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 8.01 Other Events

On January 18, 2023, the Corporation held a conference call for investors regarding the Corporation’s earnings and business results for the fourth quarter and full year of 2022. The Corporation provided electronic presentation slides on its web site used in connection with the related investor conference call. Copies of the electronic presentation slides are included in this Report as Exhibit 99.1 and are furnished herewith.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Number	Description	Method of Filing
99.1	Electronic presentation slides for earning release conference call	Furnished herewith
104	The cover page of this Current Report on Form 8-K, formatted in Inline XBRL.	

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

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

Fourth Quarter 2022

Earnings Conference Call

January 18, 2023

The PNC Financial Services Group

PNC

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

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

The presentation contains forward-looking statements regarding our outlook for 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 PNC and its future business and operations, including sustainability strategy. Forward-looking statements are necessarily subject to numerous assumptions, risks and uncertainties, which change over time. The forward-looking statements in this presentation are qualified by the factors affecting forward-looking statements identified in the more detailed Cautionary Statement included in the Appendix. We provide greater detail regarding these as well as other factors in our 2021 Form 10-K and our subsequent form 10-Qs, and in our other subsequent SEC filings. Our forward-looking statements may also be subject to risks and uncertainties including those we may discuss in this presentation or in our SEC filings. Future events or circumstances may change our outlook and may also affect the nature of the assumptions, risks and uncertainties to which our forward-looking statements are subject. Forward-looking statements in this presentation speak only as of the date of this presentation. We do not assume any duty and do not undertake any obligation to update those statements. Actual results or future events could differ, possibly materially, from those anticipated in forward-looking statements, as well as from historical performance. As a result, we caution against placing undue reliance on any forward-looking statements.

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

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

Delivered Strong Full Year 2022 Results

PNC

- Capitalized on opportunities across our coast-to-coast franchise
- Generated full year record revenue
- Net interest margin expanded significantly
- Grew loans and securities
- Maintained strong capital and liquidity positions
- Credit quality remained strong
- Continued momentum in legacy BBVA USA markets
- Returned $6 billion of capital to shareholders through share repurchases and common dividends

Net Income
$6.1 billion

Diluted Earnings Per Share
$13.85

Adjusted Diluted Earnings Per Share
$13.96

Revenue Growth
+10%

Average Loan Growth
+15%

Return on Common Equity
13.52%

Return on Tangible Common Equity
18.32%

- Return on Tangible Common Equity (Non-GAAP) –See Reconciliation in Appendix.
- Net interest margin is calculated using taxable-equivalent net interest income, a non-GAAP measure, a reconciliation of which is provided in the appendix.
- Adjusted diluted earnings per share (EPS), a non-GAAP measure, is calculated without the impact of $55 million pre-tax integration costs. See non-GAAP reconciliations in the appendix for the calculation of adjusted EPS.

Balance Sheet: **Well-Positioned Balance Sheet**

PNC

Average balances, $ billions	4Q22	4Q22 vs. 3Q22 $ Change	4Q22 vs. 3Q22 % Change	4Q22 vs. 4Q21 $ Change	4Q22 vs. 4Q21 % Change
Commercial	**$221.6**	$7.5	4%	$27.8	14%
Consumer	**$100.3**	$1.4	1%	$5.2	5%
Total loans	**$321.9**	$8.9	3%	$33.0	11%
Investment securities	**$142.9**	$5.9	4%	$15.1	12%
Federal Reserve Bank (FRB) balances	**$30.0**	($1.5)	(5%)	($45.1)	(60%)
Deposits	**$434.9**	($4.3)	(1%)	($17.9)	(4%)
Borrowed funds	**$59.2**	$14.9	34%	$24.9	73%
Common shareholders' equity	**$40.0**	$0.6	2%	($10.7)	(21%)

	4Q22	3Q22	Change	4Q21	Change
Basel III common equity Tier 1 (CET1) capital ratio	**9.1%**	9.3%	(20) bps	10.3%	(120) bps
Tangible book value per common share (non-GAAP)	**$72.12**	$69.98	3%	$94.11	(23%)
Return on common equity	**14.19%**	14.97%	(78) bps	9.61%	458 bps

– Basel III common equity Tier 1 capital ratio – December 31, 2022 ratio is estimated. Details of the calculation are in the capital ratios table in the financial highlights section of the earnings release.
– Tangible book value per common share (non-GAAP) – See reconciliation in appendix.

