	9.1 %	10.0 %

* *Ratios estimated*

PNC maintained a strong capital position. Common shareholders’ equity at December 31, 2022 increased $0.6 billion from September 30, 2022, driven by the benefit of fourth quarter net income and an increase in accumulated other comprehensive income, partially offset by share repurchases and dividends paid in the fourth quarter.

As a Category III institution, PNC has elected to exclude accumulated other comprehensive income when calculating Basel III capital ratios. Accumulated other comprehensive income at December 31, 2022 improved $0.3 billion compared to September 30, 2022, and included the accretion of unrealized losses on securities and swaps. Accumulated other comprehensive income decreased $10.6 billion compared to December 31, 2021, driven by the negative impact of higher interest rates on securities and swaps valuations.

In the fourth quarter of 2022, PNC returned $1.2 billion of capital to shareholders, comprising $0.6 billion of common share repurchases, representing 3.8 million shares, and $0.6 billion of dividends on common shares. Consistent with the Stress Capital Buffer (SCB) framework, which allows for capital return in amounts in excess of the SCB minimum levels, our board of directors has authorized a repurchase framework under the previously approved repurchase program of up to 100 million common shares, of which approximately 49% were still available for repurchase at December 31, 2022. Under this framework, PNC expects quarterly repurchases of up to $500 million with the ability to adjust those levels as conditions warrant. PNC's SCB for the four-quarter period beginning October 1, 2022 is 2.9%.

On January 4, 2023, the PNC board of directors declared a quarterly cash dividend on common stock of $1.50 per share. The dividend, with a payment date of February 5, 2023, will be payable the next business day.

For information regarding PNC's Basel III capital ratios, see Capital Ratios in the Consolidated Financial Highlights. PNC elected a five-year transition provision effective March 31, 2020 to delay until December 31, 2021 the full impact of the Current Expected Credit Losses (CECL) standard on regulatory capital, followed by a three-year transition period. Effective for the first quarter of 2022, PNC is now in the three-year transition period, and the full impact of the CECL standard is being phased-in to regulatory capital through December 31, 2024. The fully implemented ratios reflect the full impact of CECL and exclude the benefits of this transition provision.

CREDIT QUALITY REVIEW

Credit Quality				Change	Change
In millions	December 31, 2022	September 30, 2022	December 31, 2021	12/31/22 vs 09/30/22	12/31/22 vs 12/31/21
Provision for (recapture of) credit losses	$ 408	$ 241	$ (327)	$ 167	$ 735
Net loan charge-offs	$ 224	$ 119	$ 124	88 %	81 %
Allowance for credit losses (a)	$ 5,435	$ 5,263	$ 5,530	3 %	(2) %
Total delinquencies (b)	$ 1,490	$ 1,626	$ 1,985	(8) %	(25) %
Nonperforming loans	$ 1,985	$ 2,068	$ 2,480	(4) %	(20) %
Net charge-offs to average loans (annualized)	0.28 %	0.15 %	0.17 %		
Allowance for credit losses to total loans	1.67 %	1.67 %	1.92 %		
Nonperforming loans to total loans	0.61 %	0.66 %	0.86 %		

(a) Excludes allowances for investment securities and other financial assets
(b) Total delinquencies represent accruing loans more than 30 days past due

Provision for credit losses of $408 million in the fourth quarter of 2022 included the impact of a weaker economic outlook and continued loan growth. The third quarter of 2022 included a provision for credit losses of $241 million.

Net loan charge-offs were $224 million in the fourth quarter of 2022, increasing $105 million and $100 million from the third quarter of 2022 and fourth quarter of 2021, respectively, and included the impact of one large commercial loan credit.

The allowance for credit losses was $5.4 billion at December 31, 2022, $5.3 billion at September 30, 2022 and $5.5 billion at December 31, 2021. The allowance for credit losses as a percentage of total loans was 1.67% at both December 31, 2022 and September 30, 2022 and 1.92% at December 31, 2021.

Nonperforming loans were $2.0 billion at December 31, 2022, decreasing $83 million and $495 million compared to September 30, 2022 and December 31, 2021, respectively, driven by lower commercial and consumer nonperforming loans.

Delinquencies at December 31, 2022 of $1.5 billion decreased $136 million and $495 million compared to September 30, 2022 and December 31, 2021, respectively. In both comparisons, the decrease reflected lower commercial loan delinquencies. Compared to December 31, 2021, the decrease was also driven by lower consumer loan delinquencies.

BUSINESS SEGMENT RESULTS

Business Segment Income (Loss)			
In millions	4Q22	3Q22	4Q21
Retail Banking	$ 752	$ 560	$ 362
Corporate & Institutional Banking	982	929	1,334
Asset Management Group	52	90	106
Other	(258)	45	(509)
Net income excluding noncontrolling interests	$ 1,528	$ 1,624	$ 1,293

Retail Banking *In millions*	4Q22	3Q22	4Q21	Change 4Q22 vs 3Q22	Change 4Q22 vs 4Q21
Net interest income	$ 2,330	$ 2,017	$ 1,634	$ 313	$ 696
Noninterest income	$ 749	$ 725	$ 774	$ 24	$ (25)
Noninterest expense	$ 1,892	$ 1,901	$ 1,874	$ (9)	$ 18
Provision for credit losses	$ 193	$ 92	$ 55	$ 101	$ 138
Earnings	$ 752	$ 560	$ 362	$ 192	$ 390
In billions					
Average loans	$ 96.6	$ 94.9	$ 95.0	$ 1.7	$ 1.6
Average deposits	$ 259.8	$ 264.4	$ 262.8	$ (4.6)	$ (3.0)
Net charge-offs *In millions*	$ 108	$ 98	$ 124	$ 10	$ (16)

Retail Banking Highlights

Fourth quarter 2022 compared with third quarter 2022

- Earnings increased 34%, primarily due to higher net interest income, partially offset by a higher provision for credit losses.
  - Noninterest income increased 3%, reflecting higher residential mortgage banking activities.
  - Noninterest expense was relatively stable.
  - Provision for credit losses of $193 million in the fourth quarter of 2022 included the impact of a weaker economic outlook.
- Average loans increased 2%, due to higher residential mortgage, home equity and credit card loans, partially offset by lower auto loans.
- Average deposits decreased 2%, reflecting inflationary pressures and competitive pricing dynamics.

Fourth quarter 2022 compared with fourth quarter 2021

- Earnings increased 108%, reflecting higher net interest income, partially offset by a higher provision for credit losses.
  - Noninterest income decreased 3%, driven by negative Visa Class B derivative fair value adjustments of $41 million related to litigation escrow funding and other valuation changes. The fourth quarter of 2021 included positive Visa Class B derivative fair value adjustments of $1 million.
  - Noninterest expense was relatively stable.
- Average loans increased 2%, driven by growth in residential mortgage loans.
- Average deposits decreased modestly, or 1%.

Corporate & Institutional Banking					Change 4Q22 vs	Change 4Q22 vs
In millions	4Q22	3Q22	4Q21		3Q22	4Q21
Net interest income	$ 1,489	$ 1,368	$ 1,228		$ 121	$ 261
Noninterest income	$ 962	$ 887	$ 1,053		$ 75	$ (91)
Noninterest expense	$ 990	$ 890	$ 975		$ 100	$ 15
Provision for (recapture of) credit losses	$ 183	$ 150	$ (369)		$ 33	$ 552
Earnings	$ 982	$ 929	$ 1,334		$ 53	$ (352)
In billions						
Average loans	$ 207.1	$ 199.9	$ 176.8		$ 7.2	$ 30.3
Average deposits	$ 147.3	$ 145.4	$ 160.4		$ 1.9	$ (13.1)
Net charge-offs (recoveries) *In millions*	$ 100	$ 33	$ (1)		$ 67	$ 101

Corporate & Institutional Banking Highlights

Fourth quarter 2022 compared with third quarter 2022

- Earnings increased 6%, due to higher net interest income and noninterest income, partially offset by higher noninterest expense and a higher provision for credit losses.
  - Noninterest income increased 8%, and included higher merger and acquisition advisory fees, lower commercial mortgage banking activities and a decline in loan syndication revenue.
  - Noninterest expense increased 11%, reflecting higher variable compensation associated with increased business activity.
  - Provision for credit losses of $183 million in the fourth quarter of 2022 included the impact of a weaker economic outlook and continued loan growth.
- Average loans increased 4%, driven by growth in PNC's corporate banking, real estate and business credit businesses.
- Average deposits increased modestly, or 1%, reflecting seasonal growth.

Fourth quarter 2022 compared with fourth quarter 2021

- Earnings decreased 26%, as higher net interest income was more than offset by a higher provision for credit losses, lower noninterest income and higher noninterest expense.
  - Noninterest income decreased 9%, primarily due to lower merger and acquisition advisory fees.
  - Noninterest expense increased 2%, due to continued investments to support business growth, partially offset by lower variable compensation associated with decreased business activity.
- Average loans increased 17%, primarily driven by growth in PNC's corporate banking, business credit and real estate businesses, partially offset by Paycheck Protection Program loan forgiveness.
- Average deposits decreased 8%, and included the impact of competitive pricing dynamics.

Asset Management Group *In millions*	4Q22	3Q22	4Q21	Change 4Q22 vs 3Q22	Change 4Q22 vs 4Q21
Net interest income	$ 152	$ 165	$ 130	$ (13)	$ 22
Noninterest income	$ 223	$ 231	$ 258	$ (8)	$ (35)
Noninterest expense	$ 291	$ 274	$ 265	$ 17	$ 26
Provision for (recapture of) credit losses	$ 17	$ 4	$ (15)	$ 13	$ 32
Earnings	$ 52	$ 90	$ 106	$ (38)	$ (54)
In billions					
Discretionary client assets under management	$ 173	$ 166	$ 192	$ 7	$ (19)
Nondiscretionary client assets under administration	$ 152	$ 148	$ 175	$ 4	$ (23)
Client assets under administration at quarter end	$ 325	$ 314	$ 367	$ 11	$ (42)
Brokerage client account assets	$ 4	$ 4	$ 5	—	$ (1)
In billions					
Average loans	$ 14.5	$ 14.4	$ 12.9	$ 0.1	$ 1.6
Average deposits	$ 27.8	$ 29.3	$ 29.3	$ (1.5)	(1.5)
Net charge-offs (recoveries) *In millions*	$ 18	$ (2)	$ 1	$ 20	$ 17

Asset Management Group Highlights

Fourth quarter 2022 compared with third quarter 2022

- Earnings decreased 42%, driven by lower net interest and noninterest income as well as higher noninterest expense and an increase in the provision for credit losses.
  - Noninterest income decreased 3%, reflecting the impact of lower average equity markets.
  - Noninterest expense increased 6%, and included higher personnel costs.
  - Provision for credit losses of $17 million in the fourth quarter of 2022 included the impact of a weaker economic outlook and charge-offs related to certain acquired loans.
- Discretionary client assets under management increased 4%, primarily driven by higher spot equity markets.
- Average loans were relatively stable.
- Average deposits decreased 5%, reflecting the impact of competitive pricing dynamics and inflationary pressures.

