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

April 14, 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 April 14, 2023, The PNC Financial Services Group, Inc. (the "Corporation”) issued a press release regarding the Corporation’s earnings and business results for the first quarter of 2023. 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 April 14, 2023	Furnished herewith
99.2	Financial Supplement (unaudited) for the First Quarter 2023	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: April 14, 2023

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

NEWS RELEASE

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PNC REPORTS FIRST QUARTER 2023 NET INCOME OF $1.7 BILLION, $3.98 DILUTED EPS

Grew deposits; increased capital; generated positive operating leverage

PITTSBURGH, April 14, 2023 – The PNC Financial Services Group, Inc. (NYSE: PNC) today reported:

In millions, except per share data and as noted	For the quarter 1Q23	4Q22	1Q22
Financial Results			
Revenue	$ 5,603	$ 5,763	$ 4,692
Noninterest expense	3,321	3,474	3,172
Pretax, pre-provision earnings (PPNR) *(non-GAAP)*	2,282	2,289	1,520
Provision for (recapture of) credit losses	235	408	(208)
Net income	1,694	1,548	1,429
Per Common Share			
Diluted earnings	$ 3.98	$ 3.47	$ 3.23
Average diluted common shares outstanding	402	404	420
Book value	104.76	99.93	106.47
Tangible book value *(non-GAAP)*	76.90	72.12	79.68
Balance Sheet & Credit Quality			
Average loans *In billions*	$ 325.5	$ 321.9	$ 290.7
Average deposits *In billions*	436.2	434.9	453.3
Accumulated other comprehensive income (loss) (AOCI) *In billions*	(9.1)	(10.2)	(5.7)
Net loan charge-offs	195	224	137
Allowance for credit losses (ACL) to total loans	1.66 %	1.67 %	1.76 %
Selected Ratios			
Return on average common shareholders' equity	16.11 %	14.19 %	11.64 %
Return on average assets	1.22	1.10	1.05
Net interest margin (NIM) *(non-GAAP)*	2.84	2.92	2.28
Noninterest income to total revenue	36	36	40
Efficiency	59	60	68
Common equity Tier 1 (CET1) capital ratio	9.2	9.1	9.9
Average PNC Bank liquidity coverage ratio (LCR)	130	126	158

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

First Quarter Highlights

Comparisons reflect 1Q23 vs. 4Q22

Strong Balance Sheet Positioning

- Average deposits increased 0.3%; spot deposits grew $0.5 billion
- Average loans increased 1%; spot loans increased $0.5 billion
- ACL to total loans stable at 1.7%; net loan charge-offs declined
- AOCI improved $1.1 billion, or 10%
- Tangible book value increased 7%
- CET1 capital ratio increased to 9.2%

Solid Income Statement Results

- PPNR was relatively stable
- Efficiency ratio of 59%
- Revenue decreased 3%
- Expenses decreased 4%
- Positive operating leverage of 2%

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

"PNC's first quarter results reflected the strength of our balance sheet and the power of our national franchise. During a quarter characterized by heightened market volatility, we grew deposits, increased our capital position and drove strong financial results. At the same time, we controlled expenses well, achieved positive operating leverage and our credit quality metrics remained solid. Looking ahead, PNC remains well positioned to deliver for all stakeholders through the current environment and beyond."

Income Statement Highlights

First quarter 2023 compared with fourth quarter 2022

- Net income of $1.7 billion increased $146 million, or 9%.
- Total revenue of $5.6 billion decreased $160 million, or 3%, as a result of lower net interest income and noninterest income.
- Net interest income of $3.6 billion decreased $99 million, or 3%, driven by two fewer days in the quarter and higher funding costs, partially offset by higher yields on interest-earning assets.
  - Net interest margin of 2.84% decreased 8 basis points as higher yields on interest-earning assets were more than offset by increased funding costs.
- Noninterest income of $2.0 billion decreased $61 million, or 3%.
  - Fee income of $1.8 billion decreased $72 million, or 4%, and included lower merger and acquisition advisory activity as well as seasonally lower consumer transaction volumes.
  - Other noninterest income of $258 million increased $11 million, or 4%.
- Noninterest expense of $3.3 billion decreased $153 million, or 4%, reflecting strong expense control.
- Provision for credit losses of $235 million in the first quarter included the impact of updated economic assumptions as well as changes in portfolio composition and quality. The fourth quarter of 2022 included a provision for credit losses of $408 million.
- The effective tax rate was 17.2% for the first quarter and 17.7% for the fourth quarter.

Balance Sheet Highlights

First quarter 2023 compared with fourth quarter 2022 or March 31, 2023 compared with December 31, 2022

- Average loans of $325.5 billion increased $3.6 billion, or 1%, primarily driven by growth in commercial and consumer loans during the fourth quarter of 2022. Loans at March 31, 2023 increased $0.5 billion.
  - Average commercial loans of $224.6 billion increased $3.0 billion driven by growth in PNC's corporate banking business during the fourth quarter of 2022.
  - Average consumer loans of $100.9 billion grew $0.6 billion and included higher residential mortgage and home equity loans.
- Credit quality performance:
  - Delinquencies of $1.3 billion decreased $164 million, or 11%, as a result of lower consumer and commercial loan delinquencies.
  - Total nonperforming loans of $2.0 billion were stable.
  - Net loan charge-offs of $195 million decreased $29 million, or 13%, due to lower consumer and commercial net charge-offs.
  - The allowance for credit losses of $5.4 billion was stable. The allowance for credit losses to total loans was 1.66% at March 31, 2023 compared with 1.67% at December 31, 2022.
- Average deposits of $436.2 billion increased $1.3 billion, or 0.3%.
- Average investment securities of $143.4 billion were relatively stable.
- Average Federal Reserve Bank balances of $33.5 billion increased $3.5 billion, driven by higher borrowed funds and deposits.

- PNC maintained a strong capital and liquidity position.
  - On April 3, 2023, the PNC board of directors declared a quarterly cash dividend on common stock of $1.50 per share payable on May 5, 2023.
  - PNC returned $1.0 billion of capital to shareholders, reflecting $0.6 billion of dividends on common shares and $0.4 billion of common share repurchases, representing 2.4 million shares.
  - The Basel III common equity Tier 1 capital ratio was an estimated 9.2% at March 31, 2023 and 9.1% at December 31, 2022.
  - PNC Financial Services Group (PNC) average LCR for the three months ended March 31, 2023 was 108%, exceeding the regulatory minimum requirement throughout the quarter.
    - PNC Bank average LCR for the three months ended March 31, 2023 was 130%.

Earnings Summary *In millions, except per share data*	1Q23	4Q22	1Q22
Net income	$ 1,694	$ 1,548	$ 1,429
Net income attributable to diluted common shares	$ 1,599	$ 1,400	$ 1,355
Diluted earnings per common share	$ 3.98	$ 3.47	$ 3.23
Average diluted common shares outstanding	402	404	420
Cash dividends declared per common share	$ 1.50	$ 1.50	$ 1.25

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. Information in this news release, including the financial tables, is unaudited.

CONSOLIDATED REVENUE REVIEW

Revenue *In millions*	1Q23	4Q22	1Q22	Change 1Q23 vs 4Q22	Change 1Q23 vs 1Q22
Net interest income	$ 3,585	$ 3,684	$ 2,804	(3) %	28 %
Noninterest income	2,018	2,079	1,888	(3) %	7 %
Total revenue	$ 5,603	$ 5,763	$ 4,692	(3) %	19 %

Total revenue for the first quarter of 2023 decreased $160 million from the fourth quarter of 2022 as a result of lower net interest income and noninterest income. Compared with the first quarter of 2022, total revenue increased $911 million primarily due to higher net interest income.

Net interest income of $3.6 billion for the first quarter of 2023 decreased $99 million from the fourth quarter of 2022 driven by two fewer days in the quarter and higher funding costs, partially offset by higher yields on interest-earning assets. Compared to the first quarter of 2022, net interest income increased $781 million as a result of higher interest-earning asset yields and balances, partially offset by higher funding costs.

The net interest margin was 2.84% in the first quarter of 2023, decreasing 8 basis points in comparison with the fourth quarter of 2022 as higher yields on interest-earning assets were more than offset by increased funding costs. Compared to the first quarter of 2022, net interest margin increased 56 basis points reflecting the benefit of higher yields on interest-earning assets.

Noninterest Income *In millions*	1Q23	4Q22	1Q22	Change 1Q23 vs 4Q22	Change 1Q23 vs 1Q22
Asset management and brokerage	$ 356	$ 345	$ 377	3 %	(6) %
Capital markets and advisory	262	336	252	(22) %	4 %
Card and cash management	659	671	620	(2) %	6 %
Lending and deposit services	306	296	269	3 %	14 %
Residential and commercial mortgage	177	184	159	(4) %	11 %
Other	258	247	211	4 %	22 %
Total noninterest income	$ 2,018	$ 2,079	$ 1,888	(3) %	7 %

Noninterest income for the first quarter of 2023 decreased $61 million compared with the fourth quarter of 2022. Asset management and brokerage fees increased $11 million, reflecting the impact of higher average equity markets and increased annuity sales. Capital markets and advisory revenue decreased $74 million driven by lower merger and acquisition advisory fees. Card and cash management fees decreased $12 million reflecting seasonally lower consumer transaction volumes. Lending and deposit services increased $10 million and included increased client activity. Residential and commercial mortgage revenue decreased $7 million largely due to lower results from residential mortgage servicing rights valuation, net of economic hedge. Other noninterest income increased $11 million.

