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

July 18, 2023
Date of Report (Date of earliest event reported)

THE PNC FINANCIAL SERVICES GROUP, INC.
(Exact name of registrant as specified in its charter)

Commission File Number 001-09718

Pennsylvania	**25-1435979**
(State or other jurisdiction of incorporation)	**(I.R.S. Employer Identification No.)**

The Tower at PNC Plaza
300 Fifth Avenue
Pittsburgh, Pennsylvania 15222-2401
(Address of principal executive offices, including zip code)

(888) 762-2265
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value $5.00	PNC	New York Stock Exchange

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

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

Item 2.02 Results of Operations and Financial Condition.

On July 18, 2023, The PNC Financial Services Group, Inc. (the "Corporation") issued a press release regarding the Corporation's earnings and business results for the second 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 website. 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 July 18, 2023	Furnished herewith
99.2	Financial Supplement (unaudited) for the Second 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:	July 18, 2023	By:	/s/ Gregory H. Kozich
			Gregory H. Kozich
			Senior Vice President and Controller

NEWS RELEASE

Exhibit 99.1

PNC REPORTS SECOND QUARTER 2023 NET INCOME OF $1.5 BILLION, $3.36 DILUTED EPS

Increased capital; strong credit quality; 4Q23 SCB requirement of 2.5%
Raised quarterly common stock dividend 5 cents to $1.55 per share on July 3, 2023

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

In millions, except per share data and as noted	For the quarter 2Q23	1Q23	2Q22
Financial Results			
Revenue	$ 5,293	$ 5,603	$ 5,116
Noninterest expense	3,372	3,321	3,244
Pretax, pre-provision earnings (PPNR) *(non-GAAP)*	1,921	2,282	1,872
Provision for credit losses	146	235	36
Net income	1,500	1,694	1,496
Per Common Share			
Diluted earnings	$ 3.36	$ 3.98	$ 3.39
Average diluted common shares outstanding	401	402	414
Book value	105.67	104.76	101.39
Tangible book value *(non-GAAP)*	77.80	76.90	74.39
Balance Sheet & Credit Quality			
Average loans *In billions*	$ 324.5	$ 325.5	$ 304.8
Average deposits *In billions*	425.7	436.2	446.5
Accumulated other comprehensive income (loss) (AOCI) *In billions*	(9.5)	(9.1)	(8.4)
Net loan charge-offs	194	195	83
Allowance for credit losses (ACL) to total loans	1.68 %	1.66 %	1.65 %
Selected Ratios			
Return on average common shareholders' equity	13.01 %	16.11 %	13.52 %
Return on average assets	1.08	1.22	1.10
Net interest margin (NIM) *(non-GAAP)*	2.79	2.84	2.50
Noninterest income to total revenue	34	36	40
Efficiency	64	59	63
Common equity Tier 1 (CET1) capital ratio	9.5	9.2	9.6

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

Second Quarter Highlights

Comparisons reflect 2Q23 vs. 1Q23

Average Balance Sheet

- Stable loans
- Deposits decreased 2%
- ACL to total loans and net loan charge-offs were stable
- Tangible book value increased to $77.80
- CET1 capital ratio increased 30 basis points to 9.5%
- Raised quarterly dividend 5 cents to $1.55 per share
- Effective Oct. 1, 2023, PNC's Stress Capital Buffer (SCB) will improve to the regulatory minimum of 2.5%

Income Statement

- Net interest income declined 2%
- NIM decreased 5 basis points
- Fee income declined 6%, reflecting a $58 million decline in mortgage servicing rights valuation, net of economic hedge
- Other noninterest income of $129 million included $83 million of negative Visa Class B derivative fair value adjustments
- Expenses increased 2%
- Provision for credit losses of $146 million

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

"For the second quarter, PNC delivered solid financial results and maintained strong credit quality metrics, reflecting the power of our national franchise and the competitive positioning of our balance sheet in the current environment. The Federal Reserve's annual stress test recently demonstrated PNC’s through-the-cycle financial strength and stability, and starting in the fourth quarter, our stress capital buffer requirement will improve to the regulatory minimum of 2.5%. In consideration of our strong capital levels and the board's confidence in our strategy and outlook, in July the board approved a 5 cent increase to our quarterly stock dividend."