Fourth quarter 2022 compared with fourth quarter 2021

- Earnings decreased 51%, as higher net interest income was more than offset by lower noninterest income, an increase in the provision for credit losses and higher noninterest expense.
  - Noninterest income decreased 14%, primarily due to the impact of lower average equity markets.
  - Noninterest expense increased 10%, reflecting continued investments to support business growth.
- Discretionary client assets under management decreased 10%, driven by lower spot equity markets.
- Average loans increased 12%, due to growth in residential mortgage loans.

- Average deposits decreased 5%, and included the impact of client activity, competitive pricing dynamics and inflationary pressures.

Other

The "Other" category, for the purposes of this release, includes residual activities that do not meet the criteria for disclosure as a separate reportable business, such as asset and liability management activities including net securities gains or losses, other-than-temporary impairment of investment securities, certain trading activities, certain runoff consumer loan portfolios, private equity investments, intercompany eliminations, certain corporate overhead, tax adjustments that are not allocated to business segments, exited businesses, and differences between business segment performance reporting and financial statement reporting under generally accepted accounting principles.

CONFERENCE CALL AND SUPPLEMENTAL FINANCIAL 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 9:00 a.m. Eastern Time regarding the topics addressed in this news release and the related financial supplement. Dial-in numbers for the conference call are (877) 224-6304 and (303) 223-0120 (international) and Internet access to the live audio listen-only webcast of the call is available at www.pnc.com/investorevents. PNC's fourth quarter 2022, related financial supplement, 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 22021446 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.

[TABULAR MATERIAL FOLLOWS]

The PNC Financial Services Group, Inc. **Consolidated Financial Highlights** (Unaudited)

FINANCIAL RESULTS *Dollars in millions, except per share data*	Three months ended			Year ended	
	December 31 2022	September 30 2022	December 31 2021	December 31 2022	December 31 2021
Revenue					
Net interest income	$ 3,684	$ 3,475	$ 2,862	$ 13,014	$ 10,647
Noninterest income	2,079	2,074	2,265	8,106	8,564
Total revenue	5,763	5,549	5,127	21,120	19,211
Provision for (recapture of) credit losses	408	241	(327)	477	(779)
Noninterest expense	3,474	3,280	3,791	13,170	13,002
Income before income taxes and noncontrolling interests	$ 1,881	$ 2,028	$ 1,663	$ 7,473	$ 6,988
Income taxes	333	388	357	1,360	1,263
Net income	$ 1,548	$ 1,640	$ 1,306	$ 6,113	$ 5,725
Less:					
Net income attributable to noncontrolling interests	20	16	13	72	51
Preferred stock dividends (a)	120	65	71	301	233
Preferred stock discount accretion and redemptions	1	1	2	5	5
Net income attributable to common shareholders	$ 1,407	$ 1,558	$ 1,220	$ 5,735	$ 5,436
Per Common Share					
Basic	$ 3.47	$ 3.78	$ 2.87	$ 13.86	$ 12.71
Diluted	$ 3.47	$ 3.78	$ 2.86	$ 13.85	$ 12.70
Cash dividends declared per common share	$ 1.50	$ 1.50	$ 1.25	$ 5.75	$ 4.80
Effective tax rate (b)	17.7 %	19.1 %	21.5 %	18.2 %	18.1 %
PERFORMANCE RATIOS					
Net interest margin (c)	2.92 %	2.82 %	2.27 %	2.65 %	2.29 %
Noninterest income to total revenue	36 %	37 %	44 %	38 %	45 %
Efficiency (d)	60 %	59 %	74 %	62 %	68 %
Return on:					
Average common shareholders' equity	14.19 %	14.97 %	9.61 %	13.52 %	10.78 %
Average assets	1.10 %	1.19 %	0.93 %	1.11 %	1.09 %

(a) Dividends are payable quarterly other than Series R and Series S preferred stock, which are payable semiannually.
(b) 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.
(c) 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 margins, we use net interest income on a taxable-equivalent basis in calculating average yields used in the calculation of net interest margin 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 December 31, 2022, September 30, 2022 and December 31, 2021 were $36 million, $29 million and $22 million, respectively. The taxable-equivalent adjustments to net interest income for the twelve months ended December 31, 2022 and December 31, 2021 were $112 million and $74 million, respectively.
(d) Calculated as noninterest expense divided by total revenue.

The PNC Financial Services Group, Inc. **Consolidated Financial Highlights** (Unaudited)

	December 31 2022	September 30 2022	December 31 2021
BALANCE SHEET DATA			
Dollars in millions, except per share data			
Assets	$ 557,263	$ 559,477	$ 557,191
Loans (a)	$ 326,025	$ 315,400	$ 288,372
Allowance for loan and lease losses	$ 4,741	$ 4,581	$ 4,868
Interest-earning deposits with banks	$ 27,320	$ 40,278	$ 74,250
Investment securities	$ 139,334	$ 136,451	$ 132,962
Total deposits	$ 436,282	$ 438,194	$ 457,278
Borrowed funds (a)	$ 58,713	$ 54,633	$ 30,784
Allowance for unfunded lending related commitments	$ 694	$ 682	$ 662
Total shareholders' equity	$ 45,774	$ 46,688	$ 55,695
Common shareholders' equity	$ 40,028	$ 39,444	$ 50,685
Accumulated other comprehensive income (loss)	$ (10,172)	$ (10,486)	$ 409
Book value per common share	$ 99.93	$ 97.59	$ 120.61
Tangible book value per common share *(non-GAAP)* (b)	$ 72.12	$ 69.98	$ 94.11
Period end common shares outstanding *(In millions)*	401	404	420
Loans to deposits	75 %	72 %	63 %
Common shareholders' equity to total assets	7.2 %	7.1 %	9.1 %
CLIENT ASSETS (In billions)			
Discretionary client assets under management	$ 173	$ 166	$ 192
Nondiscretionary client assets under administration	152	148	175
Total client assets under administration	325	314	367
Brokerage account client assets	74	71	83
Total client assets	$ 399	$ 385	$ 450
CAPITAL RATIOS			
Basel III (c) (d)			
Common equity Tier 1	9.1 %	9.3 %	10.3 %
Common equity Tier 1 fully implemented (e)	8.9 %	9.1 %	10.0 %
Tier 1 risk-based	10.4 %	11.0 %	11.6 %
Total capital risk-based (f)	12.3 %	12.9 %	13.5 %
Leverage	8.2 %	8.6 %	8.2 %
Supplementary leverage	7.0 %	7.3 %	7.0 %
ASSET QUALITY			
Nonperforming loans to total loans	0.61 %	0.66 %	0.86 %
Nonperforming assets to total loans, OREO and foreclosed assets	0.62 %	0.67 %	0.87 %
Nonperforming assets to total assets	0.36 %	0.38 %	0.45 %
Net charge-offs to average loans (for the three months ended) (annualized)	0.28 %	0.15 %	0.17 %
Allowance for loan and lease losses to total loans	1.45 %	1.45 %	1.69 %
Allowance for credit losses to total loans (g)	1.67 %	1.67 %	1.92 %
Allowance for loan and lease losses to nonperforming loans	239 %	222 %	196 %
Total delinquencies *(In millions)* (h)	$ 1,490	$ 1,626	$ 1,985

(a) Amounts include assets and liabilities for which we have elected the fair value option. Our 2022 Form 10-Qs included, and our 2022 Form 10-K will include, additional information regarding these Consolidated Balance Sheet line items.
(b) See the Tangible Book Value per Common Share table on page 18 for additional information.
(c) All ratios are calculated using the regulatory capital methodology applicable to PNC during each period presented and calculated based on the standardized approach. See Capital Ratios on page 16 for additional information. The ratios as of December 31, 2022 are estimated.
(d) The ratios are calculated to reflect PNC's election to adopt the CECL optional five-year transition provision.
(e) The fully implemented ratios are calculated to reflect the full impact of CECL and excludes the benefits of the five-year transition provision.
(f) The 2021 Basel III Total risk-based capital ratio includes nonqualifying trust preferred capital securities of $20 million that were subject to a phase-out period that ran through 2021.
(g) Excludes allowances for investment securities and other financial assets.
(h) Total delinquencies represent accruing loans more than 30 days past due.

The PNC Financial Services Group, Inc. **Consolidated Financial Highlights** (Unaudited)

CAPITAL RATIOS

PNC's regulatory risk-based capital ratios in 2022 are calculated using the standardized approach for determining risk-weighted assets. Under the standardized approach for determining credit risk-weighted assets, exposures are generally assigned a pre-defined risk weight. Exposures to high volatility commercial real estate, past due exposures and equity exposures are generally subject to higher risk weights than other types of exposures.

PNC elected a five-year transition provision effective March 31, 2020 to delay until December 31, 2021 the full impact of the CECL standard on regulatory capital, followed by a three-year transition period. Effective for the first quarter 2022, PNC is now in the three-year transition period, and the full impact of the CECL standard is being phased-in to regulatory capital through December 31, 2024. See the table below for the September 30, 2022, December 31, 2021 and estimated December 31, 2022 ratios. For the full impact of PNC's adoption of CECL, which excludes the benefits of the five-year transition provision, see the December 31, 2022 and September 30, 2022 (Fully Implemented) estimates presented in the table below.

Our Basel III capital ratios may be impacted by changes to the regulatory capital rules and additional regulatory guidance or analysis.

Basel III Common Equity Tier 1 Capital Ratios

	Basel III (a)				
Dollars in millions	December 31 2022 (estimated) (b)	September 30 2022 (b)	December 31 2021 (b)	December 31, 2022 (Fully Implemented) (estimated) (c)	September 30, 2022 (Fully Implemented) (estimated) (c)
Common stock, related surplus and retained earnings, net of treasury stock	$ 50,924	$ 50,654	$ 51,242	$ 50,200	$ 49,930
Less regulatory capital adjustments:					
Goodwill and disallowed intangibles, net of deferred tax liabilities	(11,138)	(11,159)	(11,137)	(11,138)	(11,159)
All other adjustments	(108)	(123)	(39)	(109)	(127)
Basel III Common equity Tier 1 capital	$ 39,678	$ 39,372	$ 40,066	$ 38,953	$ 38,644
Basel III standardized approach risk-weighted assets (d)	$ 435,848	$ 423,446	$ 388,769	$ 435,892	$ 423,593
Basel III Common equity Tier 1 capital ratio	9.1 %	9.3 %	10.3 %	8.9 %	9.1 %

(a) All ratios are calculated using the regulatory capital methodology applicable to PNC during each period presented.
(b) The ratio is calculated to reflect PNC's election to adopt the CECL optional five-year transition provision.
(c) The December 31, 2022 and September 30, 2022 ratio is calculated to reflect the full impact of CECL and excludes the benefits of the five-year transition provision.
(d) Basel III standardized approach risk-weighted assets are based on the Basel III standardized approach rules and include credit and market risk-weighted assets.