Balance Sheet: **Supporting Customer Loan Growth**

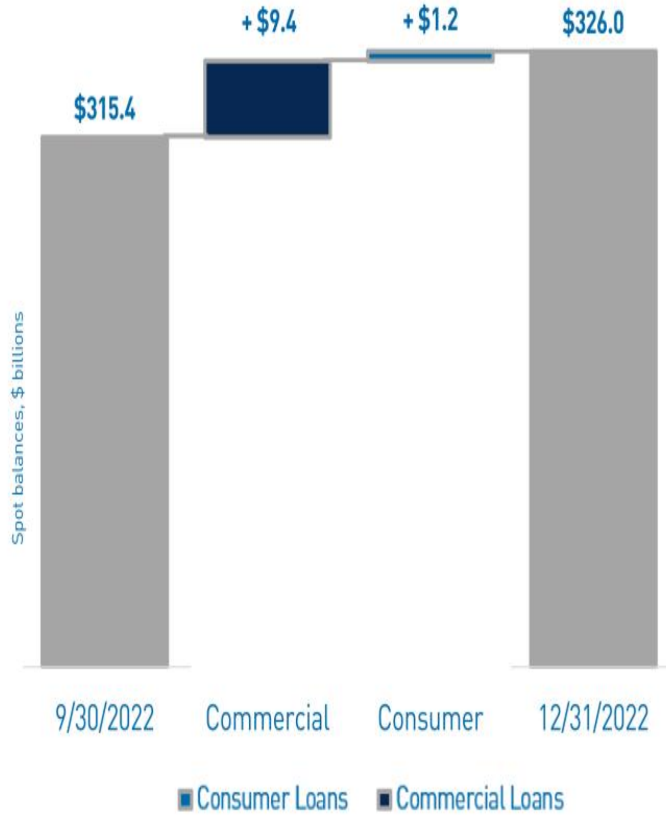
PNC

Continued Average Loan Growth

+11% Year Over Year; +3% Linked Quarter

Linked Quarter Change in Spot Loans

Growth Driven by New Production in Commercial Loans

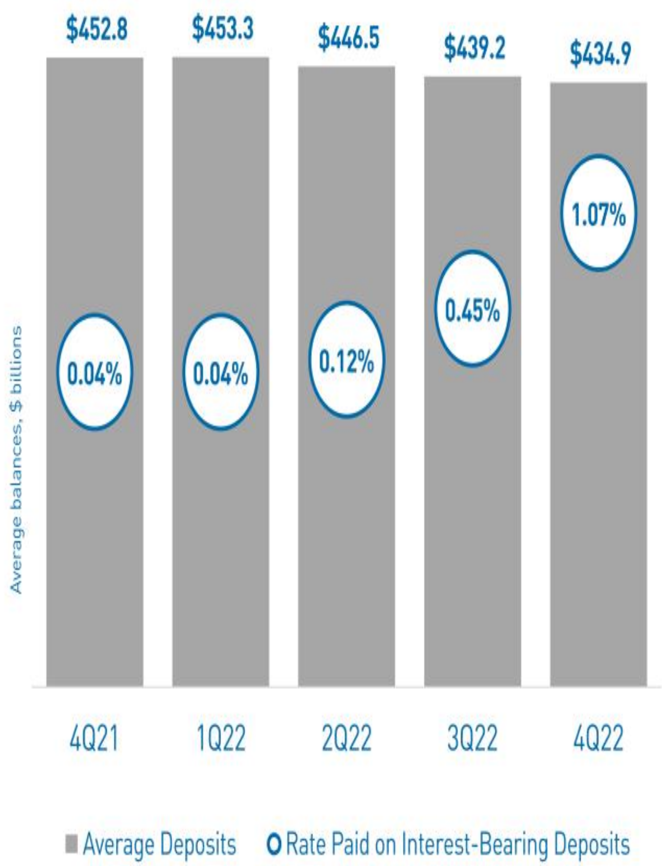


– Paycheck Protection Program (PPP) average loan balances were $0.5 billion, $0.7 billion, $1.3 billion, $2.5 billion and $4.7 billion in 4Q22, 3Q22, 2Q22, 1Q22, and 4Q21 respectively.