- more -

Income Statement Highlights

Second quarter 2023 compared with first quarter 2023

- Net income of $1.5 billion decreased $194 million, or 11%.
- Total revenue of $5.3 billion decreased $310 million, or 6%, as a result of lower noninterest income and net interest income.
- Net interest income of $3.5 billion decreased $75 million, or 2%, as higher yields on interest-earning assets were more than offset by increased funding costs as well as lower loan and securities balances.
  - Net interest margin of 2.79% decreased 5 basis points as higher yields on interest-earning assets were more than offset by increased funding costs.
- Noninterest income of $1.8 billion decreased $235 million, or 12%.
  - Fee income of $1.7 billion decreased $106 million, or 6%, reflecting a $58 million decrease in mortgage servicing rights valuation, net of economic hedge and lower revenue from market sensitive businesses, partially offset by seasonally higher consumer transaction volumes and increased treasury management product revenue.
  - Other noninterest income of $129 million decreased $129 million, or 50%, and included lower private equity revenue and negative Visa Class B derivative fair value adjustments of $83 million related to litigation escrow funding and other valuation changes. The first quarter included negative Visa Class B derivative fair value adjustments of $45 million.
- Noninterest expense of $3.4 billion increased $51 million, or 2%, primarily due to seasonally higher marketing spend and the full quarter impact of annual employee merit increases, partially offset by a continued focus on expense management.
- Provision for credit losses of $146 million in the second quarter reflected portfolio activity and changes in macroeconomic variables. The first quarter of 2023 included a provision for credit losses of $235 million.
- The effective tax rate was 15.5% for the second quarter and 17.2% for the first quarter. The second quarter included the favorable impact of certain tax matters.

Balance Sheet Highlights

Second quarter 2023 compared with first quarter 2023 or June 30, 2023 compared with March 31, 2023

- Average loans of $324.5 billion were stable.
  - Average commercial loans of $223.2 billion decreased $1.4 billion, driven by lower corporate banking balances as paydowns more than offset limited new production.
  - Average consumer loans of $101.3 billion grew $0.4 billion, primarily due to higher residential mortgage loans.
- Credit quality performance:
  - Delinquencies of $1.2 billion decreased $114 million, or 9%, due to lower commercial and consumer loan delinquencies.
  - Total nonperforming loans of $1.9 billion decreased $97 million, or 5%, driven by declines in commercial and consumer nonperforming loans.
  - Net loan charge-offs of $194 million were stable.
  - The allowance for credit losses of $5.4 billion was stable. The allowance for credit losses to total loans was 1.68% at June 30, 2023 compared with 1.66% at March 31, 2023.

- Average deposits of $425.7 billion decreased $10.5 billion, or 2%, and included the impact of quantitative tightening by the Federal Reserve, increased customer spending and consumer tax payments.
- Average investment securities of $141.0 billion decreased $2.4 billion, or 2%, as limited purchase activity during the quarter was more than offset by portfolio paydowns and maturities.
- Average Federal Reserve Bank balances of $30.6 billion decreased $2.9 billion.
  - Federal Reserve Bank balances at June 30, 2023 were $37.8 billion, increasing $5.3 billion.
- Average borrowed funds of $65.7 billion increased $2.7 billion, or 4%, due to higher Federal Home Loan Bank borrowings and parent company senior debt issuances.
- PNC maintained a strong capital and liquidity position.
  - On July 3, 2023, the PNC board of directors raised the quarterly cash dividend on common stock to $1.55 per share, an increase of 5 cents per share. The dividend, with a payment date of August 5, 2023, will be payable the next business day.
  - PNC returned $0.7 billion of capital to shareholders, reflecting $0.6 billion of dividends on common shares and $0.1 billion of common share repurchases, representing 1.1 million shares.
  - The Basel III common equity Tier 1 capital ratio was an estimated 9.5% at June 30, 2023 and 9.2% at March 31, 2023.
  - PNC's average LCR for the three months ended June 30, 2023 was 109%, exceeding the regulatory minimum requirement throughout the quarter.
    - PNC Bank average LCR for the three months ended June 30, 2023 was 127%.