The PNC Financial Services Group, Inc. **Consolidated Financial Highlights** (Unaudited)

NON-GAAP MEASURES

Pretax Pre-Provision Earnings (non-GAAP)
Pretax Pre-Provision Earnings Excluding Integration Costs (non-GAAP)

	Three months ended		Year ended	
Dollars in millions	December 31 2022	September 30 2022	December 31 2022	December 31 2021
Income before income taxes and noncontrolling interests	$ 1,881	$ 2,028	$ 7,473	$ 6,988
Provision for (recapture of) credit losses	408	241	477	(779)
Pretax pre-provision earnings *(non-GAAP)*	$ 2,289	$ 2,269	$ 7,950	$ 6,209
Integration costs	9	1	55	798
Pretax pre-provision earnings excluding integration costs *(non-GAAP)*	$ 2,298	$ 2,270	$ 8,005	$ 7,007

Pretax pre-provision earnings is a non-GAAP measure and is based on adjusting income before income taxes and noncontrolling interests to exclude provision for (recapture of) credit losses. We believe that pretax, pre-provision earnings is a useful tool to help evaluate the ability to provide for credit costs through operations and provides an additional basis to compare results between periods by isolating the impact of provision for (recapture of) credit losses, which can vary significantly between periods.

Pretax pre-provision earnings excluding integration costs is a non-GAAP measure and is based on adjusting pretax pre-provision earnings to exclude integration costs during the period. We believe that pretax, pre-provision earnings excluding integration costs is a useful tool in understanding PNC's results by providing greater comparability between periods, as well as demonstrating the effect of significant items.

The PNC Financial Services Group, Inc. **Consolidated Financial Highlights** (Unaudited)

Adjusted Diluted Earnings per Common Share Excluding Integration Costs (non-GAAP)

Dollars in millions, except per share data	Three months ended December 31 2022	Per Common Share	September 30 2022	Per Common Share	December 31 2021	Per Common Share
Net income attributable to common shareholders	$ 1,407		$ 1,558		$ 1,220	
Dividends and undistributed earnings allocated to nonvested restricted shares	(7)		(8)		(6)	
Net income attributable to diluted common shareholders	$ 1,400	$ 3.47	$ 1,550	$ 3.78	$ 1,214	$ 2.86
Integration costs after tax (a)	8	0.02	1	—	346	0.82
Adjusted net income attributable to diluted common shareholders excluding integration costs *(non-GAAP)*	$ 1,408	$ 3.49	$ 1,551	$ 3.78	$ 1,560	$ 3.68
Average diluted common shares outstanding *(In millions)*	404		410		424	

Dollars in millions, except per share data	Year ended December 31 2022	Per Common Share	December 31 2021	Per Common Share
Net income attributable to common shareholders	$ 5,735		$ 5,436	
Dividends and undistributed earnings allocated to nonvested restricted shares	(27)		(27)	
Net income attributable to diluted common shareholders	$ 5,708	$ 13.85	$ 5,409	$ 12.70
Integration costs after tax (a)	44	0.11	630	1.48
Adjusted net income attributable to diluted common shareholders excluding integration costs *(non-GAAP)*	$ 5,752	$ 13.96	$ 6,039	$ 14.18
Average diluted common shares outstanding *(In millions)*	412		426	

(a) Statutory tax rate of 21% used to calculate impacts.

The adjusted diluted earnings per common share excluding integration costs is a non-GAAP measure and excludes the integration costs related to the BBVA USA acquisition. It is calculated based on adjusting net income attributable to diluted common shareholders by removing post-tax integration costs in the period. We believe this non-GAAP measure serves as a useful tool in understanding PNC's results by providing greater comparability between periods, as well as demonstrating the effect of significant items.

Tangible Book Value per Common Share (non-GAAP)

Dollars in millions, except per share data	December 31 2022	September 30 2022	December 31 2021
Book value per common share	$ 99.93	$ 97.59	$ 120.61
Tangible book value per common share			
Common shareholders' equity	$ 40,028	$ 39,444	$ 50,685
Goodwill and other intangible assets	(11,400)	(11,423)	(11,406)
Deferred tax liabilities on goodwill and other intangible assets	261	263	270
Tangible common shareholders' equity	$ 28,889	$ 28,284	$ 39,549
Period-end common shares outstanding *(In millions)*	401	404	420
Tangible book value per common share *(non-GAAP)*	$ 72.12	$ 69.98	$ 94.11

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

The PNC Financial Services Group, Inc. **Consolidated Financial Highlights** (Unaudited)

Taxable-Equivalent Net Interest Income (non-GAAP)

Dollars in millions	Three months ended December 31 2022	Three months ended September 30 2022	Year ended December 31 2022	Year ended December 31 2021
Net interest income	$ 3,684	$ 3,475	$ 13,014	$ 10,647
Taxable-equivalent adjustments	36	29	112	74
Net interest income *(Fully Taxable-Equivalent - FTE)*	$ 3,720	$ 3,504	$ 13,126	$ 10,721

The interest income earned on certain earning assets is completely or partially exempt from federal income tax. As such, these tax-exempt instruments typically yield lower returns than taxable investments. To provide more meaningful comparisons of net interest income, we use interest income on a taxable-equivalent basis 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 GAAP. Taxable-equivalent net interest income is only used for calculating net interest margin and net interest income shown elsewhere in this presentation is GAAP net interest income.

Efficiency Ratio Excluding Integration Costs (non-GAAP)

Dollars in millions	Three months ended December 31 2022	Three months ended September 30 2022	Year ended December 31 2022	Year ended December 31 2021
Noninterest expense	$ 3,474	$ 3,280	$ 13,170	$ 13,002
Integration expense	(4)		(28)	(733)
Noninterest expense excluding integration expense *(non-GAAP)*	$ 3,470	$ 3,280	$ 13,142	$ 12,269
Total revenue	$ 5,763	$ 5,549	$ 21,120	$ 19,211
Integration costs - contra revenue	(5)	(1)	(27)	(65)
Total revenue excluding integration costs - contra revenue *(non-GAAP)*	$ 5,768	$ 5,550	$ 21,147	$ 19,276
Efficiency ratio (a)	60 %	59 %	62 %	68 %
Efficiency ratio excluding integration costs *(non-GAAP)* (b)	60 %	59 %	62 %	64 %

(a) Calculated as noninterest expense divided by total revenue.
(b) Calculated as noninterest expense excluding integration expense divided by total revenue excluding integration costs - contra revenue.

The efficiency ratio excluding integration costs is a non-GAAP measure and excludes the integration costs related to the BBVA USA acquisition. It is calculated based on adjusting the efficiency ratio calculation by excluding integration costs during the period from noninterest expense and total revenue. We believe that this non-GAAP measure is a useful tool for the purpose of evaluating PNC's results. The exclusion of integration costs increases comparability across periods, demonstrates the impact of significant items and provides a useful measure for determining PNC's revenue and expenses that are core to our business operations and expected to recur over time.

Cautionary Statement Regarding Forward-Looking Information

We make statements in this news release and related conference call, and we may from time to time make other statements, regarding our outlook for financial performance, such as earnings, revenues, expenses, tax rates, capital and liquidity levels and ratios, asset levels, asset quality, financial position, and other matters regarding or affecting us and our future business and operations, including our sustainability strategy, 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 any obligation 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:
  - 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, market interest rates and inflation,
  - 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 impact of the Russia-Ukraine conflict, and associated sanctions or other actions in response, on the global and U.S. economy,
  - The length and extent of the economic impacts of the COVID-19 pandemic,
  - Impacts of changes in federal, state and local governmental policy, including on the regulatory landscape, capital markets, taxes, infrastructure spending and social programs,
  - PNC's ability to attract, recruit and retain skilled employees, and
  - 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 views that:
  - The economy continues to expand in early 2023, but economic growth is slowing in response to the ongoing Federal Reserve monetary policy tightening to slow inflation. This has led to large increases in both short- and long-term interest rates. The housing market is already in steep decline as much higher mortgage rates have led to significant drops in housing starts, home sales, and house prices. Other sectors where interest rates play an outsized role, such as business investment and consumer spending on durable goods, will contract in 2023.
  - PNC's baseline outlook is for a recession starting in the spring of 2023, with real GDP contracting a modest 1% before recovery starts in early 2024 as the Federal Reserve lowers interest rates in response to a deteriorating labor market and slower inflation. The unemployment rate will increase throughout 2023, peaking at above 5% in the first half of 2024. Inflation will slow with the recession and be back to the Federal Reserve's 2% long-term objective by early 2024.
  - PNC expects the Federal Open Market Committee (FOMC) to increase the federal funds rate by an additional 50 basis points, with a 25-basis point increase in both February and March. This would bring the federal funds rate to a range of 4.75% to 5.00% by mid-March. PNC expects a federal funds rate cut of 25 basis points in December 2023 as inflation moves toward the FOMC's 2% long-term objective and the economy enters into recession.

- 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.

- 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 and the reliability of and risks resulting from extensive use of such models.

Cautionary Statement Regarding Forward-Looking Information (Continued)

- 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 employees. These developments could include:
  - Changes to laws and regulations, including changes affecting oversight of the financial services industry; changes in the enforcement and interpretation of such laws and regulations; and changes in accounting and reporting standards.
  - Unfavorable resolution of legal proceedings or other claims and regulatory and other governmental investigations or other inquiries resulting in monetary losses, costs, or alterations in our business practices, and potentially causing reputational harm to PNC.
  - Results of the regulatory examination and supervision process, including our failure to satisfy requirements of agreements with governmental agencies.
  - 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.

- Our reputation and business and operating results may be affected by our ability to appropriately meet or address environmental, social or governance targets, goals, commitments or concerns that may arise.

- 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, the integration of the acquired businesses into PNC after closing or any failure to execute strategic or operational plans.

- 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 manmade, natural and other disasters (including severe weather events); health emergencies; dislocations; geopolitical instabilities or events; terrorist activities; system failures or disruptions; security breaches; cyberattacks; international hostilities; or other extraordinary events beyond PNC's control through impacts on the economy and financial markets generally or on us or our counterparties, customers or third-party vendors and service providers specifically.

We provide greater detail regarding these as well as other factors in our 2021 Form 10-K and in our subsequent Form 10-Q's, 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 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.

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Exhibit 99.2

THE PNC FINANCIAL SERVICES GROUP, INC.

FINANCIAL SUPPLEMENT
FOURTH QUARTER 2022
(Unaudited)

THE PNC FINANCIAL SERVICES GROUP, INC.
FINANCIAL SUPPLEMENT
FOURTH QUARTER 2022
(UNAUDITED)

The information contained in this Financial Supplement is preliminary, unaudited and based on data available on January 18, 2023. 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 (U.S.) 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 coast-to-coast. PNC also has strategic international offices in four countries outside the U.S.