Balance Sheet: **Strong Core Deposit Base**

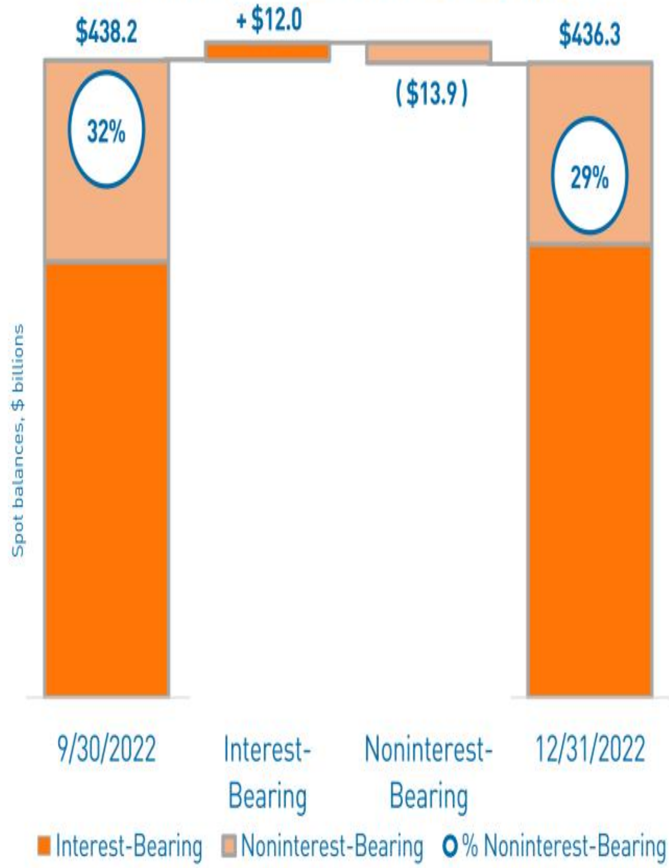
Average Deposits

4% Year Over Year Decline; 1% Linked Quarter Decline



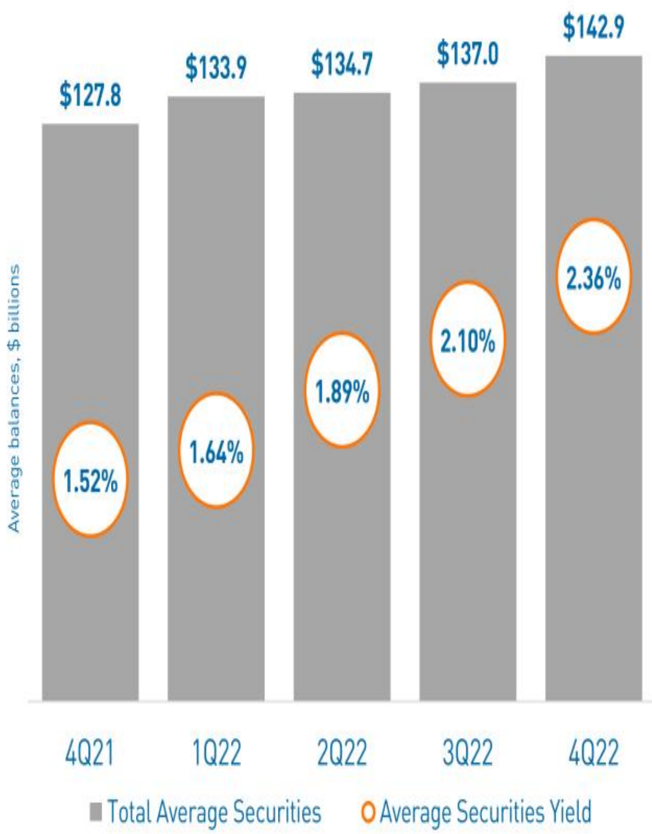
Linked Quarter Change in Spot Deposits

Continued Mix Shift into Interest-Bearing Deposits



Balance Sheet: **Well-Positioned Securities Portfolio**

Reinvesting Maturing Securities at Higher Rates



Securities Portfolio Highlights

- 68% of portfolio in HTM at 12/31/22
- $2.4 billon of net purchases in 4Q22
- Portfolio duration of 4.4 years
- New purchase yields averaging > 4.75%
- AOCI accretion expected to be ~5% per quarter assuming no change to rates

– HTM – Held-to-maturity
– AOCI – Accumulated Other Comprehensive Income

Income Statement: **Solid Performance**

$ millions	4Q22	4Q22 vs. 3Q22 $ Chg.	4Q22 vs. 3Q22 % Chg.	2022	2022 vs. 2021 $ Chg.	2022 vs. 2021 % Chg.
Revenue	**$5,763**	$214	4%	**$21,120**	$1,909	10%
Noninterest expense	**3,474**	194	6%	**13,170**	168	1%
Pretax, pre-provision earnings (non-GAAP)	**$2,289**	$20	1%	**$7,950**	$1,741	28%
Integration costs	***9***	*8*	*n/m*	***55***	*(743)*	*n/m*
Pretax, pre-provision earnings ex. integration costs (non-GAAP)	***$2,298***	*$28*	*1%*	***$8,005***	*$998*	*14%*
Provision for credit losses	**$408**	$167	69%	**$477**	$1,256	n/m
Income taxes	**333**	(55)	(14%)	**1,360**	97	8%
Net income	**$1,548**	($92)	(6%)	**$6,113**	$388	7%