Noninterest income for the first quarter of 2023 increased $130 million from the first quarter of 2022, as a result of business growth across the franchise as well as higher private equity revenue, partially offset by the impact of lower average equity markets.

CONSOLIDATED EXPENSE REVIEW

Noninterest Expense *In millions*	1Q23	4Q22	1Q22	Change 1Q23 vs 4Q22	Change 1Q23 vs 1Q22
Personnel	$ 1,826	$ 1,943	$ 1,717	(6) %	6 %
Occupancy	251	247	258	2 %	(3) %
Equipment	350	369	331	(5) %	6 %
Marketing	74	106	61	(30) %	21 %
Other	820	809	805	1 %	2 %
Total noninterest expense	$ 3,321	$ 3,474	$ 3,172	(4) %	5 %

Noninterest expense for the first quarter of 2023 declined $153 million in comparison to the fourth quarter of 2022 reflecting strong expense control. Personnel costs decreased $117 million, reflecting lower variable compensation related to decreased business activity as well as seasonally lower benefits expense. Equipment expense declined $19 million, primarily due to lower technology expense. Marketing expense decreased $32 million, reflecting seasonality and the optimization of spend. Other noninterest expense increased $11 million and included $25 million from a higher FDIC assessment rate, which was partially offset by continued cost savings initiatives.

Noninterest expense increased $149 million from the first quarter of 2022, due to higher personnel costs, an increased FDIC assessment rate and continued investments in technology and marketing to support business growth.

The effective tax rate was 17.2% for the first quarter of 2023, 17.7% for the fourth quarter of 2022 and 17.3% for the first quarter of 2022.

CONSOLIDATED BALANCE SHEET REVIEW

Average total assets were $562.3 billion in the first quarter of 2023 compared with $557.2 billion in the fourth quarter of 2022 and $550.1 billion in the first quarter of 2022. The increase from the fourth quarter of 2022 was driven by increased loans outstanding and higher Federal Reserve Bank balances. In comparison to the first quarter of 2022, the increase was primarily attributable to higher loan and securities balances, partially offset by lower Federal Reserve Bank balances.

Loans *In billions*	March 31, 2023	December 31, 2022	March 31, 2022	Change 03/31/23 vs 12/31/22	Change 03/31/23 vs 03/31/22
Average					
Commercial	$ 224.6	$ 221.6	$ 195.6	1 %	15 %
Consumer	100.9	100.3	95.1	1 %	6 %
Average loans	$ 325.5	$ 321.9	$ 290.7	1 %	12 %
Quarter end					
Commercial	$ 225.4	$ 225.0	$ 198.3	—	14 %
Consumer	101.1	101.0	96.2	—	5 %
Total loans	$ 326.5	$ 326.0	$ 294.5	—	11 %

Average loans for the first quarter of 2023 were $325.5 billion, increasing $3.6 billion compared to the fourth quarter of 2022. Average commercial loans increased $3.0 billion driven by growth in PNC's corporate banking business during the fourth quarter of 2022. Average consumer loans grew $0.6 billion and included higher residential mortgage and home equity loans. Loans at March 31, 2023 increased $0.5 billion.

Average loans for the first quarter of 2023 increased $34.8 billion in comparison to the first quarter of 2022. Average commercial loans increased $29.0 billion as a result of growth in PNC's corporate banking, real estate and business credit businesses. Average consumer loans increased $5.8 billion due to growth in residential mortgage, home equity and credit card loans.

Investment Securities

	March 31, 2023		December 31, 2022		March 31, 2022	
In billions	*Balance*	*Portfolio Mix*	*Balance*	*Portfolio Mix*	*Balance*	*Portfolio Mix*
Average						
Available for sale	$ 48.2		$ 49.7		$ 132.3	
Held to maturity	95.2		93.2		1.6	
Average investment securities	$ 143.4		$ 142.9		$ 133.9	
Quarter end						
Available for sale	$ 43.2	31%	$ 44.1	32%	$ 112.3	85%
Held to maturity	95.0	69%	95.2	68%	20.1	15%
Total investment securities	$ 138.2		$ 139.3		$ 132.4	

Average investment securities for the first quarter of 2023 of $143.4 billion were relatively stable from the fourth quarter of 2022. Average investment securities increased $9.5 billion from the first quarter of 2022 reflecting net purchases, primarily of agency residential mortgage-backed securities. Net unrealized losses on available for sale securities were $3.8 billion at March 31, 2023, $4.4 billion at December 31, 2022 and $4.3 billion at March 31, 2022.

Average Federal Reserve Bank balances for the first quarter of 2023 were $33.5 billion, increasing $3.5 billion from the fourth quarter of 2022 driven by higher borrowed funds and deposits. Average Federal Reserve Bank balances decreased $28.8 billion from the first quarter of 2022, primarily due to higher loans outstanding.

Federal Reserve Bank balances at March 31, 2023 were $32.5 billion, increasing $5.6 billion from December 31, 2022.

Deposits

	March 31, 2023			December 31, 2022			March 31, 2022		
In billions	*Balance*	*IB*	*NIB*	*Balance*	*IB*	*NIB*	*Balance*	*IB*	*NIB*
Average									
Commercial	$ 210.0			$ 215.8			$ 225.2		
Consumer	226.2			219.1			228.1		
Average deposits	$ 436.2	72%	28%	$ 434.9	69%	31%	$ 453.3	66%	34%
Quarter end									
Commercial	$ 207.0			$ 207.7			$ 217.4		
Consumer	229.8			228.6			232.8		
Total deposits	$ 436.8	73%	27%	$ 436.3	71%	29%	$ 450.2	67%	33%

IB - Interest-bearing
NIB - Noninterest-bearing

Average deposits for the first quarter of 2023 were $436.2 billion, increasing $1.3 billion from the fourth quarter of 2022 due to higher consumer time deposits, partially offset by seasonally lower commercial deposits. Compared with the first quarter of 2022, average deposits decreased $17.1 billion primarily due to lower commercial deposits reflecting the impact of competitive pricing dynamics. In both comparisons, noninterest-bearing balances decreased, due to the continued shift into interest-bearing deposit products as interest rates have risen. Deposits at March 31, 2023 of $436.8 billion, increased $0.5 billion from December 31, 2022.

Borrowed Funds

In billions	March 31, 2023	December 31, 2022	March 31, 2022	Change 03/31/23 vs 12/31/22	Change 03/31/23 vs 03/31/22
Average	$ 63.0	$ 59.2	$ 30.3	6 %	108 %
Quarter end	$ 60.8	$ 58.7	$ 26.6	4 %	129 %

Average borrowed funds of $63.0 billion in the first quarter of 2023 increased $3.8 billion from the fourth quarter of 2022, driven by parent company senior debt issuances in January 2023. In comparison to the first quarter of 2022, average borrowed funds increased $32.7 billion, reflecting increased Federal Home Loan Bank borrowings and senior debt issuances.

Capital & Liquidity

	March 31, 2023	December 31, 2022	March 31, 2022
Common shareholders' equity *In billions*	$ 41.8	$ 40.0	$ 44.2
Accumulated other comprehensive income (loss) *In billions*	$ (9.1)	$ (10.2)	$ (5.7)
Basel III common equity Tier 1 capital ratio *	9.2 %	9.1 %	9.9 %
Basel III common equity Tier 1 fully implemented capital ratio *	9.1 %	8.9 %	9.7 %
Average PNC liquidity coverage ratio	108 %	107 %	109 %
Average PNC Bank liquidity coverage ratio	130 %	126 %	158 %

* *March 31, 2023 ratios are estimated*

PNC maintained a strong capital position. Common shareholders' equity at March 31, 2023 increased $1.8 billion from December 31, 2022, driven by the benefit of first quarter net income and an increase in accumulated other comprehensive income, partially offset by dividends paid and share repurchases during the first quarter.

As a Category III institution, PNC has elected to exclude accumulated other comprehensive income related to both available for sale securities and pension and other post-retirement plans from CET1 capital. Accumulated other comprehensive income at March 31, 2023 improved $1.1 billion compared to December 31, 2022, reflecting the accretion of unrealized losses and the favorable impact of interest rate changes on securities and swaps valuations. Accumulated other comprehensive income decreased $3.4 billion from March 31, 2022, as a result of the negative impact of higher interest rates on securities and swaps valuations.

In the first quarter of 2023, PNC returned $1.0 billion of capital to shareholders, reflecting $0.6 billion of dividends on common shares and $0.4 billion of common share repurchases, representing 2.4 million 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 47% were still available for repurchase at March 31, 2023. PNC's SCB for the four-quarter period beginning October 1, 2022 is 2.9%.

Due to recent market volatility and increased economic uncertainty, share repurchase activity is expected to be reduced in the second quarter of 2023 compared to recent prior quarters. PNC continues to evaluate and may adjust share repurchase activity, as actual amounts and timing are dependent on market and economic conditions as well as other factors.

On April 3, 2023, the PNC board of directors declared a quarterly cash dividend on common stock of $1.50 per share payable on May 5, 2023.

At March 31, 2023, PNC was considered "well capitalized" based on applicable U.S. regulatory capital ratio requirements. For additional 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

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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 *In millions*	March 31, 2023	December 31, 2022	March 31, 2022	Change 03/31/23 vs 12/31/22	Change 03/31/23 vs 03/31/22
Provision for (recapture of) credit losses	$ 235	$ 408	$ (208)	$ (173)	$ 443
Net loan charge-offs	$ 195	$ 224	$ 137	(13)%	42 %
Allowance for credit losses (a)	$ 5,413	$ 5,435	$ 5,197	—	4 %
Total delinquencies (b)	$ 1,326	$ 1,490	$ 1,699	(11)%	(22) %
Nonperforming loans	$ 2,010	$ 1,985	$ 2,298	1 %	(13) %
Net charge-offs to average loans (annualized)	0.24 %	0.28 %	0.19 %		
Allowance for credit losses to total loans	1.66 %	1.67 %	1.76 %		
Nonperforming loans to total loans	0.62 %	0.61 %	0.78 %		

(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 $235 million in the first quarter of 2023 included the impact of updated economic assumptions as well as changes in portfolio composition and quality. The fourth quarter of 2022 included a provision for credit losses of $408 million.