PRESENTATION OF NONINTEREST INCOME

Effective for the first quarter of 2022, PNC updated the presentation of its noninterest income categorization to be based on product and service type, and accordingly, has changed the basis of presentation of its noninterest income revenue streams to: (i) Asset management and brokerage, (ii) Capital markets related, (iii) Card and cash management, (iv) Lending and deposit services, (v) Residential and commercial mortgage and (vi) Other noninterest income. For a description of each updated noninterest income revenue stream, see our third quarter 2022 Form 10-Q. Additionally, in the fourth quarter of 2022, PNC updated the name of the noninterest income line item "capital markets related" to "capital markets and advisory." This update did not impact the components of the category. All periods presented herein reflect these changes.

ACQUISITION OF BBVA USA BANCSHARES, INC.

On June 1, 2021, PNC acquired BBVA USA Bancshares Inc. (BBVA), a U.S. financial holding company conducting its business operations primarily through its U.S. banking subsidiary, BBVA USA. PNC paid $11.5 billion in cash as consideration for the acquisition.

On October 8, 2021, BBVA USA merged into PNC Bank. On October 12, 2021, PNC converted approximately 2.6 million customers, 9,000 employees and over 600 branches across seven states. Our results of operations and balance sheets for all periods presented in this Financial Supplement reflect the benefit of BBVA's acquired businesses for the period since the acquisition closed on June 1, 2021.

THE PNC FINANCIAL SERVICES GROUP, INC.
Cross Reference Index to Fourth Quarter 2022 Financial Supplement (Unaudited)
Financial Supplement Table Reference

Table 1: Consolidated Income Statement (Unaudited)

	Three months ended					Year ended	
In millions, except per share data	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021	December 31 2022	December 31 2021
Interest Income							
Loans	$ 3,860	$ 3,138	$ 2,504	$ 2,293	$ 2,414	$ 11,795	$ 9,007
Investment securities	836	715	631	544	484	2,726	1,834
Other	413	279	146	77	77	915	293
Total interest income	5,109	4,132	3,281	2,914	2,975	15,436	11,134
Interest Expense							
Deposits	812	340	88	27	27	1,267	126
Borrowed funds	613	317	142	83	86	1,155	361
Total interest expense	1,425	657	230	110	113	2,422	487
Net interest income	3,684	3,475	3,051	2,804	2,862	13,014	10,647
Noninterest Income							
Asset management and brokerage	345	357	365	377	385	1,444	1,438
Capital markets and advisory	336	299	409	252	460	1,296	1,577
Card and cash management	671	671	671	620	646	2,633	2,398
Lending and deposit services	296	287	282	269	273	1,134	1,102
Residential and commercial mortgage	184	143	161	159	209	647	850
Other (a)	247	317	177	211	292	952	1,199
Total noninterest income	2,079	2,074	2,065	1,888	2,265	8,106	8,564
Total revenue	5,763	5,549	5,116	4,692	5,127	21,120	19,211
Provision For (Recapture of) Credit Losses	408	241	36	(208)	(327)	477	(779)
Noninterest Expense							
Personnel	1,943	1,805	1,779	1,717	2,038	7,244	7,141
Occupancy	247	241	246	258	260	992	940
Equipment	369	344	351	331	437	1,395	1,411
Marketing	106	93	95	61	97	355	319
Other	809	797	773	805	959	3,184	3,191
Total noninterest expense	3,474	3,280	3,244	3,172	3,791	13,170	13,002
Income before income taxes and noncontrolling interests	1,881	2,028	1,836	1,728	1,663	7,473	6,988
Income taxes	333	388	340	299	357	1,360	1,263
Net income	1,548	1,640	1,496	1,429	1,306	6,113	5,725
Less: Net income attributable to noncontrolling interests	20	16	15	21	13	72	51
Preferred stock dividends (b)	120	65	71	45	71	301	233
Preferred stock discount accretion and redemptions	1	1	1	2	2	5	5
Net income attributable to common shareholders	$ 1,407	$ 1,558	$ 1,409	$ 1,361	$ 1,220	$ 5,735	$ 5,436
Earnings Per Common Share							
Basic	$ 3.47	$ 3.78	$ 3.39	$ 3.23	$ 2.87	$ 13.86	$ 12.71
Diluted	$ 3.47	$ 3.78	$ 3.39	$ 3.23	$ 2.86	$ 13.85	$ 12.70
Average Common Shares Outstanding							
Basic	404	410	414	420	424	412	426
Diluted	404	410	414	420	424	412	426
Efficiency	60 %	59 %	63 %	68 %	74 %	62 %	68 %
Noninterest income to total revenue	36 %	37 %	40 %	40 %	44 %	38 %	45 %
Effective tax rate from continuing operations (c)	17.7 %	19.1 %	18.5 %	17.3 %	21.5 %	18.2 %	18.1 %

(a) Includes net gains (losses) on sales of securities of $(3) million, less than $1 million, less than $(1) million, $(4) million and $14 million for the quarters ended December 31, 2022, September 30, 2022, June 30, 2022, March 31, 2022 and December 31, 2021, respectively, and $(7) million and $64 million for the twelve months ended December 31, 2022 and December 31, 2021, respectively.
(b) Dividends are payable quarterly other than Series R and Series S preferred stock, which are payable semiannually.
(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)

In millions, except par value	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021
Assets					
Cash and due from banks	$ 7,043	$ 6,548	$ 8,582	$ 7,572	$ 8,004
Interest-earning deposits with banks (a)	27,320	40,278	28,404	48,776	74,250
Loans held for sale (b)	1,010	1,126	1,191	1,506	2,231
Investment securities – available for sale	44,159	45,798	52,984	112,313	131,536
Investment securities – held to maturity	95,175	90,653	79,748	20,098	1,426
Loans (b)	326,025	315,400	310,800	294,457	288,372
Allowance for loan and lease losses	(4,741)	(4,581)	(4,462)	(4,558)	(4,868)
Net loans	321,284	310,819	306,338	289,899	283,504
Equity investments	8,437	8,130	8,441	7,798	8,180
Mortgage servicing rights	3,423	3,206	2,608	2,208	1,818
Goodwill	10,987	10,987	10,916	10,916	10,916
Other (b)	38,425	41,932	41,574	40,160	35,326
Total assets	$ 557,263	$ 559,477	$ 540,786	$ 541,246	$ 557,191
Liabilities					
Deposits					
Noninterest-bearing	$ 124,486	$ 138,423	$ 146,438	$ 150,798	$ 155,175
Interest-bearing	311,796	299,771	294,373	299,399	302,103
Total deposits	436,282	438,194	440,811	450,197	457,278
Borrowed funds					
Federal Home Loan Bank borrowings	32,075	30,075	10,000		
Senior debt	16,657	13,357	14,358	16,206	20,661
Subordinated debt	6,307	7,286	7,487	6,766	6,996
Other (b)	3,674	3,915	4,139	3,599	3,127
Total borrowed funds	58,713	54,633	35,984	26,571	30,784
Allowance for unfunded lending related commitments	694	682	681	639	662
Accrued expenses and other liabilities	15,762	19,245	15,622	14,623	12,741
Total liabilities	511,451	512,754	493,098	492,030	501,465
Equity					
Preferred stock (c)					
Common stock - $5 par value					
Authorized 800 shares, issued 543 shares	2,714	2,714	2,714	2,713	2,713
Capital surplus	18,376	19,810	18,531	17,487	17,457
Retained earnings	53,572	52,777	51,841	51,058	50,228
Accumulated other comprehensive income (loss)	(10,172)	(10,486)	(8,358)	(5,731)	409
Common stock held in treasury at cost: 142, 139, 132, 128, and 123 shares	(18,716)	(18,127)	(17,076)	(16,346)	(15,112)
Total shareholders' equity	45,774	46,688	47,652	49,181	55,695
Noncontrolling interests	38	35	36	35	31
Total equity	45,812	46,723	47,688	49,216	55,726
Total liabilities and equity	$ 557,263	$ 559,477	$ 540,786	$ 541,246	$ 557,191

(a) Amounts include balances held with the Federal Reserve Bank of $26.9 billion, $39.8 billion, $28.0 billion, $48.4 billion and $73.8 billion as of December 31, 2022, September 30, 2022, June 30, 2022, March 31, 2022 and December 31, 2021, respectively.
(b) Amounts include assets and liabilities for which PNC has elected the fair value option. Our 2022 Form 10-Qs included, and our 2022 Form 10-K will include, additional information regarding these items.
(c) Par value less than $0.5 million at each date.

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

	Three months ended					*Year ended*	
In millions	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021	December 31 2022	December 31 2021
Assets							
Interest-earning assets:							
Investment securities							
Securities available for sale							
Residential mortgage-backed							
Agency	$ 31,818	$ 32,500	$ 37,285	$ 67,498	$ 64,521	$ 42,151	$ 57,325
Non-agency	714	748	902	1,007	974	842	1,100
Commercial mortgage-backed	3,377	3,489	4,362	5,229	5,538	4,107	6,093
Asset-backed	105	110	2,388	6,225	6,206	2,184	5,745
U.S. Treasury and government agencies	10,345	11,789	17,480	47,468	44,415	21,642	34,394
Other	3,370	3,506	4,200	4,876	4,741	3,982	4,852
Total securities available for sale	49,729	52,142	66,617	132,303	126,395	74,908	109,509
Securities held to maturity							
Residential mortgage-backed	44,184	39,329	33,086	106		29,325	
Commercial mortgage-backed	2,323	2,069	1,175			1,400	
Asset-backed	6,995	6,571	4,119			4,446	
U.S. Treasury and government agencies	36,441	34,279	28,167	919	812	25,074	805
Other	3,218	2,600	1,560	569	642	1,996	660
Total securities held to maturity	93,161	84,848	68,107	1,594	1,454	62,241	1,465
Total investment securities	142,890	136,990	134,724	133,897	127,849	137,149	110,974
Loans							
Commercial and industrial	179,111	172,788	166,968	155,481	152,355	168,663	143,389
Commercial real estate	36,181	35,140	34,467	34,004	35,256	34,954	33,159
Equipment lease financing	6,275	6,202	6,200	6,099	6,183	6,196	6,286
Consumer	54,809	54,563	54,551	54,965	56,244	54,721	54,338
Residential real estate	45,499	44,333	42,604	40,152	38,872	43,165	31,524
Total loans	321,875	313,026	304,790	290,701	288,910	307,699	268,696
Interest-earning deposits with banks (c)	30,395	31,892	39,689	62,540	75,377	41,050	79,869
Other interest-earning assets	9,690	9,560	9,935	9,417	9,113	9,651	8,539
Total interest-earning assets	504,850	491,468	489,138	496,555	501,249	495,549	468,078
Noninterest-earning assets	52,356	55,629	57,740	53,541	58,123	55,103	55,088
Total assets	$ 557,206	$ 547,097	$ 546,878	$ 550,096	$ 559,372	$ 550,652	$ 523,166
Liabilities and Equity							
Interest-bearing liabilities:							
Interest-bearing deposits							
Money market	$ 63,944	$ 60,934	$ 58,019	$ 62,596	$ 65,214	$ 61,376	$ 68,124
Demand	122,501	120,358	119,636	112,372	108,345	118,749	101,471
Savings	102,020	106,761	109,063	108,532	104,644	106,577	91,194
Time deposits	12,982	10,020	10,378	16,043	18,029	12,340	18,439
Total interest-bearing deposits	301,447	298,073	297,096	299,543	296,232	299,042	279,228
Borrowed funds							
Federal Home Loan Bank borrowings	30,640	16,708	6,978			13,674	661
Senior debt	16,312	14,597	16,172	18,015	21,581	16,265	22,390
Subordinated debt	6,933	7,614	6,998	6,773	6,779	7,081	6,432
Other	5,346	5,342	5,508	5,524	5,987	5,430	5,025
Total borrowed funds	59,231	44,261	35,656	30,312	34,347	42,450	34,508
Total interest-bearing liabilities	360,678	342,334	332,752	329,855	330,579	341,492	313,736
Noninterest-bearing liabilities and equity:							
Noninterest-bearing deposits	133,461	141,167	149,432	153,726	156,549	144,382	139,683
Accrued expenses and other liabilities	17,461	15,699	17,116	14,058	16,818	16,414	15,299
Equity	45,606	47,897	47,578	52,457	55,426	48,364	54,448
Total liabilities and equity	$ 557,206	$ 547,097	$ 546,878	$ 550,096	$ 559,372	$ 550,652	$ 523,166