Earnings Summary

In millions, except per share data	2Q23	1Q23	2Q22
Net income	$ 1,500	$ 1,694	$ 1,496
Net income attributable to diluted common shares	$ 1,347	$ 1,599	$ 1,402
Diluted earnings per common share	$ 3.36	$ 3.98	$ 3.39
Average diluted common shares outstanding	401	402	414
Cash dividends declared per common share	$ 1.50	$ 1.50	$ 1.50

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*	2Q23	1Q23	2Q22	Change 2Q23 vs 1Q23	Change 2Q23 vs 2Q22
Net interest income	$ 3,510	$ 3,585	$ 3,051	(2) %	15 %
Noninterest income	1,783	2,018	2,065	(12) %	(14) %
Total revenue	$ 5,293	$ 5,603	$ 5,116	(6) %	3 %

Total revenue for the second quarter of 2023 decreased $310 million from the first quarter of 2023 as a result of lower noninterest income and net interest income. Compared with the second quarter of 2022, total revenue increased $177 million due to higher net interest income, partially offset by lower noninterest income.

Net interest income of $3.5 billion for the second quarter of 2023 decreased $75 million from the first quarter of 2023 as higher yields on interest-earning assets were more than offset by increased funding costs as well as lower loan and securities balances. Compared to the second quarter of 2022, net interest income increased $459 million reflecting higher interest-earning asset yields and balances, partially offset by increased funding costs.

The net interest margin was 2.79% in the second quarter of 2023, decreasing 5 basis points in comparison with the first quarter of 2023 as higher yields on interest-earning assets were more than offset by increased funding costs. Compared to the second quarter of 2022, net interest margin increased 29 basis points reflecting the benefit of higher yields on interest-earning assets.

Noninterest Income *In millions*	2Q23	1Q23	2Q22	Change 2Q23 vs 1Q23	Change 2Q23 vs 2Q22
Asset management and brokerage	$ 348	$ 356	$ 365	(2) %	(5) %
Capital markets and advisory	213	262	409	(19) %	(48) %
Card and cash management	697	659	671	6 %	4 %
Lending and deposit services	298	306	282	(3) %	6 %
Residential and commercial mortgage	98	177	161	(45) %	(39) %
Other	129	258	177	(50) %	(27) %
Total noninterest income	$ 1,783	$ 2,018	$ 2,065	(12) %	(14) %

Noninterest income for the second quarter of 2023 decreased $235 million compared with the first quarter of 2023. Asset management and brokerage fees decreased $8 million, and included lower annuity sales. Capital markets and advisory revenue decreased $49 million driven by lower merger and acquisition advisory fees and a decline in loan syndication revenue. Card and cash management fees increased $38 million, reflecting seasonally higher consumer transaction volumes and increased treasury management product revenue. Lending and deposit services decreased $8 million, reflecting client related activity. Residential and commercial mortgage revenue decreased $79 million primarily due to a $58 million decrease in mortgage servicing rights valuation, net of economic hedge. Other noninterest income decreased $129 million and included lower private equity revenue and negative

Visa Class B derivative fair value adjustments of $83 million related to litigation escrow funding and other valuation changes. The first quarter included negative Visa Class B derivative fair value adjustments of $45 million.

Noninterest income for the second quarter of 2023 decreased $282 million from the second quarter of 2022 reflecting lower revenue from market sensitive businesses and negative Visa Class B derivative fair value adjustments, partially offset by growth in treasury management product revenue. The second quarter of 2022 included negative Visa Class B derivative fair value adjustments of $16 million.