Net loan charge-offs were $195 million in the first quarter of 2023, decreasing $29 million from the fourth quarter of 2022, due to lower consumer and commercial net charge-offs. Compared to the first quarter of 2022, net charge-offs increased $58 million, driven by higher commercial net charge-offs, partially offset by a decline in consumer net charge-offs.

The allowance for credit losses was $5.4 billion at both March 31, 2023 and December 31, 2022 and $5.2 billion at March 31, 2022. The allowance for credit losses as a percentage of total loans was 1.66% at March 31, 2023, 1.67% at December 31, 2022 and 1.76% at March 31, 2022.

Nonperforming loans were $2.0 billion at March 31, 2023 and December 31, 2022. Compared to March 31, 2022, nonperforming loans decreased $288 million, due to lower consumer and commercial nonperforming loans.

Delinquencies at March 31, 2023 of $1.3 billion decreased $164 million and $373 million compared to December 31, 2022 and March 31, 2022, respectively. In both comparisons, the decrease was a result of lower consumer and commercial loan delinquencies.

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BUSINESS SEGMENT RESULTS

Business Segment Income (Loss)			
In millions	1Q23	4Q22	1Q22
Retail Banking	$ 647	$ 752	$ 340
Corporate & Institutional Banking	1,059	982	956
Asset Management Group	52	52	102
Other	(81)	(258)	10
Net income excluding noncontrolling interests	$ 1,677	$ 1,528	$ 1,408

Retail Banking				Change	Change
				1Q23 vs	1Q23 vs
In millions	1Q23	4Q22	1Q22	4Q22	1Q22
Net interest income	$ 2,281	$ 2,330	$ 1,531	$ (49)	$ 750
Noninterest income	$ 743	$ 749	$ 745	$ (6)	$ (2)
Noninterest expense	$ 1,927	$ 1,892	$ 1,892	$ 35	$ 35
Provision for (recapture of) credit losses	$ 238	$ 193	$ (81)	$ 45	$ 319
Earnings	$ 647	$ 752	$ 340	$ (105)	$ 307
In billions					
Average loans	$ 97.4	$ 96.6	$ 93.2	$ 0.8	$ 4.2
Average deposits	$ 262.5	$ 259.8	$ 265.1	$ 2.7	$ (2.6)
Net charge-offs *In millions*	$ 112	$ 108	$ 141	$ 4	$ (29)

Retail Banking Highlights

First quarter 2023 compared with fourth quarter 2022

- Earnings decreased 14%, due to lower net interest income, a higher provision for credit losses, increased noninterest expense and a decline in noninterest income.
  - Noninterest income decreased modestly, or 1%, and included seasonal declines in consumer transaction volumes.
  - Noninterest expense increased 2%, reflecting higher branch-related occupancy expenses and increased technology investments.
  - Provision for credit losses of $238 million in the first quarter of 2023 included the impact of changes in portfolio composition and quality as well as updated economic assumptions.
- Average loans increased 1%, and included higher home equity and commercial loans.
- Average deposits increased 1%, reflecting higher consumer time deposits.

First quarter 2023 compared with first quarter 2022

- Earnings increased 90%, primarily driven by higher net interest income, partially offset by a higher provision for credit losses and increased noninterest expense.
  - Noninterest income was relatively stable.
  - Noninterest expense increased 2%, and included increased technology investments and higher marketing spend.
- Average loans increased 5%, driven by growth in residential mortgage, home equity and credit card loans.

- Average deposits decreased 1%, reflecting the impact of inflationary pressures and competitive pricing dynamics.

Corporate & Institutional Banking *In millions*	1Q23	4Q22	1Q22	Change 1Q23 vs 4Q22	Change 1Q23 vs 1Q22
Net interest income	$ 1,414	$ 1,489	$ 1,160	$ (75)	$ 254
Noninterest income	$ 886	$ 962	$ 804	$ (76)	$ 82
Noninterest expense	$ 939	$ 990	$ 837	$ (51)	$ 102
Provision for (recapture of) credit losses	$ (28)	$ 183	$ (118)	$ (211)	$ 90
Earnings	$ 1,059	$ 982	$ 956	$ 77	$ 103
In billions					
Average loans	$ 209.9	$ 207.1	$ 180.2	$ 2.8	$ 29.7
Average deposits	$ 145.4	$ 147.3	$ 154.6	$ (1.9)	$ (9.2)
Net charge-offs (recoveries) *In millions*	$ 85	$ 100	$ (1)	$ (15)	$ 86

Corporate & Institutional Banking Highlights

First quarter 2023 compared with fourth quarter 2022

- Earnings increased 8%, due to a provision recapture and lower noninterest expense, partially offset by a decline in noninterest income and lower net interest income.
  - Noninterest income decreased 8%, reflecting a seasonal decline in business activity, which included lower merger and acquisition advisory fees.
  - Noninterest expense decreased 5%, and included lower variable compensation associated with decreased business activity.
- Average loans increased 1%, driven by growth in PNC's corporate banking business during the fourth quarter of 2022.
- Average deposits decreased 1%, reflecting seasonal declines in corporate deposits.

First quarter 2023 compared with first quarter 2022

- Earnings increased 11%, driven by higher net interest income and noninterest income, partially offset by increased noninterest expense and a lower provision recapture.
  - Noninterest income increased 10%, and included higher capital markets and advisory fees and growth in treasury management product revenue.
  - Noninterest expense increased 12%, due to continued investments to support business growth.
- Average loans increased 16%, as a result of growth in PNC's corporate banking, real estate and business credit businesses.
- Average deposits decreased 6%, and included the impact of competitive pricing dynamics.

- more -

Asset Management Group	1Q23	4Q22	1Q22	Change 1Q23 vs 4Q22	Change 1Q23 vs 1Q22
In millions					
Net interest income	$ 127	$ 152	$ 138	$ (25)	$ (11)
Noninterest income	$ 230	$ 223	$ 248	$ 7	$ (18)
Noninterest expense	$ 280	$ 291	$ 251	$ (11)	$ 29
Provision for credit losses	$ 9	$ 17	$ 2	$ (8)	$ 7
Earnings	$ 52	$ 52	$ 102	—	$ (50)
In billions					
Discretionary client assets under management	$ 177	$ 173	$ 182	$ 4	$ (5)
Nondiscretionary client assets under administration	$ 156	$ 152	$ 165	$ 4	$ (9)
Client assets under administration at quarter end	$ 333	$ 325	$ 347	$ 8	$ (14)
Brokerage client account assets	$ 4	$ 4	$ 5	—	$ (1)
In billions					
Average loans	$ 14.6	$ 14.5	$ 13.4	$ 0.1	$ 1.2
Average deposits	$ 28.2	$ 27.8	$ 33.3	$ 0.4	$ (5.1)
Net charge-offs (recoveries) *In millions*	—	$ 18	$ 2	$ (18)	$ (2)

Asset Management Group Highlights

First quarter 2023 compared with fourth quarter 2022

- Earnings were stable.
  - Noninterest income increased 3%, reflecting the impact of higher average equity markets.
  - Noninterest expense decreased 4%, and included lower personnel costs.
- Discretionary client assets under management increased 2%, driven by higher spot equity markets.
- Average loans increased 1%, due to growth in residential mortgage loans.
- Average deposits increased 1%, reflecting seasonal growth.

First quarter 2023 compared with first quarter 2022

- Earnings decreased 49%, due to higher noninterest expense, lower noninterest income, a decrease in net interest income and an increase in provision for credit losses.
  - Noninterest income decreased 7%, primarily due to the impact of lower average equity markets.
  - Noninterest expense increased 12%, reflecting continued investments to support business growth.
- Discretionary client assets under management decreased 3%, driven by lower spot equity markets.
- Average loans increased 9%, due to growth in residential mortgage loans.
- Average deposits decreased 15%, 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, ACL for 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 11:00 a.m. Eastern Time regarding the topics addressed in this news release and the related earnings materials. Dial-in numbers for the conference call are (877) 402-9134 and (303) 223-4377 (international) and Internet access to the live audio listen-only webcast of the call is available at www.pnc.com/investorevents. PNC’s first quarter 2023 earnings materials 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 22026071 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]

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

NANCIAL RESULTS		Three months ended		
llars in millions, except per share data		March 31 2023	December 31 2022	March 31 2022
venue				
let interest income	$	3,585	$ 3,684	$ 2,804
loninterest income		2,018	2,079	1,888
Total revenue		5,603	5,763	4,692
vision for (recapture of) credit losses		235	408	(208)
ninterest expense		3,321	3,474	3,172
ome before income taxes and noncontrolling interests	$	2,047	$ 1,881	$ 1,728
ome taxes		353	333	299
income	$	1,694	$ 1,548	$ 1,429
s:				
Net income attributable to noncontrolling interests		17	20	21
Preferred stock dividends (a)		68	120	45
Preferred stock discount accretion and redemptions		2	1	2
income attributable to common shareholders	$	1,607	$ 1,407	$ 1,361
Common Share				
Basic	$	3.98	$ 3.47	$ 3.23
Diluted	$	3.98	$ 3.47	$ 3.23
h dividends declared per common share	$	1.50	$ 1.50	$ 1.25
ective tax rate (b)		17.2%	17.7 %	17.3%
RFORMANCE RATIOS				
interest margin (c)		2.84%	2.92 %	2.28%
ninterest income to total revenue		36%	36 %	40%
iciency (d)		59%	60 %	68%
urn on:				
verage common shareholders' equity		16.11%	14.19 %	11.64%
verage assets		1.22%	1.10 %	1.05%

(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 March 31, 2023, December 31, 2022 and March 31, 2022 were $38 million, $36 million and $22 million, respectively.
(d) Calculated as noninterest expense divided by total revenue.