(a) Calculated using average daily balances.
(b) Nonaccrual loans are included in loans, net of unearned income. The impact of financial derivatives used in interest rate risk management is included in the interest income/expense and average yields/rates of the related assets and liabilities. Basis adjustments related to hedged items are included in noninterest-earning assets and noninterest-bearing liabilities. Average balances of securities are based on amortized historical cost (excluding adjustments to fair value, which are included in other assets). Average balances for certain loans and borrowed funds accounted for at fair value are included in noninterest-earning assets and noninterest-bearing liabilities, with changes in fair value recorded in Noninterest income.
(c) Amounts include average balances held with the Federal Reserve Bank of Cleveland of $30.0 billion, $31.5 billion, $39.3 billion, $62.3 billion and $75.1 billion for the three months ended December 31, 2022, September 30, 2022, June 30, 2022, March 31, 2022 and December 31, 2021, and $40.7 billion and $79.6 billion for the twelve months ended December 31, 2022 and December 31, 2021, respectively.

Table 4: Details of Net Interest Margin (Unaudited)

	Three months ended					Year ended	
	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021	December 31 2022	December 31 2021
Average yields/rates (a)							
Yield on interest-earning assets							
Investment securities							
Securities available for sale							
Residential mortgage-backed							
Agency	2.54 %	2.36 %	2.17 %	1.73 %	1.47 %	2.11 %	1.54 %
Non-agency	7.85 %	7.62 %	7.56 %	7.53 %	7.36 %	7.60 %	7.64 %
Commercial mortgage-backed	2.75 %	2.70 %	2.45 %	2.36 %	2.37 %	2.53 %	2.45 %
Asset-backed	11.98 %	6.31 %	1.84 %	1.35 %	1.48 %	1.69 %	1.72 %
U.S. Treasury and government agencies	1.96 %	1.73 %	1.60 %	1.18 %	1.17 %	1.45 %	1.30 %
Other	2.39 %	2.47 %	2.59 %	2.73 %	2.77 %	2.56 %	2.97 %
Total securities available for sale	2.52 %	2.33 %	2.13 %	1.62 %	1.50 %	2.02 %	1.65 %
Securities held to maturity							
Residential mortgage-backed	2.60 %	2.30 %	1.98 %			2.31 %	
Commercial mortgage-backed	4.57 %	3.50 %	2.30 %			3.64 %	
Asset-backed	3.44 %	2.58 %	1.92 %			2.74 %	
U.S. Treasury and government agencies	1.30 %	1.19 %	1.05 %	2.61 %	2.89 %	1.20 %	2.86 %
Other	4.47 %	4.10 %	4.21 %	4.17 %	4.20 %	4.31 %	4.09 %
Total securities held to maturity	2.27 %	1.96 %	1.65 %	2.99 %	3.47 %	1.99 %	3.41 %
Total investment securities	2.36 %	2.10 %	1.89 %	1.64 %	1.52 %	2.00 %	1.67 %
Loans							
Commercial and industrial	4.70 %	3.69 %	2.90 %	2.75 %	2.90 %	3.60 %	2.92 %
Commercial real estate	5.28 %	4.27 %	3.15 %	2.79 %	2.86 %	3.97 %	2.99 %
Equipment lease financing	4.18 %	3.85 %	3.62 %	3.74 %	3.81 %	3.84 %	3.82 %
Consumer	5.88 %	5.32 %	4.68 %	4.69 %	4.71 %	5.14 %	4.79 %
Residential real estate	3.28 %	3.21 %	3.11 %	3.10 %	3.26 %	3.16 %	3.32 %
Total loans	4.75 %	3.98 %	3.29 %	3.19 %	3.32 %	3.86 %	3.37 %
Interest-earning deposits with banks	3.76 %	2.32 %	0.79 %	0.19 %	0.15 %	1.41 %	0.13 %
Other interest-earning assets	5.20 %	3.94 %	2.76 %	2.07 %	2.14 %	3.50 %	2.23 %
Total yield on interest-earning assets	4.02 %	3.35 %	2.69 %	2.37 %	2.36 %	3.14 %	2.39 %
Rate on interest-bearing liabilities							
Interest-bearing deposits							
Money market	1.75 %	0.85 %	0.19 %	0.03 %	0.02 %	0.72 %	0.03 %
Demand	1.14 %	0.59 %	0.15 %	0.02 %	0.02 %	0.49 %	0.03 %
Savings	0.50 %	0.09 %	0.04 %	0.04 %	0.04 %	0.17 %	0.05 %
Time deposits	1.45 %	0.26 %	0.18 %	0.13 %	0.11 %	0.52 %	0.18 %
Total interest-bearing deposits	1.07 %	0.45 %	0.12 %	0.04 %	0.04 %	0.42 %	0.05 %
Borrowed funds							
Federal Home Loan Bank borrowings	3.92 %	2.60 %	1.24 %			3.22 %	0.45 %
Senior debt	4.30 %	2.96 %	1.61 %	1.02 %	0.94 %	2.47 %	1.00 %
Subordinated debt	4.79 %	3.43 %	1.94 %	1.40 %	1.28 %	2.91 %	1.34 %
Other	3.24 %	2.20 %	1.46 %	0.97 %	0.79 %	1.99 %	0.96 %
Total borrowed funds	4.07 %	2.81 %	1.58 %	1.10 %	0.98 %	2.72 %	1.05 %
Total rate on interest-bearing liabilities	1.55 %	0.75 %	0.27 %	0.13 %	0.13 %	0.71 %	0.16 %
Interest rate spread	2.47 %	2.60 %	2.42 %	2.24 %	2.23 %	2.43 %	2.23 %
Benefit from use of noninterest-bearing sources (b)	0.45 %	0.22 %	0.08 %	0.04 %	0.04 %	0.22 %	0.06 %
Net interest margin	2.92 %	2.82 %	2.50 %	2.28 %	2.27 %	2.65 %	2.29 %

(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 margins, we use net interest income on a taxable-equivalent basis in calculating average yields used in the calculation of net interest margin 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 GAAP in the Consolidated Income Statement. The taxable-equivalent adjustments to net interest income for the three months ended December 31, 2022, September 30, 2022, June 30, 2022, March 31, 2022 and December 31, 2021 were $36 million, $29 million, $25 million, $22 million and $22 million, respectively. The taxable-equivalent adjustments to net interest income for the twelve months ended December 31, 2022 and December 31, 2021 were $112 million and $74 million, respectively.

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

Table 5: Details of Loans (Unaudited)

In millions	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021
Commercial					
Commercial and industrial					
Manufacturing	$ 30,845	$ 28,629	$ 27,179	$ 25,035	$ 22,597
Retail/wholesale trade	29,176	27,532	26,475	25,027	22,803
Service providers	23,548	22,043	21,184	20,584	20,750
Financial services	21,320	21,590	19,594	17,674	17,950
Real estate related (a)	17,780	17,513	16,179	15,459	15,123
Technology, media & telecommunications	11,845	11,366	16,249	10,684	10,070
Health care	10,649	10,420	10,153	9,810	9,944
Transportation and warehousing	7,858	7,977	7,604	7,209	7,136
Other industries	29,198	26,743	27,214	26,392	26,560
Total commercial and industrial	182,219	173,813	171,831	157,874	152,933
Commercial real estate	36,316	35,592	34,452	34,171	34,015
Equipment lease financing	6,514	6,192	6,240	6,216	6,130
Total commercial	225,049	215,597	212,523	198,261	193,078
Consumer					
Residential real estate	45,889	45,057	43,717	41,566	39,712
Home equity	25,983	25,367	24,693	24,185	24,061
Automobile	14,836	15,025	15,323	16,001	16,635
Credit card	7,069	6,774	6,650	6,464	6,626
Education	2,173	2,287	2,332	2,441	2,533
Other consumer	5,026	5,293	5,562	5,539	5,727
Total consumer	100,976	99,803	98,277	96,196	95,294
Total loans	$ 326,025	$ 315,400	$ 310,800	$ 294,457	$ 288,372

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

Allowance for Credit Losses (Unaudited)