	4Q22	3Q22	Chg.	2022	2021	Chg.
Noninterest income to total revenue	**36%**	37%	(100) bps	**38%**	45%	(700) bps
Net interest margin	**2.92%**	2.82%	10 bps	**2.65%**	2.29%	36 bps
Diluted EPS	**$3.47**	$3.78	(8%)	**$13.85**	$12.70	9%
Diluted EPS ex. integration costs (non-GAAP)	**$3.49**	$3.78	(8%)	**$13.96**	$14.18	(2%)

– Non-GAAP reconciliations are in the appendix slides.
– Net interest margin is calculated using taxable-equivalent net interest income, a non-GAAP measure, a reconciliation of which is provided in the appendix.

Income Statement: **Diversified Business Mix**

Total Revenue

Record Quarterly Revenue

Details of Revenue

+10% Year Over Year; +4% Linked Quarter

$ millions	4Q22	4Q22 vs. 3Q22	2022	2022 vs. 2021
Net interest income	**$3,684**	**6%**	**$13,014**	**22%**
Asset management and brokerage	$345	(3%)	$1,444	--%
Capital markets and advisory	336	12%	1,296	(18%)
Card and cash management	671	---	2,633	10%
Lending and deposit services	296	3%	1,134	3%
Residential and commercial mortgage	184	29%	647	(24%)
Fee income	**$1,832**	**4%**	**$7,154**	**(3%)**
Other noninterest income	247	(22%)	952	(21%)
Noninterest income	**$2,079**	**--%**	**$8,106**	**(5%)**
Total revenue	**$5,763**	**4%**	**$21,120**	**10%**

– Net interest margin is calculated using taxable-equivalent net interest income, a non-GAAP measure, a reconciliation of which is provided in the appendix.