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

	March 31 2023	December 31 2022	March 31 2022
BALANCE SHEET DATA			
Dollars in millions, except per share data			
Assets	$ 561,777	$ 557,263	$ 541,246
Loans (a)	$ 326,475	$ 326,025	$ 294,457
Allowance for loan and lease losses	$ 4,741	$ 4,741	$ 4,558
Interest-earning deposits with banks	$ 33,865	$ 27,320	$ 48,776
Investment securities	$ 138,239	$ 139,334	$ 132,411
Total deposits	$ 436,833	$ 436,282	$ 450,197
Borrowed funds (a)	$ 60,822	$ 58,713	$ 26,571
Allowance for unfunded lending related commitments	$ 672	$ 694	$ 639
Total shareholders' equity	$ 49,044	$ 45,774	$ 49,181
Common shareholders' equity	$ 41,809	$ 40,028	$ 44,170
Accumulated other comprehensive income (loss)	$ (9,108)	$ (10,172)	$ (5,731)
Book value per common share	$ 104.76	$ 99.93	$ 106.47
Tangible book value per common share *(non-GAAP)* (b)	$ 76.90	$ 72.12	$ 79.68
Period end common shares outstanding *(In millions)*	399	401	415
Loans to deposits	75 %	75 %	65 %
Common shareholders' equity to total assets	7.4 %	7.2 %	8.2 %
CLIENT ASSETS (In billions)			
Discretionary client assets under management	$ 177	$ 173	$ 182
Nondiscretionary client assets under administration	156	152	165
Total client assets under administration	333	325	347
Brokerage account client assets	77	74	79
Total client assets	$ 410	$ 399	$ 426
CAPITAL RATIOS			
Basel III (c) (d)			
Common equity Tier 1	9.2 %	9.1 %	9.9 %
Common equity Tier 1 fully implemented (e)	9.1 %	8.9 %	9.7 %
Tier 1 risk-based	10.9 %	10.4 %	11.2 %
Total capital risk-based	12.8 %	12.3 %	13.0 %
Leverage	8.5 %	8.2 %	8.2 %
Supplementary leverage	7.2 %	6.9 %	7.0 %
ASSET QUALITY			
Nonperforming loans to total loans	0.62 %	0.61 %	0.78 %
Nonperforming assets to total loans, OREO and foreclosed assets	0.63 %	0.62 %	0.79 %
Nonperforming assets to total assets	0.36 %	0.36 %	0.43 %
Net charge-offs to average loans (for the three months ended) (annualized)	0.24 %	0.28 %	0.19 %
Allowance for loan and lease losses to total loans	1.45 %	1.45 %	1.55 %
Allowance for credit losses to total loans (f)	1.66 %	1.67 %	1.76 %
Allowance for loan and lease losses to nonperforming loans	236 %	239 %	198 %
Total delinquencies *(In millions)* (g)	$ 1,326	$ 1,490	$ 1,699

(a) Amounts include assets and liabilities for which we have elected the fair value option. Our 2022 Form 10-K included, and our first quarter 2023 Form 10-Q will include, additional information regarding these Consolidated Balance Sheet line items.
(b) See the Tangible Book Value per Common Share table on page17 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 page16 for additional information. The ratios as of March 31, 2023 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) Excludes allowances for investment securities and other financial assets.
(g) 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 2023 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 December 31, 2022, March 31, 2022 and estimated March 31, 2023 ratios. For the full impact of PNC's adoption of CECL, which excludes the benefits of the five-year transition provision, see the March 31, 2023 and December 31, 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 lll Common Equity Tier 1 Capital Ratios

	Basel III (a)				
Dollars in millions	March 31 2023 (estimated) (b)	December 31 2022 (b)	March 31 2022 (b)	March 31, 2023 (Fully Implemented) (estimated) (c)	December 31, 2022 (Fully Implemented) (estimated) (c)
Common stock, related surplus and retained earnings, net of treasury stock	$ 51,400	$ 50,924	$ 50,624	$ 50,918	$ 50,200
Less regulatory capital adjustments:					
Goodwill and disallowed intangibles, net of deferred tax liabilities	(11,119)	(11,138)	(11,114)	(11,119)	(11,138)
All other adjustments	(92)	(101)	(63)	(94)	(101)
Basel III Common equity Tier 1 capital	$ 40,189	$ 39,685	$ 39,447	$ 39,705	$ 38,961
Basel III standardized approach risk-weighted assets (d)	$ 435,873	$ 435,537	$ 397,455	$ 436,067	$ 435,581
Basel III Common equity Tier 1 capital ratio	9.2 %	9.1 %	9.9 %	9.1 %	8.9 %

(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 March 31, 2023 and December 31, 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)

Dollars in millions	Three months ended March 31 2023	December 31 2022	March 31 2022
Income before income taxes and noncontrolling interests	$ 2,047	$ 1,881	$ 1,728
Provision for (recapture of) credit losses	235	408	(208)
Pretax pre-provision earnings *(non-GAAP)*	$ 2,282	$ 2,289	$ 1,520

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.

Tangible Book Value per Common Share (non-GAAP)

Dollars in millions, except per share data	March 31 2023	December 31 2022	March 31 2022
Book value per common share	$ 104.76	$ 99.93	$ 106.47
Tangible book value per common share			
Common shareholders' equity	$ 41,809	$ 40,028	$ 44,170
Goodwill and other intangible assets	(11,378)	(11,400)	(11,383)
Deferred tax liabilities on goodwill and other intangible assets	260	261	269
Tangible common shareholders' equity	$ 30,691	$ 28,889	$ 33,056
Period-end common shares outstanding *(In millions)*	399	401	415
Tangible book value per common share *(non-GAAP)*	$ 76.90	$ 72.12	$ 79.68

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.

Taxable-Equivalent Net Interest Income (non-GAAP)

Dollars in millions	Three months ended March 31 2023	December 31 2022	March 31 2022
Net interest income	$ 3,585	$ 3,684	$ 2,804
Taxable-equivalent adjustments	38	36	22
Net interest income *(Fully Taxable-Equivalent - FTE)*	$ 3,623	$ 3,720	$ 2,826

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.

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 sanctions, tariffs and other trade policies of the U.S. and its global trading partners,
  - A continuation of recent turmoil in the banking industry, responsive measures to mitigate and manage it and related supervisory and regulatory actions and costs,
  - 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. With much higher mortgage rates the housing market is already in contraction, with steep drops in existing home sales and single-family housing starts, and a modest decline in house prices. Other sectors where interest rates play an outsized role, such as business investment and consumer spending on durable goods, will contract over 2023.
  - PNC's baseline outlook is for a recession starting in the second half of 2023, with real GDP contracting less than 1% before recovery starts in the first half of 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 second half of 2024. Inflation will slow with the recession and be back to the Federal Reserve's 2% long-term objective by mid-2024.
  - PNC expects the FOMC to raise the federal funds rate by 25 basis points in May. This would bring the federal funds rate to a range of 5.00% to 5.25% by early-May. PNC expects a federal funds rate cut of 25 basis points in early 2024 as inflation moves toward the FOMC's 2% long-term objective.

- 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 2022 Form 10-K, including in the Risk Factors and Risk Management sections and the Legal Proceedings and Commitments Notes of the Notes To Consolidated Financial Statements in that report, 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
FIRST QUARTER 2023
(Unaudited)

THE PNC FINANCIAL SERVICES GROUP, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2023
(UNAUDITED)

The information contained in this Financial Supplement is preliminary, unaudited and based on data available on April 14, 2023. 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.

THE PNC FINANCIAL SERVICES GROUP, INC.
Cross Reference Index to First Quarter 2023 Financial Supplement (Unaudited)
Financial Supplement Table Reference

Table 1: Consolidated Income Statement (Unaudited)

In millions, except per share data	Three months ended March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Interest Income					
Loans	$ 4,258	$ 3,860	$ 3,138	$ 2,504	$ 2,293
Investment securities	885	836	715	631	544
Other	516	413	279	146	77
Total interest income	5,659	5,109	4,132	3,281	2,914
Interest Expense					
Deposits	1,291	812	340	88	27
Borrowed funds	783	613	317	142	83
Total interest expense	2,074	1,425	657	230	110
Net interest income	3,585	3,684	3,475	3,051	2,804
Noninterest Income					
Asset management and brokerage	356	345	357	365	377
Capital markets and advisory	262	336	299	409	252
Card and cash management	659	671	671	671	620
Lending and deposit services	306	296	287	282	269
Residential and commercial mortgage	177	184	143	161	159
Other (a) (b)	258	247	317	177	211
Total noninterest income	2,018	2,079	2,074	2,065	1,888
Total revenue	5,603	5,763	5,549	5,116	4,692
Provision For (Recapture of) Credit Losses	235	408	241	36	(208)
Noninterest Expense					
Personnel	1,826	1,943	1,805	1,779	1,717
Occupancy	251	247	241	246	258
Equipment	350	369	344	351	331
Marketing	74	106	93	95	61
Other	820	809	797	773	805
Total noninterest expense	3,321	3,474	3,280	3,244	3,172
Income before income taxes and noncontrolling interests	2,047	1,881	2,028	1,836	1,728
Income taxes	353	333	388	340	299
Net income	1,694	1,548	1,640	1,496	1,429
Less: Net income attributable to noncontrolling interests	17	20	16	15	21
Preferred stock dividends (c)	68	120	65	71	45
Preferred stock discount accretion and redemptions	2	1	1	1	2
Net income attributable to common shareholders	$ 1,607	$ 1,407	$ 1,558	$ 1,409	$ 1,361
Earnings Per Common Share					
Basic	$ 3.98	$ 3.47	$ 3.78	$ 3.39	$ 3.23
Diluted	$ 3.98	$ 3.47	$ 3.78	$ 3.39	$ 3.23
Average Common Shares Outstanding					
Basic	401	404	410	414	420
Diluted	402	404	410	414	420
Efficiency	59 %	60 %	59 %	63 %	68 %
Noninterest income to total revenue	36 %	36 %	37 %	40 %	40 %
Effective tax rate (d)	17.2 %	17.7 %	19.1 %	18.5 %	17.3 %