CONSOLIDATED EXPENSE REVIEW

Noninterest Expense *In millions*	2Q23	1Q23	2Q22	Change 2Q23 vs 1Q23	Change 2Q23 vs 2Q22
Personnel	$ 1,846	$ 1,826	$ 1,779	1 %	4 %
Occupancy	244	251	246	(3) %	(1) %
Equipment	349	350	351	—	(1) %
Marketing	109	74	95	47 %	15 %
Other	824	820	773	—	7 %
Total noninterest expense	$ 3,372	$ 3,321	$ 3,244	2 %	4 %

Noninterest expense for the second quarter of 2023 increased $51 million in comparison to the first quarter of 2023 primarily due to seasonally higher marketing spend and the full quarter impact of annual employee merit increases, partially offset by a continued focus on expense management.

Noninterest expense increased $128 million from the second quarter of 2022, due to higher personnel costs, an increased FDIC assessment rate and continued investments to support business growth.

The effective tax rate was 15.5% for the second quarter of 2023, 17.2% for the first quarter of 2023 and 18.5% for the second quarter of 2022. The second quarter of 2023 included the favorable impact of certain tax matters.

CONSOLIDATED BALANCE SHEET REVIEW

Average total assets were $555.5 billion in the second quarter of 2023 compared with $562.3 billion in the first quarter of 2023 and $546.9 billion in the second quarter of 2022. The decrease from the first quarter of 2023 was driven by lower interest-earning asset balances. In comparison to the second quarter of 2022, the increase was primarily attributable to higher loan and securities balances, partially offset by lower Federal Reserve Bank balances.

Average Loans				Change	Change
				2Q23 vs	2Q23 vs
In billions	2Q23	1Q23	2Q22	1Q23	2Q22
Commercial	$ 223.2	$ 224.6	$ 207.6	(1) %	8 %
Consumer	101.3	100.9	97.2	—	4 %
Total	$ 324.5	$ 325.5	$ 304.8	—	6 %

Average loans for the second quarter of 2023 were $324.5 billion, stable compared to the first quarter of 2023. Average commercial loans decreased $1.4 billion driven by lower corporate banking balances as paydowns more than offset limited new production. Average consumer loans grew $0.4 billion primarily due to higher residential mortgage loans.

Average loans for the second quarter of 2023 increased $19.7 billion in comparison to the second quarter of 2022. Average commercial loans increased $15.6 billion as a result of growth in PNC's corporate banking, real estate and business credit businesses. Average consumer loans increased $4.1 billion due to growth in residential mortgage, home equity and credit card loans.

Average Investment Securities				Change	Change
				2Q23 vs	2Q23 vs
In billions	2Q23	1Q23	2Q22	1Q23	2Q22
Available for sale	$ 46.6	$ 48.2	$ 66.6	(3) %	(30) %
Held to maturity	94.4	95.2	68.1	(1) %	39 %
Total	$ 141.0	$ 143.4	$ 134.7	(2) %	5 %

Average investment securities for the second quarter of 2023 of $141.0 billion declined $2.4 billion from the first quarter of 2023 as limited purchase activity during the quarter was more than offset by portfolio paydowns and maturities. Average investment securities increased $6.3 billion from the second quarter of 2022 reflecting net purchase activity. Net unrealized losses on available for sale securities were $4.2 billion at June 30, 2023, $3.8 billion at March 31, 2023 and $3.0 billion at June 30, 2022.

Average Federal Reserve Bank balances for the second quarter of 2023 were $30.6 billion, decreasing $2.9 billion from the first quarter of 2023 reflecting lower deposit balances. Average Federal Reserve Bank balances decreased $8.7 billion from the second quarter of 2022, primarily due to lower deposits and higher loans outstanding, partially offset by higher borrowed funds.

Federal Reserve Bank balances at June 30, 2023 were $37.8 billion, increasing $5.3 billion from March 31, 2023, due to higher borrowed funds outstanding as well as lower loan and securities balances, partially offset by lower deposits.