Income Statement: **Focused On Controlling Expenses**

PNC

Noninterest Expense

Expenses Remain Well Controlled

Noninterest Expense Detail

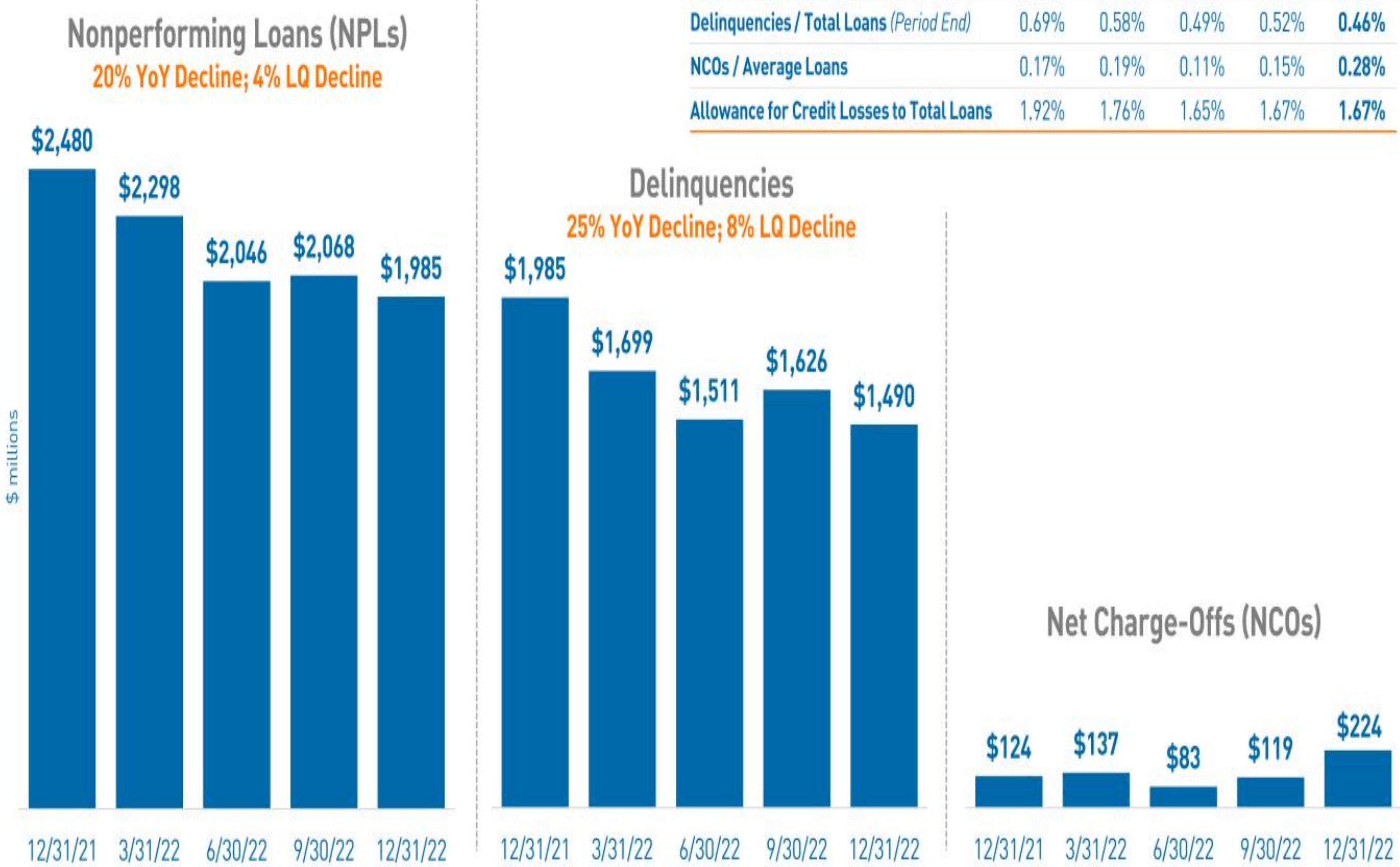
$ millions	4Q22	4Q22 vs. 3Q22	2022	2022 vs. 2021
Personnel	$1,943	8%	$7,244	1%
Occupancy	247	2%	992	6%
Equipment	369	7%	1,395	(1%)
Marketing	106	14%	355	11%
Other	809	2%	3,184	--
Noninterest expense	**$3,474**	**6%**	**$13,170**	**1%**
Integration expense	$4	n/m	$28	n/m
Noninterest expense ex. integration expense (non-GAAP)	**$3,470**	**6%**	**$13,142**	**7%**