(a) Includes net gains (losses) on sales of securities of less than $1 million, $(3) million, less than $1 million, less than $(1) million and $(4) million for the quarters ended March 31, 2023, December 31, 2022, September 30, 2022, June 30, 2022 and March 31, 2022, respectively.
(b) Includes Visa Class B derivative fair value adjustments of $(45) million, $(41) million, $13 million, $(16) million and $4 million for the quarters ended March 31, 2023, December 31, 2022, September 30, 2022, June 30, 2022 and March 31, 2022, respectively.
(c) Dividends are payable quarterly other than Series R and Series S preferred stock, which are payable semiannually.
(d) The effective income tax rates are generally lower than the statutory rate due to the relationship of pretax income to tax credits and earnings that are not subject to tax.

Table 2: Consolidated Balance Sheet (Unaudited)

In millions, except par value	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Assets					
Cash and due from banks	$ 5,940	$ 7,043	$ 6,548	$ 8,582	$ 7,572
Interest-earning deposits with banks (a)	33,865	27,320	40,278	28,404	48,776
Loans held for sale (b)	998	1,010	1,126	1,191	1,506
Investment securities – available for sale	43,220	44,159	45,798	52,984	112,313
Investment securities – held to maturity	95,019	95,175	90,653	79,748	20,098
Loans (b)	326,475	326,025	315,400	310,800	294,457
Allowance for loan and lease losses	(4,741)	(4,741)	(4,581)	(4,462)	(4,558)
Net loans	321,734	321,284	310,819	306,338	289,899
Equity investments	8,323	8,437	8,130	8,441	7,798
Mortgage servicing rights	3,293	3,423	3,206	2,608	2,208
Goodwill	10,987	10,987	10,987	10,916	10,916
Other (b)	38,398	38,425	41,932	41,574	40,160
Total assets	$ 561,777	$ 557,263	$ 559,477	$ 540,786	$ 541,246
Liabilities					
Deposits					
Noninterest-bearing	$ 118,014	$ 124,486	$ 138,423	$ 146,438	$ 150,798
Interest-bearing	318,819	311,796	299,771	294,373	299,399
Total deposits	436,833	436,282	438,194	440,811	450,197
Borrowed funds					
Federal Home Loan Bank borrowings	32,020	32,075	30,075	10,000	
Senior debt	19,622	16,657	13,357	14,358	16,206
Subordinated debt	5,630	6,307	7,286	7,487	6,766
Other (b)	3,550	3,674	3,915	4,139	3,599
Total borrowed funds	60,822	58,713	54,633	35,984	26,571
Allowance for unfunded lending related commitments	672	694	682	681	639
Accrued expenses and other liabilities	14,376	15,762	19,245	15,622	14,623
Total liabilities	512,703	511,451	512,754	493,098	492,030
Equity					
Preferred stock (c)					
Common stock - $5 par value					
Authorized 800 shares, issued 543 shares	2,714	2,714	2,714	2,714	2,713
Capital surplus	19,864	18,376	19,810	18,531	17,487
Retained earnings	54,598	53,572	52,777	51,841	51,058
Accumulated other comprehensive income (loss)	(9,108)	(10,172)	(10,486)	(8,358)	(5,731)
Common stock held in treasury at cost: 144, 142, 139, 132, and 128 shares	(19,024)	(18,716)	(18,127)	(17,076)	(16,346)
Total shareholders' equity	49,044	45,774	46,688	47,652	49,181
Noncontrolling interests	30	38	35	36	35
Total equity	49,074	45,812	46,723	47,688	49,216
Total liabilities and equity	$ 561,777	$ 557,263	$ 559,477	$ 540,786	$ 541,246

(a) Amounts include balances held with the Federal Reserve Bank of $32.5 billion, $26.9 billion, $39.8 billion, $28.0 billion and $48.4 billion as of March 31, 2023, December 31, 2022, September 30, 2022, June 30, 2022 and March 31, 2022, respectively.
(b) Amounts include assets and liabilities for which PNC has elected the fair value option. Our 2022 Form 10-K included, and our first quarter 2023 Form 10-Q 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				
In millions	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Assets					
Interest-earning assets:					
Investment securities					
Securities available for sale					
Residential mortgage-backed					
Agency	$ 31,850	$ 31,818	$ 32,500	$ 37,285	$ 67,498
Non-agency	689	714	748	902	1,007
Commercial mortgage-backed	3,102	3,377	3,489	4,362	5,229
Asset-backed	218	105	110	2,388	6,225
U.S. Treasury and government agencies	9,088	10,345	11,789	17,480	47,468
Other	3,263	3,370	3,506	4,200	4,876
Total securities available for sale	48,210	49,729	52,142	66,617	132,303
Securities held to maturity					
Residential mortgage-backed	45,616	44,184	39,329	33,086	106
Commercial mortgage-backed	2,453	2,323	2,069	1,175	
Asset-backed	7,026	6,995	6,571	4,119	
U.S. Treasury and government agencies	36,748	36,441	34,279	28,167	919
Other	3,338	3,218	2,600	1,560	569
Total securities held to maturity	95,181	93,161	84,848	68,107	1,594
Total investment securities	143,391	142,890	136,990	134,724	133,897
Loans					
Commercial and industrial	182,017	179,111	172,788	166,968	155,481
Commercial real estate	36,110	36,181	35,140	34,467	34,004
Equipment lease financing	6,452	6,275	6,202	6,200	6,099
Consumer	55,020	54,809	54,563	54,551	54,965
Residential real estate	45,927	45,499	44,333	42,604	40,152
Total loans	325,526	321,875	313,026	304,790	290,701
Interest-earning deposits with banks (c)	34,054	30,395	31,892	39,689	62,540
Other interest-earning assets	8,806	9,690	9,560	9,935	9,417
Total interest-earning assets	511,777	504,850	491,468	489,138	496,555
Noninterest-earning assets	50,555	52,356	55,629	57,740	53,541
Total assets	$ 562,332	$ 557,206	$ 547,097	$ 546,878	$ 550,096
Liabilities and Equity					
Interest-bearing liabilities:					
Interest-bearing deposits					
Money market	$ 65,753	$ 63,944	$ 60,934	$ 58,019	$ 62,596
Demand	124,376	122,501	120,358	119,636	112,372
Savings	104,408	102,020	106,761	109,063	108,532
Time deposits	20,519	12,982	10,020	10,378	16,043
Total interest-bearing deposits	315,056	301,447	298,073	297,096	299,543
Borrowed funds					
Federal Home Loan Bank borrowings	32,056	30,640	16,708	6,978	
Senior debt	19,679	16,312	14,597	16,172	18,015
Subordinated debt	6,100	6,933	7,614	6,998	6,773
Other	5,133	5,346	5,342	5,508	5,524
Total borrowed funds	62,968	59,231	44,261	35,656	30,312
Total interest-bearing liabilities	378,024	360,678	342,334	332,752	329,855
Noninterest-bearing liabilities and equity:					
Noninterest-bearing deposits	121,176	133,461	141,167	149,432	153,726
Accrued expenses and other liabilities	16,014	17,461	15,699	17,116	14,058
Equity	47,118	45,606	47,897	47,578	52,457
Total liabilities and equity	$ 562,332	$ 557,206	$ 547,097	$ 546,878	$ 550,096

(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 $33.5 billion, $30.0 billion, $31.5 billion, $39.3 billion and $62.3 billion for the three months ended March 31, 2023, December 31, 2022, September 30, 2022, June 30, 2022 and March 31, 2022, respectively.