Table 6: Change in Allowance for Loan and Lease Losses

	Three months ended					Year ended	
Dollars in millions	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021	December 31 2022	December 31 2021
Allowance for loan and lease losses							
Beginning balance	$ 4,581	$ 4,462	$ 4,558	$ 4,868	$ 5,355	$ 4,868	$ 5,361
Acquisition PCD reserves							1,056
Gross charge-offs:							
Commercial and industrial	(121)	(65)	(30)	(41)	(35)	(257)	(385)
Commercial real estate	(22)	(7)	(5)	(10)	(2)	(44)	(36)
Equipment lease financing	(2)	(1)	(2)	(1)	(4)	(6)	(13)
Residential real estate	(2)	(2)		(7)	(4)	(11)	(15)
Home equity	(6)	(3)	(2)	(4)	(4)	(15)	(20)
Automobile	(34)	(32)	(34)	(52)	(49)	(152)	(169)
Credit card	(62)	(59)	(67)	(68)	(60)	(256)	(256)
Education	(4)	(4)	(4)	(4)	(4)	(16)	(15)
Other consumer	(64)	(49)	(51)	(64)	(62)	(228)	(192)
Total gross charge-offs	(317)	(222)	(195)	(251)	(224)	(985)	(1,101)
Recoveries:							
Commercial and industrial	33	23	15	30	20	101	88
Commercial real estate	2	1	1	1	2	5	7
Equipment lease financing	1	1	3	3	3	8	11
Residential real estate	2	4	6	5	8	17	28
Home equity	13	19	18	21	23	71	86
Automobile	24	30	39	31	26	124	143
Credit card	8	12	19	12	10	51	46
Education	1	1	2	1	2	5	8
Other consumer	9	12	9	10	6	40	27
Total recoveries	93	103	112	114	100	422	444
Net (charge-offs) / recoveries:							
Commercial and industrial	(88)	(42)	(15)	(11)	(15)	(156)	(297)
Commercial real estate	(20)	(6)	(4)	(9)		(39)	(29)
Equipment lease financing	(1)		1	2	(1)	2	(2)
Residential real estate		2	6	(2)	4	6	13
Home equity	7	16	16	17	19	56	66
Automobile	(10)	(2)	5	(21)	(23)	(28)	(26)
Credit card	(54)	(47)	(48)	(56)	(50)	(205)	(210)
Education	(3)	(3)	(2)	(3)	(2)	(11)	(7)
Other consumer	(55)	(37)	(42)	(54)	(56)	(188)	(165)
Total net (charge-offs) (a)	(224)	(119)	(83)	(137)	(124)	(563)	(657)
Provision for (recapture of) credit losses (b)	380	241	(10)	(172)	(362)	439	(887)
Other	4	(3)	(3)	(1)	(1)	(3)	(5)
Ending balance	$ 4,741	$ 4,581	$ 4,462	$ 4,558	$ 4,868	$ 4,741	$ 4,868
Supplemental Information							
Net charge-offs							
Commercial net charge-offs	$ (109)	$ (48)	$ (18)	$ (18)	$ (16)	$ (193)	$ (328)
Consumer net charge-offs	(115)	(71)	(65)	(119)	(108)	(370)	(329)
Total net charge-offs (a)	$ (224)	$ (119)	$ (83)	$ (137)	$ (124)	$ (563)	$ (657)
Net charge-offs to average loans (c)	0.28 %	0.15 %	0.11 %	0.19 %	0.17 %	0.18 %	0.24 %
Commercial	0.20 %	0.09 %	0.03 %	0.04 %	0.03 %	0.09 %	0.18 %
Consumer	0.45 %	0.28 %	0.27 %	0.51 %	0.45 %	0.38 %	0.38 %

(a) Amounts for the year ended December 31, 2021 included charge-offs attributable to BBVA, primarily related to commercial and industrial loans, which were largely the result of required purchase accounting treatment for the BBVA acquisition on June 1, 2021.
(b) See Table 7 for the components of the Provision for (recapture of) credit losses being reported on the Consolidated Income Statement.
(c) Three month period percentages are annualized.

Allowance for Credit Losses (Unaudited) (Continued)

Table 7: Components of the Provision for (Recapture of) Credit Losses

	Three months ended					Year ended	
n millions	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021	December 31 2022	December 31 2021 (a)
Provision for (recapture of) credit losses							
Loans and leases	$ 380	$ 241	$ (10)	$ (172)	$ (362)	$ 439	$ (887)
Unfunded lending related commitments	12	1	42	(23)	16	32	32
Investment securities	10	3	3	1		1717	51
Other financial assets	6	(4)	1	(14)	19	(11)	25
Total provision for (recapture of) credit losses	$ 408	$ 241	$ 36	$ (208)	$ (327)	$ 477	$ (779)

(a) Amounts include $1.0 billion of provision for credit losses that was recorded as part of the BBVA acquisition on June 1, 2021.

Table 8: Allowance for Credit Losses by Loan Class (a)

	December 31, 2022			September 30, 2022			December 31, 2021		
Dollars in millions	Allowance Amount	Total Loans	% of Total Loans	Allowance Amount	Total Loans	% of Total Loans	Allowance Amount	Total Loans	% of Total Loans
Allowance for loan and lease losses									
Commercial									
Commercial and industrial	$ 1,957	$ 182,219	1.07 %	$ 1,974	$ 173,813	1.14 %	$ 1,879	$ 152,933	1.23 %
Commercial real estate	1,047	36,316	2.88 %	994	35,592	2.79 %	1,216	34,015	3.57 %
Equipment lease financing	110	6,514	1.69 %	93	6,192	1.50 %	90	6,130	1.47 %
Total commercial	3,114	225,049	1.38 %	3,061	215,597	1.42 %	3,185	193,078	1.65 %
Consumer									
Residential real estate	92	45,889	0.20 %	50	45,057	0.11 %	21	39,712	0.05 %
Home equity	274	25,983	1.05 %	215	25,367	0.85 %	149	24,061	0.62 %
Automobile	226	14,836	1.52 %	214	15,025	1.42 %	372	16,635	2.24 %
Credit card	748	7,069	10.58 %	732	6,774	10.81 %	712	6,626	10.75 %
Education	63	2,173	2.90 %	64	2,287	2.80 %	71	2,533	2.80 %
Other consumer	224	5,026	4.46 %	245	5,293	4.63 %	358	5,727	6.25 %
Total consumer	1,627	100,976	1.61 %	1,520	99,803	1.52 %	1,683	95,294	1.77 %
Total	4,741	$ 326,025	1.45 %	4,581	$ 315,400	1.45 %	4,868	$ 288,372	1.69 %
Allowance for unfunded lending related commitments	694			682			662		
Allowance for credit losses	$ 5,435			$ 5,263			$ 5,530		
Supplemental Information									
Allowance for credit losses to total loans			1.67 %			1.67 %			1.92 %
Commercial			1.66 %			1.70 %			1.94 %
Consumer			1.69 %			1.60 %			1.87 %

(a) Excludes allowances for investment securities and other financial assets, which together totaled $176 million, $162 million and $171 million at December 31, 2022, September 30, 2022 and December 31, 2021, respectively.

Details of Nonperforming Assets (Unaudited)

Table 9: Nonperforming Assets by Type

Dollars in millions	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021
Nonperforming loans, including TDRs					
Commercial					
Commercial and industrial					
Service providers	$ 174	$ 223	$ 151	$ 173	$ 188
Retail/wholesale trade	151	158	87	59	50
Manufacturing	85	88	101	70	52
Health care	50	45	54	37	46
Real estate related (a)	50	47	59	39	64
Transportation and warehousing	27	29	30	28	18
Technology, media & telecommunications	20	20	21	36	33
Other industries	106	138	146	218	345
Total commercial and industrial	663	748	649	660	796
Commercial real estate	189	148	161	332	364
Equipment lease financing	6	7	5	6	8
Total commercial	858	903	815	998	1,168
Consumer (b)					
Residential real estate	424	429	457	526	517
Home equity	526	530	556	576	596
Automobile	155	167	175	181	183
Credit card	8	6	6	8	7
Other consumer	14	33	37	9	9
Total consumer	1,127	1,165	1,231	1,300	1,312
Total nonperforming loans (c)	1,985	2,068	2,046	2,298	2,480
OREO and foreclosed assets	34	33	29	26	26
Total nonperforming assets	$ 2,019	$ 2,101	$ 2,075	$ 2,324	$ 2,506
Nonperforming loans to total loans	0.61 %	0.66 %	0.66 %	0.78 %	0.86 %
Nonperforming assets to total loans, OREO and foreclosed assets	0.62 %	0.67 %	0.67 %	0.79 %	0.87 %
Nonperforming assets to total assets	0.36 %	0.38 %	0.38 %	0.43 %	0.45 %
Allowance for loan and lease losses to nonperforming loans	239 %	222 %	218 %	198 %	196 %

(a) Represents loans related to customers in the real estate and construction industries.
(b) Excludes most unsecured consumer loans and lines of credit, 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 and loans accounted for under the fair value option.

Table 10: Change in Nonperforming Assets

In millions	October 1, 2022 - December 31, 2022	July 1, 2022 - September 30, 2022	April 1, 2022 - June 30, 2022	January 1, 2022 - March 31, 2022	October 1, 2021 - December 31, 2021
Beginning balance	$ 2,101	$ 2,075	$ 2,324	$ 2,506	$ 2,559
New nonperforming assets	346	438	393	346	395
Charge-offs and valuation adjustments	(174)	(79)	(55)	(62)	(53)
Principal activity, including paydowns and payoffs	(139)	(182)	(273)	(274)	(240)
Asset sales and transfers to loans held for sale	(22)	(3)	(6)	(21)	(3)
Returned to performing status	(93)	(148)	(308)	(171)	(152)
Ending balance	$ 2,019	$ 2,101	$ 2,075	$ 2,324	$ 2,506

Accruing Loans Past Due (Unaudited)

Under the CARES Act credit reporting rules, certain loans modified due to COVID-19 related hardships are not being reported as past due for the periods presented based on the contractual terms of the loan, even where borrowers may not be making payments on their loans during the modification period. Our 2021 Form 10-K included additional information on COVID-19 related loan modifications.

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

Dollars in millions	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021
Commercial					
Commercial and industrial	$ 169	$ 321	$ 99	$ 185	$ 235
Commercial real estate	19	11	28	68	46
Equipment lease financing	20	6	7	20	25
Total commercial	208	338	134	273	306
Consumer					
Residential real estate					
Non government insured	190	223	230	239	310
Government insured	91	75	68	66	69
Home equity	53	46	43	41	53
Automobile	106	96	102	109	146
Credit card	50	44	37	39	49
Education					
Non government insured	5	6	5	5	5
Government insured	29	30	39	36	38
Other consumer	15	21	38	47	35
Total consumer	539	541	562	582	705
Total	$ 747	$ 879	$ 696	$ 855	$ 1,011
Supplemental Information					
Total accruing loans past due 30-59 days to total loans	0.23 %	0.28 %	0.22 %	0.29 %	0.35 %
Commercial	0.09 %	0.16 %	0.06 %	0.14 %	0.16 %
Consumer	0.53 %	0.54 %	0.57 %	0.61 %	0.74 %

(a) Excludes loans held for sale.

Accruing Loans Past Due (Unaudited) (Continued)

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

Dollars in millions	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021
Commercial					
Commercial and industrial	$ 27	$ 55	$ 128	$ 64	$ 72
Commercial real estate	4	4	11	41	24
Equipment lease financing	4	6	4	1	2
Total commercial	35	65	143	106	98
Consumer					
Residential real estate					
Non government insured	54	49	53	47	78
Government insured	58	46	42	37	41
Home equity	20	16	14	16	18
Automobile	25	21	24	26	40
Credit card	35	30	25	28	33
Education					
Non government insured	2	4	2	3	2
Government insured	20	22	21	21	23
Other consumer	12	15	21	26	22
Total consumer	226	203	202	204	257
Total	$ 261	$ 268	$ 345	$ 310	$ 355
Supplemental Information					
Total accruing loans past due 60-89 days to total loans	0.08 %	0.08 %	0.11 %	0.11 %	0.12 %
Commercial	0.02 %	0.03 %	0.07 %	0.05 %	0.05 %
Consumer	0.22 %	0.20 %	0.21 %	0.21 %	0.27 %

(a) Excludes loans held for sale.