- Noninterest expense included integration expense of $4 million, $0, $9 million, $15 million, and $391 million in 4Q22, 3Q22, 2Q22, 1Q22, and 4Q21 respectively.
- Noninterest expense ex. integration costs (non-GAAP) – See reconciliation in appendix

Credit: **Strong Credit Quality Performance**

Credit Quality Metrics

	4Q21	1Q22	2Q22	3Q22	4Q22
NPLs / Total Loans *(Period End)*	0.86%	0.78%	0.66%	0.66%	**0.61%**
Delinquencies / Total Loans *(Period End)*	0.69%	0.58%	0.49%	0.52%	**0.46%**
NCOs / Average Loans	0.17%	0.19%	0.11%	0.15%	**0.28%**
Allowance for Credit Losses to Total Loans	1.92%	1.76%	1.65%	1.67%	**1.67%**



- NCOs / Average Loans represent annualized net charge-offs (NCOs) to average loans for the three months ended.
- Delinquencies represent accruing loans past due 30 days or more. Delinquencies to Total Loans represent delinquencies divided by period end loans.
- YoY represents year-over-year and LQ represents linked quarter

Outlook: **Full Year 2023 Compared to Full Year 2022**

($ millions; except loans, $ billions)	2022	2023 Guidance
Period-end loans *(as of 12/31/22)*	$326.0	Up 2% - 4%
Average loans	$307.7	Up 6% - 8%
Revenue	$21,120	Up 6% - 8%
Noninterest expense	$13,170	Up 2% - 4%
Effective tax rate	18.2%	18%

- Refer to Cautionary Statement in the Appendix, including economic and other assumptions. Does not take into account impact of potential legal and regulatory contingencies.
- Average loans, period-end loans, revenue, and noninterest expense outlooks represent estimated percentage change for full year 2023 compared to the respective full year 2022 figure presented in the table above.

Outlook: First Quarter 2023 Compared to Fourth Quarter 2022

PNC

($ millions; except average loans, $ billions)	4Q22	1Q23 Guidance
Period-end loans *(as of 12/31/22)*	$326.0	Stable
Average loans	$321.9	Up 1% - 2%
Net interest income	$3,684	Down 1% - 2%
Fee income	$1,832	Down 3% - 5%
Other noninterest income	$247	$200 - $250 million
Revenue	$5,763	Down approximately 3%
Noninterest expense	$3,474	Down 2% - 4%
Net charge-offs	$224	Approximately $200 million

- Refer to Cautionary Statement in the Appendix, including economic and other assumptions. Does not take into account impact of potential legal and regulatory contingencies.
- Average loans, net interest income, fee income, revenue, and noninterest expense outlooks represent estimated percentage change for first quarter 2023 compared to the respective fourth quarter 2022 figure presented in the table above.
- The 1Q23 guidance range for other noninterest income excludes net securities gains and activities related to Visa Class B common shares.