Table 4: Details of Net Interest Margin (Unaudited)

	Three months ended				
	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Average yields/rates (a)					
Yield on interest-earning assets					
Investment securities					
Securities available for sale					
Residential mortgage-backed					
Agency	2.67 %	2.54 %	2.36 %	2.17 %	1.73 %
Non-agency	8.53 %	7.85 %	7.62 %	7.56 %	7.53 %
Commercial mortgage-backed	2.62 %	2.75 %	2.70 %	2.45 %	2.36 %
Asset-backed	7.04 %	11.98 %	6.31 %	1.84 %	1.35 %
U.S. Treasury and government agencies	2.05 %	1.96 %	1.73 %	1.60 %	1.18 %
Other	2.47 %	2.39 %	2.47 %	2.59 %	2.73 %
Total securities available for sale	2.64 %	2.52 %	2.33 %	2.13 %	1.62 %
Securities held to maturity					
Residential mortgage-backed	2.74 %	2.60 %	2.30 %	1.98 %	
Commercial mortgage-backed	4.95 %	4.57 %	3.50 %	2.30 %	
Asset-backed	3.97 %	3.44 %	2.58 %	1.92 %	
U.S. Treasury and government agencies	1.33 %	1.30 %	1.19 %	1.05 %	2.61 %
Other	4.62 %	4.47 %	4.10 %	4.21 %	4.17 %
Total securities held to maturity	2.41 %	2.27 %	1.96 %	1.65 %	2.99 %
Total investment securities	2.49 %	2.36 %	2.10 %	1.89 %	1.64 %
Loans					
Commercial and industrial	5.34 %	4.70 %	3.69 %	2.90 %	2.75 %
Commercial real estate	6.02 %	5.28 %	4.27 %	3.15 %	2.79 %
Equipment lease financing	4.28 %	4.18 %	3.85 %	3.62 %	3.74 %
Consumer	6.34 %	5.88 %	5.32 %	4.68 %	4.69 %
Residential real estate	3.35 %	3.28 %	3.21 %	3.11 %	3.10 %
Total loans	5.29 %	4.75 %	3.98 %	3.29 %	3.19 %
Interest-earning deposits with banks	4.58 %	3.76 %	2.32 %	0.79 %	0.19 %
Other interest-earning assets	5.75 %	5.20 %	3.94 %	2.76 %	2.07 %
Total yield on interest-earning assets	4.46 %	4.02 %	3.35 %	2.69 %	2.37 %
Rate on interest-bearing liabilities					
Interest-bearing deposits					
Money market	2.40 %	1.75 %	0.85 %	0.19 %	0.03 %
Demand	1.58 %	1.14 %	0.59 %	0.15 %	0.02 %
Savings	1.03 %	0.50 %	0.09 %	0.04 %	0.04 %
Time deposits	3.00 %	1.45 %	0.26 %	0.18 %	0.13 %
Total interest-bearing deposits	1.66 %	1.07 %	0.45 %	0.12 %	0.04 %
Borrowed funds					
Federal Home Loan Bank borrowings	4.80 %	3.92 %	2.60 %	1.24 %	
Senior debt	5.39 %	4.30 %	2.96 %	1.61 %	1.02 %
Subordinated debt	5.69 %	4.79 %	3.43 %	1.94 %	1.40 %
Other	3.70 %	3.24 %	2.20 %	1.46 %	0.97 %
Total borrowed funds	4.98 %	4.07 %	2.81 %	1.58 %	1.10 %
Total rate on interest-bearing liabilities	2.20 %	1.55 %	0.75 %	0.27 %	0.13 %
Interest rate spread	2.26 %	2.47 %	2.60 %	2.42 %	2.24 %
Benefit from use of noninterest-bearing sources (b)	0.58 %	0.45 %	0.22 %	0.08 %	0.04 %
Net interest margin	2.84 %	2.92 %	2.82 %	2.50 %	2.28 %

(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 March 31, 2023, December 31, 2022, September 30, 2022, June 30, 2022 and March 31, 2022 were $38 million, $36 million, $29 million, $25 million and $22 million, respectively.

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

Table 5: Details of Loans (Unaudited)

In millions	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Commercial					
Commercial and industrial					
Manufacturing	$ 32,132	$ 30,845	$ 28,629	$ 27,179	$ 25,035
Retail/wholesale trade	29,172	29,176	27,532	26,475	25,027
Service providers	23,186	23,548	22,043	21,184	20,584
Financial services	22,534	21,320	21,590	19,594	17,674
Real estate related (a)	17,548	17,780	17,513	16,179	15,459
Technology, media & telecommunications	11,338	11,845	11,366	16,249	10,684
Health care	10,537	10,649	10,420	10,153	9,810
Transportation and warehousing	7,824	7,858	7,977	7,604	7,209
Other industries	28,726	29,198	26,743	27,214	26,392
Total commercial and industrial	182,997	182,219	173,813	171,831	157,874
Commercial real estate	35,991	36,316	35,592	34,452	34,171
Equipment lease financing	6,424	6,514	6,192	6,240	6,216
Total commercial	225,412	225,049	215,597	212,523	198,261
Consumer					
Residential real estate	46,067	45,889	45,057	43,717	41,566
Home equity	26,203	25,983	25,367	24,693	24,185
Automobile	14,923	14,836	15,025	15,323	16,001
Credit card	6,961	7,069	6,774	6,650	6,464
Education	2,131	2,173	2,287	2,332	2,441
Other consumer	4,778	5,026	5,293	5,562	5,539
Total consumer	101,063	100,976	99,803	98,277	96,196
Total loans	$ 326,475	$ 326,025	$ 315,400	$ 310,800	$ 294,457

(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				
Dollars in millions	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Allowance for loan and lease losses					
Beginning balance	$ 4,741	$ 4,581	$ 4,462	$ 4,558	$ 4,868
Adoption of ASU 2022-02 (a)	(35)				
Beginning balance, adjusted	4,706	4,581	4,462	4,558	4,868
Gross charge-offs:					
Commercial and industrial	(104)	(121)	(65)	(30)	(41)
Commercial real estate	(12)	(22)	(7)	(5)	(10)
Equipment lease financing	(4)	(2)	(1)	(2)	(1)
Residential real estate	(3)	(2)	(2)		(7)
Home equity	(6)	(6)	(3)	(2)	(4)
Automobile	(33)	(34)	(32)	(34)	(52)
Credit card	(74)	(62)	(59)	(67)	(68)
Education	(4)	(4)	(4)	(4)	(4)
Other consumer	(42)	(64)	(49)	(51)	(64)
Total gross charge-offs	(282)	(317)	(222)	(195)	(251)
Recoveries:					
Commercial and industrial	20	33	23	15	30
Commercial real estate	2	2	1	1	1
Equipment lease financing	3	1	1	3	3
Residential real estate	3	2	4	6	5
Home equity	11	13	19	18	21
Automobile	24	24	30	39	31
Credit card	11	8	12	19	12
Education	2	1	1	2	1
Other consumer	11	9	12	9	10
Total recoveries	87	93	103	112	114
Net (charge-offs) / recoveries:					
Commercial and industrial	(84)	(88)	(42)	(15)	(11)
Commercial real estate	(10)	(20)	(6)	(4)	(9)
Equipment lease financing	(1)	(1)		1	2
Residential real estate			2	6	(2)
Home equity	5	7	16	16	17
Automobile	(9)	(10)	(2)	5	(21)
Credit card	(63)	(54)	(47)	(48)	(56)
Education	(2)	(3)	(3)	(2)	(3)
Other consumer	(31)	(55)	(37)	(42)	(54)
Total net (charge-offs)	(195)	(224)	(119)	(83)	(137)
Provision for (recapture of) credit losses (b)	229	380	241	(10)	(172)
Other	1	4	(3)	(3)	(1)
Ending balance	$ 4,741	$ 4,741	$ 4,581	$ 4,462	$ 4,558
Supplemental Information					
Net charge-offs					
Commercial net charge-offs	$ (95)	$ (109)	$ (48)	$ (18)	$ (18)
Consumer net charge-offs	(100)	(115)	(71)	(65)	(119)
Total net charge-offs	$ (195)	$ (224)	$ (119)	$ (83)	$ (137)
Net charge-offs to average loans	0.24 %	0.28 %	0.15 %	0.11 %	0.19 %
Commercial	0.17 %	0.20 %	0.09 %	0.03 %	0.04 %
Consumer	0.40 %	0.45 %	0.28 %	0.27 %	0.51 %

(a) Represents the impact of adopting ASU 2022-02 *Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures* on January 1, 2023 . As a result of adoption, we eliminated the accounting guidance for TDRs, including the use of a discounted cash flow approach to measure the allowance for TDRs. Our first quarter 2023 Form 10-Q will include additional information related to our adoption of this ASU.

(b) See Table 7 for the components of the Provision for (recapture of) credit losses being reported on the Consolidated Income Statement.

Allowance for Credit Losses (Unaudited) (Continued)

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

	Three months ended				
In millions	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Provision for (recapture of) credit losses					
Loans and leases	$ 229	$ 380	$ 241	$ (10)	$ (172)
Unfunded lending related commitments	(22)	12	1	42	(23)
Investment securities	(1)	10	3	3	1
Other financial assets	29	6	(4)	1	(14)
Total provision for (recapture of) credit losses	$ 235	$ 408	$ 241	$ 36	$ (208)

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

	March 31, 2023			December 31, 2022			March 31, 2022		
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	$ 1,771	$ 182,997	0.97 %	$ 1,957	$ 182,219	1.07 %	$ 1,884	$ 157,874	1.19 %
Commercial real estate	1,171	35,991	3.25 %	1,047	36,316	2.88 %	1,034	34,171	3.03 %
Equipment lease financing	104	6,424	1.62 %	110	6,514	1.69 %	85	6,216	1.37 %
Total commercial	3,046	225,412	1.35 %	3,114	225,049	1.38 %	3,003	198,261	1.51 %
Consumer									
Residential real estate	95	46,067	0.21 %	92	45,889	0.20 %	25	41,566	0.06 %
Home equity	316	26,203	1.21 %	274	25,983	1.05 %	170	24,185	0.70 %
Automobile	199	14,923	1.33 %	226	14,836	1.52 %	276	16,001	1.72 %
Credit card	782	6,961	11.23 %	748	7,069	10.58 %	708	6,464	10.95 %
Education	64	2,131	3.00 %	63	2,173	2.90 %	66	2,441	2.70 %
Other consumer	239	4,778	5.00 %	224	5,026	4.46 %	310	5,539	5.60 %
Total consumer	1,695	101,063	1.68 %	1,627	100,976	1.61 %	1,555	96,196	1.62 %
Total	4,741	$ 326,475	1.45 %	4,741	$ 326,025	1.45 %	4,558	$ 294,457	1.55 %
Allowance for unfunded lending related commitments	672			694			639		
Allowance for credit losses	$ 5,413			$ 5,435			$ 5,197		
Supplemental Information									
Allowance for credit losses to total loans			1.66 %			1.67 %			1.76 %
Commercial			1.60 %			1.66 %			1.81 %
Consumer			1.79 %			1.69 %			1.67 %