Accruing Loans Past Due (Unaudited) (Continued)

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

Dollars in millions	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021
Commercial					
Commercial and industrial	$ 137	$ 139	$ 138	$ 105	$ 132
Commercial real estate		5		7	1
Total commercial	137	144	138	112	133
Consumer					
Residential real estate					
Non government insured	32	30	20	41	59
Government insured	167	166	182	232	269
Automobile	7	6	6	8	14
Credit card	70	58	54	62	62
Education					
Non government insured	2	2	2	2	2
Government insured	57	61	56	62	63
Other consumer	10	12	12	15	17
Total consumer	345	335	332	422	486
Total	$ 482	$ 479	$ 470	$ 534	$ 619
Supplemental Information					
Total accruing loans past due 90 days or more to total loans	0.15 %	0.15 %	0.15 %	0.18 %	0.21 %
Commercial	0.06 %	0.07 %	0.06 %	0.06 %	0.07 %
Consumer	0.34 %	0.34 %	0.34 %	0.44 %	0.51 %
Total accruing loans past due	$ 1,490	$ 1,626	$ 1,511	$ 1,699	$ 1,985
Commercial	$ 380	$ 547	$ 415	$ 491	$ 537
Consumer	$ 1,110	$ 1,079	$ 1,096	$ 1,208	$ 1,448
Total accruing loans past due to total loans	0.46 %	0.52 %	0.49 %	0.58 %	0.69 %
Commercial	0.17 %	0.25 %	0.20 %	0.25 %	0.28 %
Consumer	1.10 %	1.08 %	1.12 %	1.26 %	1.52 %

(a) Excludes loans held for sale.

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. As a result of the BBVA acquisition, we have become a coast-to-coast retail bank. Our national expansion strategy is designed to grow customers with digitally-led banking and a thin branch network as we expand into new markets. 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 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. The Treasury Management business provides corporations with cash and investment management services, receivables and disbursement management services, funds transfer services, international payment services and access to online/mobile information management and reporting services. Capital markets related products and services include foreign exchange, derivatives, fixed income, 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 private banking for high net worth and ultra high net worth clients and institutional asset management. The Asset Management group is composed of two distinct operating units:

- PNC Private Bank provides products and services to emerging affluent, high net worth and ultra high net worth individuals and their families including investment and retirement planning, customized investment management, credit and cash management solutions, trust management and administration. In addition, multi-generational family planning services are also provided to ultra high net worth individuals and their families which include estate, financial, tax, fiduciary and customized performance reporting through PNC Private Bank Hawthorn.
- Institutional Asset Management provides outsourced chief investment officer, custody, private real estate, cash and fixed income client solutions, retirement plan fiduciary investment services to institutional clients including corporations, healthcare systems, insurance companies, unions, municipalities and non-profits.

Table 14: Period End Employees

	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021
Full-time employees					
Retail Banking	32,467	33,288	33,565	33,293	32,563
Other full-time employees	27,427	26,328	25,390	25,037	25,105
Total full-time employees	59,894	59,616	58,955	58,330	57,668
Part-time employees					
Retail Banking	1,577	1,520	1,712	1,670	1,669
Other part-time employees	74	77	460	82	89
Total part-time employees	1,651	1,597	2,172	1,752	1,758
Total	61,545	61,213	61,127	60,082	59,426

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

	Three months ended					Year ended	
In millions	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021	December 31 2022	December 31 2021
Net Income							
Retail Banking	$ 752	$ 560	$ 322	$ 340	$ 362	$ 1,974	$ 1,648
Corporate & Institutional Banking	982	929	1,003	956	1,334	3,870	4,324
Asset Management Group	52	90	86	102	106	330	406
Other	(258)	45	70	10	(509)	(133)	(704)
Net income excluding noncontrolling interests	$ 1,528	$ 1,624	$ 1,481	$ 1,408	$ 1,293	$ 6,041	$ 5,674
Revenue							
Retail Banking	$ 3,079	$ 2,742	$ 2,410	$ 2,276	$ 2,408	$ 10,507	$ 9,002
Corporate & Institutional Banking	2,451	2,255	2,221	1,964	2,281	8,891	8,354
Asset Management Group	375	396	387	386	388	1,544	1,463
Other	(142)	156	98	66	50	178	392
Total revenue	$ 5,763	$ 5,549	$ 5,116	$ 4,692	$ 5,127	$ 21,120	$ 19,211

(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.

Table 16: Retail Banking (Unaudited) (a)

	Three months ended					Year ended	
Dollars in millions	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021	December 31 2022	December 31 2021
Income Statement							
Net interest income	$ 2,330	$ 2,017	$ 1,662	$ 1,531	$ 1,634	$ 7,540	$ 6,206
Noninterest income	749	725	748	745	774	2,967	2,796
Total revenue	3,079	2,742	2,410	2,276	2,408	10,507	9,002
Provision for (recapture of) credit losses	193	92	55	(81)	55	259	(101)
Noninterest expense	1,892	1,901	1,913	1,892	1,874	7,598	6,916
Pretax earnings	994	749	442	465	479	2,650	2,187
Income taxes	232	175	105	109	112	621	508
Noncontrolling interests	10	14	15	16	5	55	31
Earnings	$ 752	$ 560	$ 322	$ 340	$ 362	$ 1,974	$ 1,648
Average Balance Sheet							
Loans held for sale	$ 737	$ 837	$ 957	$ 1,183	$ 1,425	$ 927	$ 1,328
Loans							
Consumer							
Residential real estate	$ 35,286	$ 34,465	$ 33,240	$ 31,528	$ 30,888	$ 33,643	$ 25,230
Home equity	24,126	23,393	22,886	22,458	22,572	23,221	22,387
Automobile	14,793	15,088	15,566	16,274	16,944	15,425	15,787
Credit card	6,882	6,684	6,508	6,401	6,513	6,620	6,182
Education	2,257	2,327	2,410	2,532	2,620	2,381	2,770
Other consumer	2,049	2,092	2,173	2,348	2,612	2,164	2,397
Total consumer	85,393	84,049	82,783	81,541	82,149	83,454	74,753
Commercial	11,181	10,881	11,044	11,610	12,844	11,177	14,321
Total loans	$ 96,574	$ 94,930	$ 93,827	$ 93,151	$ 94,993	$ 94,631	$ 89,074
Total assets	$ 115,827	$ 114,619	$ 113,068	$ 111,754	$ 113,782	$ 113,829	$ 106,331
Deposits							
Noninterest-bearing	$ 64,031	$ 65,405	$ 65,599	$ 64,058	$ 65,510	$ 64,775	$ 57,729
Interest-bearing	195,743	198,956	202,801	201,021	197,312	199,614	184,040
Total deposits	$ 259,774	$ 264,361	$ 268,400	$ 265,079	$ 262,822	$ 264,389	$ 241,769
Performance Ratios							
Return on average assets	2.58 %	1.94 %	1.14 %	1.23 %	1.26 %	1.73 %	1.55 %
Noninterest income to total revenue	24 %	26 %	31 %	33 %	32 %	28 %	31 %
Efficiency	61 %	69 %	79 %	83 %	78 %	72 %	77 %

(a) See note (a) on page 13.

Retail Banking (Unaudited) (Continued)

Dollars in millions, except as noted	Three months ended December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021	Year ended December 31 2022	December 31 2021
Supplemental Noninterest Income Information							
Asset management and brokerage	$ 128	$ 131	$ 135	$ 134	$ 131	$ 528	$ 465
Card and cash management	$ 335	$ 344	$ 351	$ 308	$ 347	$ 1,338	$ 1,281
Lending and deposit services	$ 172	$ 167	$ 167	$ 164	$ 157	$ 670	$ 619
Residential and commercial mortgage	$ 111	$ 38	$ 71	$ 99	$ 101	$ 319	$ 456
Residential Mortgage Information							
Residential mortgage servicing statistics (in billions, except as noted) (a)							
Serviced portfolio balance (b)	$ 190	$ 170	$ 145	$ 135	$ 133		
Serviced portfolio acquisitions	$ 24	$ 29	$ 15	$ 6	$ 2	$ 74	$ 44
MSR asset value (b)	$ 2.3	$ 2.1	$ 1.6	$ 1.3	$ 1.1		
MSR capitalization value (in basis points) (b)	122	122	112	98	81		
Servicing income: (in millions)							
Servicing fees, net (c)	$ 73	$ 50	$ 36	$ 33	$ 14	$ 192	$ 34
Mortgage servicing rights valuation, net of economic hedge	$ 24	$ (30)	$ 13	$ 2	$ 2	$ 9	$ 64
Residential mortgage loan statistics							
Loan origination volume (in billions)	$ 2.1	$ 3.1	$ 4.8	$ 5.1	$ 6.6	$ 15.1	$ 24.8
Loan sale margin percentage	2.20 %	1.97 %	1.88 %	2.45 %	2.55 %	2.14 %	2.84 %
Percentage of originations represented by:							
Purchase volume (d)	88 %	85 %	74 %	42 %	38 %	67 %	43 %
Refinance volume	12 %	15 %	26 %	58 %	62 %	33 %	57 %
Other Information (b)							
Customer-related statistics (average)							
Non-teller deposit transactions (e)	65 %	65 %	64 %	64 %	64 %	64 %	65 %
Digital consumer customers (f)	76 %	78 %	78 %	78 %	79 %	78 %	79 %
Credit-related statistics							
Nonperforming assets	$ 1,003	$ 1,027	$ 1,088	$ 1,168	$ 1,220		
Net charge-offs - loans and leases	$ 108	$ 98	$ 88	$ 141	$ 124	$ 435	$ 393
Other statistics							
ATMs	8,933	9,169	9,301	9,502	9,523		
Branches (g)	2,518	2,527	2,535	2,591	2,629		
Brokerage account client assets (in billions) (h)	$ 70	$ 67	$ 68	$ 74	$ 78		

(a) Represents mortgage loan servicing balances for third parties and the related income.
(b) Presented as of period end, except for average customer-related statistics and net charge-offs, which are both shown for the three months and year ended, respectively.
(c) Servicing fees net of impact of decrease in MSR value due to passage of time, including the impact from both regularly scheduled loan payments, 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) Reflects all branches and solution centers excluding stand-alone mortgage offices and satellite offices (*e.g.*, drive-ups, electronic branches and retirement centers) that provide limited products and/or services.
(h) Includes cash and money market balances.