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

We make statements in this presentation, 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.

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

- Our forward-looking financial statements are subject to the risk that economic and financial market conditions will be substantially different than those we are currently expecting and do not take into account potential legal and regulatory contingencies. These statements are based on our views that:
  - 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.
- 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:

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

- 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.

Appendix: **Integration Costs Incurred Since Announcement**

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Acquisition Integration Cost Update

No Further Acquisition Related Integration Costs Expected

$ millions	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	Total Since Announcement
Write-offs	$---	$---	$120	$---	$---	$---	$---	$---	$---	**$120**
Contra-revenue										
Fee income	$---	$---	$---	$---	$28	$14	$5	$1	$1	$49
Other noninterest income	---	---	10	8	19	2	---	---	4	43
Total contra-revenue	$---	$---	$10	$8	$47	$16	$5	$1	$5	**$92**
Noninterest expense										
Personnel	$---	$---	$24	$140	$116	$---	$1	$---	$---	$281
Occupancy	---	3	---	1	5	1	---	---	2	12
Equipment	---	---	---	5	75	---	1	---	(1)	80
Marketing	---	---	---	13	32	---	---	---	---	45
Other	7	3	77	76	163	14	7	---	3	350
Total noninterest expense	$7	$6	$101	$235	$391	$15	$9	$---	$4	**$768**
Total integration costs incurred	**$7**	**$6**	**$231**	**$243**	**$438**	**$31**	**$14**	**$1**	**$9**	**$980**

Appendix: **Non-GAAP to GAAP Reconciliation**

Tangible Book Value per Common Share (non-GAAP)

	For the three months ended		
$ millions, except per share data	Dec. 31, 2022	Sept. 30, 2022	Dec. 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.

Appendix: **Non-GAAP to GAAP Reconciliation**

PNC

Return On Average Tangible Common Equity (non-GAAP)

	For the three months ended			For the year ended	
$ millions	Dec. 31, 2022	Sept. 30, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Return on average common shareholders' equity	14.19%	14.97%	9.61%	13.52%	10.78%
Average common shareholders' equity	$39,321	$41,279	$50,375	$42,429	$50,439
Average goodwill and other intangible assets	(11,412)	(11,357)	(11,403)	(11,384)	(10,634)
Average deferred tax liabilities on goodwill and other intangible assets	262	265	274	265	255
Average tangible common equity	$28,171	$30,187	$39,246	$31,310	$40,060
Net income attributable to common shareholders	$1,407	$1,558	$1,220	$5,735	$5,436
Net income attributable to common shareholders, if annualized	$5,582	$6,181	$4,840	$5,735	$5,436
Return on average tangible common equity (non-GAAP)	**19.81%**	**20.48%**	**12.33%**	**18.32%**	**13.57%**

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

Appendix: **Non-GAAP to GAAP Reconciliation**

Adjusted Income Statement Results (non-GAAP)

	For the three months ended			For the year ended	
$ millions, except per share data	Dec. 31, 2022	Sept. 30, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
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
Noninterest expense	3,474	3,280	3,791	13,170	13,002
Pretax, pre-provision earnings (non-GAAP)	**$2,289**	**$2,269**	**$1,336**	**$7,950**	**$6,209**
Provision for (recapture of) credit losses	408	241	(327)	477	(779)
Income taxes	333	388	357	1,360	1,263
Net income	$1,548	$1,640	$1,306	$6,113	$5,725
Net income attributable to diluted common shareholders	$1,400	$1,550	$1,214	$5,708	$5,409
Integration costs pre-tax	$9	$1	$438	$55	$798
Taxes related to integration costs	1	0	92	11	168
Integration costs after tax	$8	$1	$346	$44	$630
Adjusted net income attrib. to diluted common shares ex. integration costs (non-GAAP)	$1,408	$1,551	$1,560	$5,752	$6,039
Diluted weighted-average common shares outstanding	404	410	424	412	426
Diluted EPS ex. integration costs (non-GAAP)	$3.49	$3.78	$3.68	$13.96	$14.18

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. Additionally, we believe that adjusted net income attributable to diluted common shareholders excluding integration costs and diluted EPS excluding integration costs serve as useful tools in understanding PNC's results by providing greater comparability between periods, as well as demonstrating the effect of significant items.