(a) Excludes allowances for investment securities and other financial assets, which together totaled $205 million, $176 million and $158 million at March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

Details of Nonperforming Assets (Unaudited)

Table 9: Nonperforming Assets by Type

Dollars in millions	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Nonperforming loans (a)					
Commercial					
Commercial and industrial					
Service providers	$ 128	$ 174	$ 223	$ 151	$ 173
Manufacturing	105	85	88	101	70
Retail/wholesale trade	82	151	158	87	59
Health care	57	50	45	54	37
Real estate related (b)	43	50	47	59	39
Transportation and warehousing	24	27	29	30	28
Technology, media & telecommunications	22	20	20	21	36
Other industries	87	106	138	146	218
Total commercial and industrial	548	663	748	649	660
Commercial real estate	337	189	148	161	332
Equipment lease financing	6	6	7	5	6
Total commercial	891	858	903	815	998
Consumer (c)					
Residential real estate	432	424	429	457	526
Home equity	523	526	530	556	576
Automobile	145	155	167	175	181
Credit card	9	8	6	6	8
Other consumer	10	14	33	37	9
Total consumer	1,119	1,127	1,165	1,231	1,300
Total nonperforming loans (d)	2,010	1,985	2,068	2,046	2,298
OREO and foreclosed assets	38	34	33	29	26
Total nonperforming assets	$ 2,048	$ 2,019	$ 2,101	$ 2,075	$ 2,324
Nonperforming loans to total loans	0.62 %	0.61 %	0.66 %	0.66 %	0.78 %
Nonperforming assets to total loans, OREO and foreclosed assets	0.63 %	0.62 %	0.67 %	0.67 %	0.79 %
Nonperforming assets to total assets	0.36 %	0.36 %	0.38 %	0.38 %	0.43 %
Allowance for loan and lease losses to nonperforming loans	236 %	239 %	222 %	218 %	198 %

(a) In connection with the adoption of ASU 2022-02 *Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures,* nonperforming loans as of March 31, 2023 include certain loans whose terms were modified as a result of a borrower's financial difficulty. Prior period amounts included nonperforming TDRs, for which accounting guidance was eliminated effective January 1, 2023. Our first quarter 2023 Form 10-Q will include additional information related to our adoption of this ASU.
(b) Represents loans related to customers in the real estate and construction industries.
(c) 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.
(d) 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	January 1, 2023 - March 31, 2023	October 1, 2022 - December 31, 2022	July 1, 2022 - September 30, 2022	April 1, 2022 - June 30, 2022	January 1, 2022 - March 31, 2022
Beginning balance	$ 2,019	$ 2,101	$ 2,075	$ 2,324	$ 2,506
New nonperforming assets	452	346	438	393	346
Charge-offs and valuation adjustments	(122)	(174)	(79)	(55)	(62)
Principal activity, including paydowns and payoffs	(172)	(139)	(182)	(273)	(274)
Asset sales and transfers to loans held for sale	(46)	(22)	(3)	(6)	(21)
Returned to performing status	(83)	(93)	(148)	(308)	(171)
Ending balance	$ 2,048	$ 2,019	$ 2,101	$ 2,075	$ 2,324

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.

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

Dollars in millions	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Commercial					
Commercial and industrial	$ 119	$ 169	$ 321	$ 99	$ 185
Commercial real estate	25	19	11	28	68
Equipment lease financing	33	20	6	7	20
Total commercial	177	208	338	134	273
Consumer					
Residential real estate					
Non government insured	167	190	223	230	239
Government insured	78	91	75	68	66
Home equity	48	53	46	43	41
Automobile	79	106	96	102	109
Credit card	48	50	44	37	39
Education					
Non government insured	6	5	6	5	5
Government insured	29	29	30	39	36
Other consumer	13	15	21	38	47
Total consumer	468	539	541	562	582
Total	$ 645	$ 747	$ 879	$ 696	$ 855
Supplemental Information					
Total accruing loans past due 30-59 days to total loans	0.20 %	0.23 %	0.28 %	0.22 %	0.29 %
Commercial	0.08 %	0.09 %	0.16 %	0.06 %	0.14 %
Consumer	0.46 %	0.53 %	0.54 %	0.57 %	0.61 %

(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	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Commercial					
Commercial and industrial	$ 21	$ 27	$ 55	$ 128	$ 64
Commercial real estate	1	4	4	11	41
Equipment lease financing	5	4	6	4	1
Total commercial	27	35	65	143	106
Consumer					
Residential real estate					
Non government insured	43	54	49	53	47
Government insured	55	58	46	42	37
Home equity	18	20	16	14	16
Automobile	18	25	21	24	26
Credit card	35	35	30	25	28
Education					
Non government insured	4	2	4	2	3
Government insured	17	20	22	21	21
Other consumer	8	12	15	21	26
Total consumer	198	226	203	202	204
Total	$ 225	$ 261	$ 268	$ 345	$ 310
Supplemental Information					
Total accruing loans past due 60-89 days to total loans	0.07 %	0.08 %	0.08 %	0.11 %	0.11 %
Commercial	0.01 %	0.02 %	0.03 %	0.07 %	0.05 %
Consumer	0.20 %	0.22 %	0.20 %	0.21 %	0.21 %

(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	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Commercial					
Commercial and industrial	$ 134	$ 137	$ 139	$ 138	$ 105
Commercial real estate			5		7
Total commercial	134	137	144	138	112
Consumer					
Residential real estate					
Non government insured	26	32	30	20	41
Government insured	152	167	166	182	232
Automobile	5	7	6	6	8
Credit card	74	70	58	54	62
Education					
Non government insured	2	2	2	2	2
Government insured	54	57	61	56	62
Other consumer	9	10	12	12	15
Total consumer	322	345	335	332	422
Total	$ 456	$ 482	$ 479	$ 470	$ 534
Supplemental Information					
Total accruing loans past due 90 days or more to total loans	0.14 %	0.15 %	0.15 %	0.15 %	0.18 %
Commercial	0.06 %	0.06 %	0.07 %	0.06 %	0.06 %
Consumer	0.32 %	0.34 %	0.34 %	0.34 %	0.44 %
Total accruing loans past due	$ 1,326	$ 1,490	$ 1,626	$ 1,511	$ 1,699
Commercial	$ 338	$ 380	$ 547	$ 415	$ 491
Consumer	$ 988	$ 1,110	$ 1,079	$ 1,096	$ 1,208
Total accruing loans past due to total loans	0.41 %	0.46 %	0.52 %	0.49 %	0.58 %
Commercial	0.15 %	0.17 %	0.25 %	0.20 %	0.25 %
Consumer	0.98 %	1.10 %	1.08 %	1.12 %	1.26 %

(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 coast-to-cost branch network, ATMs, call centers, online banking and mobile channels. 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, capital markets and advisory 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 and advisory includes services and activities primarily related to merger and acquisitions advisory, equity capital markets advisory, asset-backed financing, loan syndication, securities underwriting and customer-related trading. 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 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

	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Full-time employees					
Retail Banking	31,583	32,467	33,288	33,565	33,293
Other full-time employees	27,874	27,427	26,328	25,390	25,037
Total full-time employees	59,457	59,894	59,616	58,955	58,330
Part-time employees					
Retail Banking	1,537	1,577	1,520	1,712	1,670
Other part-time employees	79	74	77	460	82
Total part-time employees	1,616	1,651	1,597	2,172	1,752
Total	61,073	61,545	61,213	61,127	60,082

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

	Three months ended				
In millions	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Net Income					
Retail Banking	$ 647	$ 752	$ 560	$ 322	$ 340
Corporate & Institutional Banking	1,059	982	929	1,003	956
Asset Management Group	52	52	90	86	102
Other	(81)	(258)	45	70	10
Net income excluding noncontrolling interests	$ 1,677	$ 1,528	$ 1,624	$ 1,481	$ 1,408
Revenue					
Retail Banking	$ 3,024	$ 3,079	$ 2,742	$ 2,410	$ 2,276
Corporate & Institutional Banking	2,300	2,451	2,255	2,221	1,964
Asset Management Group	357	375	396	387	386
Other	(78)	(142)	156	98	66
Total revenue	$ 5,603	$ 5,763	$ 5,549	$ 5,116	$ 4,692