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

	Three months ended					Year ended	
Dollars in millions	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021	December 31 2022	December 31 2021
Income Statement							
Net interest income	$ 1,489	$ 1,368	$ 1,253	$ 1,160	$ 1,228	$ 5,270	$ 4,571
Noninterest income	962	887	968	804	1,053	3,621	3,783
Total revenue	2,451	2,255	2,221	1,964	2,281	8,891	8,354
Provision for (recapture of) credit losses	183	150	(17)	(118)	(369)	198	(646)
Noninterest expense	990	890	934	837	975	3,651	3,479
Pretax earnings	1,278	1,215	1,304	1,245	1,675	5,042	5,521
Income taxes	291	281	298	285	337	1,155	1,183
Noncontrolling interests	5	5	3	4	4	17	14
Earnings	$ 982	$ 929	$ 1,003	$ 956	$ 1,334	$ 3,870	$ 4,324
Average Balance Sheet							
Loans held for sale	$ 337	$ 449	$ 490	$ 628	$ 539	$ 475	$ 583
Loans							
Commercial							
Commercial and industrial	$ 166,176	$ 160,140	$ 153,948	$ 141,622	$ 137,079	$ 155,551	$ 126,928
Commercial real estate	34,663	33,525	32,844	32,433	33,559	33,373	31,584
Equipment lease financing	6,274	6,202	6,201	6,099	6,184	6,195	6,286
Total commercial	207,113	199,867	192,993	180,154	176,822	195,119	164,798
Consumer	8	7	14	8	12	9	13
Total loans	$ 207,121	$ 199,874	$ 193,007	$ 180,162	$ 176,834	$ 195,128	$ 164,811
Total assets	$ 234,120	$ 224,984	$ 219,513	$ 200,724	$ 198,874	$ 219,941	$ 188,470
Deposits							
Noninterest-bearing	$ 67,340	$ 73,523	$ 81,028	$ 86,178	$ 88,023	$ 76,956	$ 79,109
Interest-bearing	79,916	71,925	65,151	68,429	72,397	71,388	72,210
Total deposits	$ 147,256	$ 145,448	$ 146,179	$ 154,607	$ 160,420	$ 148,344	$ 151,319
Performance Ratios							
Return on average assets	1.66 %	1.64 %	1.83 %	1.93 %	2.66 %	1.76 %	2.29 %
Noninterest income to total revenue	39 %	39 %	44 %	41 %	46 %	41 %	45 %
Efficiency	40 %	39 %	42 %	43 %	43 %	41 %	42 %
Other Information							
Consolidated revenue from:							
Treasury Management (b)	$ 843	$ 753	$ 659	$ 546	$ 560	$ 2,801	$ 2,169
Commercial mortgage banking activities:							
Commercial mortgage loans held for sale (c)	$ 15	$ 26	$ 20	$ 16	$ 42	$ 77	$ 145
Commercial mortgage loan servicing income (d)	52	66	70	68	90	256	334
Commercial mortgage servicing rights valuation, net of economic hedge	39	53	33	13	16	138	80
Total	$ 106	$ 145	$ 123	$ 97	$ 148	$ 471	$ 559
MSR asset value (e)	$ 1,113	$ 1,132	$ 988	$ 886	$ 740		
Average loans by C&IB business							
Corporate Banking	$ 113,619	$ 109,197	$ 103,595	$ 92,503	$ 87,284	$ 104,798	$ 81,069
Real Estate	48,031	45,837	44,202	43,213	44,787	45,335	42,936
Business Credit	30,087	28,930	28,246	26,535	26,065	28,461	24,047
Commercial Banking	8,683	9,008	9,459	10,045	10,924	9,294	12,054
Other	6,701	6,902	7,505	7,866	7,774	7,240	4,705
Total average loans	$ 207,121	$ 199,874	$ 193,007	$ 180,162	$ 176,834	$ 195,128	$ 164,811
Credit-related statistics							
Nonperforming assets (e)	$ 761	$ 779	$ 674	$ 866	$ 1,007		
Net charge-offs (recoveries) - loans and leases	$ 100	$ 33	$ 11	$ (1)	$ (1)	$ 143	$ 289

(a) See note (a) on page 13.
(b) Amounts are reported in net interest income and noninterest income.
(c) Represents commercial mortgage banking income for valuations on commercial mortgage loans held for sale and related commitments, derivative valuations, origination 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 from loan servicing, net of reduction in commercial mortgage servicing rights due to ammortization expense and payoffs. Commercial mortgage servicing rights valuation, net of economic hedge is shown separately.
(e) Presented as of period end.

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

	Three months ended					Year ended	
Dollars in millions, except as noted	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021	December 31 2022	December 31 2021
Income Statement							
Net interest income	$ 152	$ 165	$ 153	$ 138	$ 130	$ 608	$ 476
Noninterest income	223	231	234	248	258	936	987
Total revenue	375	396	387	386	388	1,544	1,463
Provision for (recapture of) credit losses	17	4	5	2	(15)	28	(7)
Noninterest expense	291	274	270	251	265	1,086	941
Pretax earnings	67	118	112	133	138	430	529
Income taxes	15	28	26	31	32	100	123
Earnings	$ 52	$ 90	$ 86	$ 102	$ 106	$ 330	$ 406
Average Balance Sheet							
Loans							
Consumer							
Residential real estate	$ 8,835	$ 8,430	$ 7,835	$ 6,989	$ 6,295	$ 8,029	$ 5,033
Other consumer	4,388	4,640	4,633	4,541	4,535	4,550	4,321
Total consumer	13,223	13,070	12,468	11,530	10,830	12,579	9,354
Commercial	1,291	1,328	1,560	1,848	2,093	1,505	1,746
Total loans	$ 14,514	$ 14,398	$ 14,028	$ 13,378	$ 12,923	$ 14,084	$ 11,100
Total assets	$ 14,935	$ 14,820	$ 14,449	$ 13,801	$ 13,317	$ 14,505	$ 11,677
Deposits							
Noninterest-bearing	$ 2,107	$ 2,286	$ 2,824	$ 3,458	$ 3,025	$ 2,664	$ 2,919
Interest-bearing	25,651	27,054	28,839	29,830	26,318	27,830	22,782
Total deposits	$ 27,758	$ 29,340	$ 31,663	$ 33,288	$ 29,343	$ 30,494	$ 25,701
Performance Ratios							
Return on average assets	1.38 %	2.41 %	2.39 %	3.00 %	3.16 %	2.28 %	3.48 %
Noninterest income to total revenue	59 %	58 %	60 %	64 %	66 %	61 %	67 %
Efficiency	78 %	69 %	70 %	65 %	68 %	70 %	64 %
Other Information							
Nonperforming assets (b)	$ 56	$ 95	$ 114	$ 72	$ 62		
Net charge-offs (recoveries) - loans and leases	$ 18	$ (2)	$ (1)	$ 2	$ 1	$ 17	$ 2
Brokerage account client assets (in billions) (b)	$ 4	$ 4	$ 4	$ 5	$ 5		
Client Assets Under Administration (in billions) (b) (c)							
Discretionary client assets under management	$ 173	$ 166	$ 167	$ 182	$ 192		
Nondiscretionary client assets under administration	152	148	153	165	175		
Total	$ 325	$ 314	$ 320	$ 347	$ 367		
Discretionary client assets under management							
PNC Private Bank	$ 105	$ 99	$ 103	$ 115	$ 123		
Institutional Asset Management	68	67	64	67	69		
Total	$ 173	$ 166	$ 167	$ 182	$ 192		

(a) See note (a) on page 13.
(b) As of period end.
(c) Excludes brokerage account client assets.

Glossary of Terms

2019 Tailoring Rules – Rules adopted by the federal banking agencies to better tailor the application of their capital, liquidity, and enhanced prudential requirements for banking organizations to the asset size and risk profile (as measured by certain regulatory metrics) of the banking organization. Effective January 1, 2020, the agencies' capital and liquidity rules classify all BHCs with $100 billion or more in total assets into one of four categories (Category I, Category II, Category III, and Category IV).

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).

Allowance for credit losses (ACL) – A valuation account that is deducted from or added to the amortized cost basis of the related financial assets to present the net carrying value at the amount expected to be collected on the financial asset.

Amortized cost basis – Amount at which a financial asset is originated or acquired, adjusted for applicable accretion or amortization of premiums, discounts and net deferred fees or costs, collection of cash, charge-offs, foreign exchange and fair value hedge accounting adjustments.

Basel III common equity Tier 1 (CET1) capital (Tailoring Rules) – Common stock plus related surplus, net of treasury stock, plus retained earnings, less goodwill, net of associated deferred tax liabilities, less other disallowed intangibles, net of deferred tax liabilities and plus/less other adjustments. Investments in unconsolidated financial institutions, as well as mortgage servicing rights and deferred tax assets, must then be deducted to the extent such items (net of associated deferred tax liabilities) individually exceed 25% 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 – Basel III Total capital divided by period-end risk-weighted assets (as applicable).

BBVA – BBVA USA Bancshares, Inc.

BBVA, S.A. – Banco Bilbao Vizcaya Argentaria, S.A.

BBVA USA – BBVA USA, the Alabama-chartered bank subsidiary of BBVA USA Bancshares, Inc.

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.

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.”

Current Expected Credit Loss (CECL) – Methodology for estimating the allowance for credit losses on in-scope financial assets held at amortized cost and unfunded lending related commitments which uses a combination of expected losses over a reasonable and supportable forecast period, a reversion period and long run average credit losses for their estimated contractual term.

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.

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

Effective duration – A measurement, expressed in years, that, when multiplied by a change in interest rates, would approximate the percentage change in value of on- and off- balance sheet positions.

Efficiency – Noninterest expense divided by total revenue.

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

Fee income – Refers to the following categories within Noninterest income: Asset management and brokerage, Capital markets and advisory, Card and cash management, Lending and deposit services, and Residential and commercial mortgage.

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.

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

Leverage ratio – Basel III Tier 1 capital divided by average quarterly adjusted total assets.

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. We do not accrue interest income on assets classified as nonperforming.

Nonperforming loans – Loans accounted for at amortized cost whose credit quality has deteriorated to the extent that full collection of contractual principal and interest is not probable, including TDRs which have not returned to performing status. Interest income is not recognized on nonperforming loans. Nonperforming loans exclude certain government insured or guaranteed loans for which we expect to collect substantially all principal and interest, loans held for sale and loans accounted for under the fair value option.

Operating leverage – The period to period dollar or percentage change in total revenue 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).

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. Certain assets that have a government-guarantee which are classified as other receivables are excluded.

Purchased credit deteriorated assets (PCD) – Acquired loans or debt securities that, at acquisition, are determined to have experienced a more-than-insignificant deterioration in credit quality since origination or issuance.

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 – Intangible assets or liabilities 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.

Supplementary leverage ratio – Basel III Tier 1 capital divided by Supplementary leverage exposure.

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.

Unfunded lending related commitments – Standby letters of credit, financial guarantees, commitments to extend credit and similar unfunded obligations that are not unilaterally, unconditionally, cancelable at PNC's option.

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.