– Income taxes related to integration costs reflect the statutory tax rate of 21%.

Appendix: **Non-GAAP to GAAP Reconciliation**

PNC

Pretax, Pre-Provision Earnings (non-GAAP)

$ millions, except per share data	For the three months ended				For the year ended			
	Dec. 31, 2022	Sept. 30, 2022	Change ($)	Change (%)	Dec. 31, 2022	Dec. 31, 2021	Change ($)	Change (%)
Total revenue	$5,763	$5,549	$214	4%	$21,120	$19,211	$1,909	10%
Integration costs	5	1	4	n/m	27	65	(38)	n/m
Revenue ex. integration costs	**$5,768**	**$5,550**	**$218**	**4%**	**$21,147**	**$19,276**	**$1,871**	**10%**
Total noninterest expense	$3,474	$3,280	$194	6%	$13,170	$13,002	$168	1%
Integration expense	4	--	4	n/m	28	733	(705)	n/m
Noninterest expense ex. integration expense	**$3,470**	**$3,280**	**$190**	**6%**	**$13,142**	**$12,269**	**$873**	**7%**
Pretax, pre-provision earnings (non-GAAP)	$2,289	$2,269	$20	1%	$7,950	$6,209	$1,741	28%
Integration costs	9	1	8	n/m	55	798	(743)	n/m
Pretax, pre-provision earnings ex. integration costs (non-GAAP)	**$2,298**	**$2,270**	**$28**	**1%**	**$8,005**	**$7,007**	**$998**	**14%**

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.

Appendix: **Non-GAAP to GAAP Reconciliation**

PNC

Taxable-Equivalent Net Interest Income (non-GAAP)

	For the three months ended					For the year ended	
$ millions	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	Mar. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Net interest income	$3,684	$3,475	$3,051	$2,804	$2,862	$13,014	$10,647
Taxable-equivalent adjustments	36	29	25	22	22	112	74
Taxable-equivalent net interest income (non-GAAP)	**$3,720**	**$3,504**	**$3,076**	**$2,826**	**$2,884**	**$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.

Appendix: **Non-GAAP to GAAP Reconciliation**

PNC

Noninterest Expense excluding Integration Expense and Adjusted Efficiency (non-GAAP)

	For the three months ended		For the year ended	
$ millions	Dec. 31, 2022	Sept. 30, 2022	Dec. 31, 2022	Dec. 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**
Revenue	$5,763	$5,549	$21,120	$19,211
Integration costs – contra revenue	(5)	(1)	(27)	(65)
Revenue excluding integration cost - contra revenue (non-GAAP)	**$5,768**	**$5,550**	**$21,147**	**$19,276**
Efficiency ratio	60%	59%	62%	68%
Adjusted efficiency ratio (non-GAAP)	**60%**	**59%**	**62%**	**64%**

We believe that noninterest expense excluding integration expense is a useful tool for the purposes of evaluating and guiding for future expenses that are operational in nature and expected to recur over time as opposed to those related to the integration of BBVA USA. While we expect to have more integration expense as the process continues, these costs are not core to the operation of our business on a forward basis. Also, we believe that noninterest expense excluding integration expense and adjusted efficiency serve as useful tools in understanding PNC's results by providing greater comparability between periods, demonstrating the effect of significant items, and providing useful measures for determining PNC's revenue and expenses that are core to our business operations and expected to recur over time.