(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				
Dollars in millions	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Income Statement					
Net interest income	$ 2,281	$ 2,330	$ 2,017	$ 1,662	$ 1,531
Noninterest income	743	749	725	748	745
Total revenue	3,024	3,079	2,742	2,410	2,276
Provision for (recapture of) credit losses	238	193	92	55	(81)
Noninterest expense	1,927	1,892	1,901	1,913	1,892
Pretax earnings	859	994	749	442	465
Income taxes	202	232	175	105	109
Noncontrolling interests	10	10	14	15	16
Earnings	$ 647	$ 752	$ 560	$ 322	$ 340
Average Balance Sheet					
Loans held for sale	$ 542	$ 737	$ 837	$ 957	$ 1,183
Loans					
Consumer					
Residential real estate	$ 35,421	$ 35,286	$ 34,465	$ 33,240	$ 31,528
Home equity	24,571	24,126	23,393	22,886	22,458
Automobile	14,918	14,793	15,088	15,566	16,274
Credit card	6,904	6,882	6,684	6,508	6,401
Education	2,188	2,257	2,327	2,410	2,532
Other consumer	1,990	2,049	2,092	2,173	2,348
Total consumer	85,992	85,393	84,049	82,783	81,541
Commercial	11,438	11,181	10,881	11,044	11,610
Total loans	$ 97,430	$ 96,574	$ 94,930	$ 93,827	$ 93,151
Total assets	$ 115,384	$ 115,827	$ 114,619	$ 113,068	$ 111,754
Deposits					
Noninterest-bearing	$ 60,801	$ 64,031	$ 65,405	$ 65,599	$ 64,058
Interest-bearing	201,720	195,743	198,956	202,801	201,021
Total deposits	$ 262,521	$ 259,774	$ 264,361	$ 268,400	$ 265,079
Performance Ratios					
Return on average assets	2.27 %	2.58 %	1.94 %	1.14 %	1.23 %
Noninterest income to total revenue	25 %	24 %	26 %	31 %	33 %
Efficiency	64 %	61 %	69 %	79 %	83 %

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

Retail Banking (Unaudited) (Continued)

	Three months ended				
Dollars in millions, except as noted	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Supplemental Noninterest Income Information					
Asset management and brokerage	$ 131	$ 128	$ 131	$ 135	$ 134
Card and cash management	$ 324	$ 335	$ 344	$ 351	$ 308
Lending and deposit services	$ 181	$ 172	$ 167	$ 167	$ 164
Residential and commercial mortgage	$ 104	$ 111	$ 38	$ 71	$ 99
Residential Mortgage Information					
Residential mortgage servicing statistics (in billions, except as noted) (a)					
Serviced portfolio balance (b)	$ 188	$ 190	$ 170	$ 145	$ 135
Serviced portfolio acquisitions	$ 2	$ 24	$ 29	$ 15	$ 6
MSR asset value (b)	$ 2.2	$ 2.3	$ 2.1	$ 1.6	$ 1.3
MSR capitalization value (in basis points) (b)	119	122	122	112	98
Servicing income: (in millions)					
Servicing fees, net (c)	$ 78	$ 73	$ 50	$ 36	$ 33
Mortgage servicing rights valuation, net of economic hedge	$ 14	$ 24	$ (30)	$ 13	$ 2
Residential mortgage loan statistics					
Loan origination volume (in billions)	$ 1.4	$ 2.1	$ 3.1	$ 4.8	$ 5.1
Loan sale margin percentage	2.26 %	2.20 %	1.97 %	1.88 %	2.45 %
Percentage of originations represented by:					
Purchase volume (d)	84 %	88 %	85 %	74 %	42 %
Refinance volume	16 %	12 %	15 %	26 %	58 %
Other Information (b)					
Customer-related statistics (average)					
Non-teller deposit transactions (e)	65 %	65 %	65 %	64 %	64 %
Digital consumer customers (f)	75 %	76 %	78 %	78 %	78 %
Credit-related statistics					
Nonperforming assets	$ 1,009	$ 1,003	$ 1,027	$ 1,088	$ 1,168
Net charge-offs - loans and leases	$ 112	$ 108	$ 98	$ 88	$ 141
Other statistics					
ATMs	8,697	8,933	9,169	9,301	9,502
Branches (g)	2,450	2,518	2,527	2,535	2,591
Brokerage account client assets (in billions) (h)	$ 73	$ 70	$ 67	$ 68	$ 74

(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 ended.
(c) Servicing fees net of impact of decrease in MSR value due to passage of time, including the impact from regularly scheduled loan principal payments, prepayments and loans 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 standalone 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				
Dollars in millions	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Income Statement					
Net interest income	$ 1,414	$ 1,489	$ 1,368	$ 1,253	$ 1,160
Noninterest income	886	962	887	968	804
Total revenue	2,300	2,451	2,255	2,221	1,964
Provision for (recapture of) credit losses	(28)	183	150	(17)	(118)
Noninterest expense	939	990	890	934	837
Pretax earnings	1,389	1,278	1,215	1,304	1,245
Income taxes	325	291	281	298	285
Noncontrolling interests	5	5	5	3	4
Earnings	$ 1,059	$ 982	$ 929	$ 1,003	$ 956
Average Balance Sheet					
Loans held for sale	$ 456	$ 337	$ 449	$ 490	$ 628
Loans					
Commercial					
Commercial and industrial	$ 168,874	$ 166,176	$ 160,140	$ 153,948	$ 141,622
Commercial real estate	34,605	34,663	33,525	32,844	32,433
Equipment lease financing	6,451	6,274	6,202	6,201	6,099
Total commercial	209,930	207,113	199,867	192,993	180,154
Consumer	7	8	7	14	8
Total loans	$ 209,937	$ 207,121	$ 199,874	$ 193,007	$ 180,162
Total assets	$ 234,536	$ 234,120	$ 224,984	$ 219,513	$ 200,724
Deposits					
Noninterest-bearing	$ 58,529	$ 67,340	$ 73,523	$ 81,028	$ 86,178
Interest-bearing	86,832	79,916	71,925	65,151	68,429
Total deposits	$ 145,361	$ 147,256	$ 145,448	$ 146,179	$ 154,607
Performance Ratios					
Return on average assets	1.83 %	1.66 %	1.64 %	1.83 %	1.93 %
Noninterest income to total revenue	39 %	39 %	39 %	44 %	41 %
Efficiency	41 %	40 %	39 %	42 %	43 %
Other Information					
Consolidated revenue from:					
Treasury Management (b)	$ 785	$ 843	$ 753	$ 659	$ 546
Commercial mortgage banking activities:					
Commercial mortgage loans held for sale (c)	$ 27	$ 15	$ 26	$ 20	$ 16
Commercial mortgage loan servicing income (d)	39	52	66	70	68
Commercial mortgage servicing rights valuation, net of economic hedge	41	39	53	33	13
Total	$ 107	$ 106	$ 145	$ 123	$ 97
MSR asset value (e)	$ 1,061	$ 1,113	$ 1,132	$ 988	$ 886
Average loans by C&IB business					
Corporate Banking	$ 118,229	$ 113,619	$ 109,197	$ 103,595	$ 92,503
Real Estate	47,297	48,031	45,837	44,202	43,213
Business Credit	30,180	30,087	28,930	28,246	26,535
Commercial Banking	8,430	8,683	9,008	9,459	10,045
Other	5,801	6,701	6,902	7,505	7,866
Total average loans	$ 209,937	$ 207,121	$ 199,874	$ 193,007	$ 180,162
Credit-related statistics					
Nonperforming assets (e)	$ 801	$ 761	$ 779	$ 674	$ 866
Net charge-offs (recoveries) - loans and leases	$ 85	$ 100	$ 33	$ 11	$ (1)

(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 amortization 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				
Dollars in millions, except as noted	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Income Statement					
Net interest income	$ 127	$ 152	$ 165	$ 153	$ 138
Noninterest income	230	223	231	234	248
Total revenue	357	375	396	387	386
Provision for (recapture of) credit losses	9	17	4	5	2
Noninterest expense	280	291	274	270	251
Pretax earnings	68	67	118	112	133
Income taxes	16	15	28	26	31
Earnings	$ 52	$ 52	$ 90	$ 86	$ 102
Average Balance Sheet					
Loans					
Consumer					
Residential real estate	$ 9,174	$ 8,835	$ 8,430	$ 7,835	$ 6,989
Other consumer	4,156	4,388	4,640	4,633	4,541
Total consumer	13,330	13,223	13,070	12,468	11,530
Commercial	1,246	1,291	1,328	1,560	1,848
Total loans	$ 14,576	$ 14,514	$ 14,398	$ 14,028	$ 13,378
Total assets	$ 14,997	$ 14,935	$ 14,820	$ 14,449	$ 13,801
Deposits					
Noninterest-bearing	$ 1,846	$ 2,107	$ 2,286	$ 2,824	$ 3,458
Interest-bearing	26,337	25,651	27,054	28,839	29,830
Total deposits	$ 28,183	$ 27,758	$ 29,340	$ 31,663	$ 33,288
Performance Ratios					
Return on average assets	1.41 %	1.38 %	2.41 %	2.39 %	3.00 %
Noninterest income to total revenue	64 %	59 %	58 %	60 %	64 %
Efficiency	78 %	78 %	69 %	70 %	65 %
Other Information					
Nonperforming assets (b)	$ 42	$ 56	$ 95	$ 114	$ 72
Net charge-offs (recoveries) - loans and leases		$ 18	$ (2)	$ (1)	$ 2
Brokerage account client assets (in billions) (b)	$ 4	$ 4	$ 4	$ 4	$ 5
Client Assets Under Administration (in billions) (b) (c)					
Discretionary client assets under management	$ 177	$ 173	$ 166	$ 167	$ 182
Nondiscretionary client assets under administration	156	152	148	153	165
Total	$ 333	$ 325	$ 314	$ 320	$ 347
Discretionary client assets under management					
PNC Private Bank	$ 108	$ 105	$ 99	$ 103	$ 115
Institutional Asset Management	69	68	67	64	67
Total	$ 177	$ 173	$ 166	$ 167	$ 182

(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).

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.

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. 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.

Troubled debt restructuring (TDR) – A loan whose terms have been restructured in a manner that grants a concession to a borrower experiencing financial difficulties. On January 1, 2023, we adopted ASU 2022-02, which eliminated the accounting guidance for TDRs.

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.