- more -

Average Deposits

	2Q23			1Q23			2Q22		
In billions	*Balance*	*IB*	*NIB*	*Balance*	*IB*	*NIB*	*Balance*	*IB*	*NIB*
Commercial	$ 204.1			$ 210.0			$ 216.9		
Consumer	221.6			226.2			229.6		
Total	$ 425.7	73%	27%	$ 436.2	72%	28%	$ 446.5	67%	33%

IB - Interest-bearing
NIB - Noninterest-bearing

Average deposits for the second quarter of 2023 were $425.7 billion, decreasing $10.5 billion and $20.8 billion from the first quarter of 2023 and second quarter of 2022, respectively. In both comparisons, the decrease was due to lower commercial and consumer deposits which included the impact of quantitative tightening by the Federal Reserve and increased customer spending. In comparison to the first quarter of 2023, the decline also reflected the impact of consumer tax payments. Noninterest-bearing balances as a percentage of total deposits decreased in both comparisons due to the continued shift into interest-bearing deposit products as interest rates have risen.

Average Borrowed Funds

In billions	2Q23	1Q23	2Q22	Change 2Q23 vs 1Q23	Change 2Q23 vs 2Q22
Total	$ 65.7	$ 63.0	$ 35.7	4 %	84 %

Average borrowed funds of $65.7 billion in the second quarter of 2023 increased $2.7 billion and $30.0 billion from the first quarter of 2023 and second quarter of 2022, respectively. In both comparisons, the increase was largely due to higher Federal Home Loan Bank borrowings and parent company senior debt issuances.

Capital

	June 30, 2023	March 31, 2023	June 30, 2022
Common shareholders' equity *In billions*	$ 42.1	$ 41.8	$ 41.6
Accumulated other comprehensive income (loss) *In billions*	$ (9.5)	$ (9.1)	$ (8.4)
Basel III common equity Tier 1 capital ratio *	9.5 %	9.2 %	9.6 %
Basel III common equity Tier 1 fully implemented capital ratio (estimated)	9.4 %	9.1 %	9.4 %

**June 30, 2023 ratio is estimated*

PNC maintained a strong capital position. Common shareholders' equity at June 30, 2023 increased $0.3 billion from March 31, 2023, driven by the benefit of net income, partially offset by dividends paid and share repurchases as well as a decline in accumulated other comprehensive income.

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 June 30, 2023 declined $0.4 billion and

$1.1 billion compared to March 31, 2023 and June 30, 2022, respectively. The decrease in both comparisons was due to securities and swaps valuation changes, as the benefit of paydowns and maturities was more than offset by the unfavorable impact of interest rate movements.

In the second quarter of 2023, PNC returned $0.7 billion of capital to shareholders, as a result of $0.6 billion of dividends on common shares and $0.1 billion of common share repurchases, representing 1.1 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 46% were still available for repurchase at June 30, 2023. PNC's SCB through September 30, 2023 is 2.9%. Based on the results of the Federal Reserve's 2023 annual stress test, PNC's SCB for the four-quarter period beginning October 1, 2023 will improve to the regulatory minimum of 2.5%.

Due to the expected issuance by the Federal banking agencies of proposed rules to adjust the Basel III capital framework, share repurchase activity is expected to be reduced in the third 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 July 3, 2023, the PNC board of directors raised the quarterly cash dividend on common stock to $1.55 per share, an increase of 5 cents per share. The dividend, with a payment date of August 5, 2023, will be payable the next business day.

At June 30, 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 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*	June 30, 2023	March 31, 2023	June 30, 2022	Change 06/30/23 vs 03/31/23	Change 06/30/23 vs 06/30/22
Provision for credit losses	$ 146	$ 235	$ 36	$ (89)	$ 110
Net loan charge-offs	$ 194	$ 195	$ 83	(1) %	134 %
Allowance for credit losses (a)	$ 5,400	$ 5,413	$ 5,143	—	5 %
Total delinquencies (b)	$ 1,212	$ 1,326	$ 1,511	(9) %	(20) %
Nonperforming loans	$ 1,913	$ 2,010	$ 2,046	(5) %	(7) %
Net charge-offs to average loans (annualized)	0.24 %	0.24 %	0.11 %		
Allowance for credit losses to total loans	1.68 %	1.66 %	1.65 %		
Nonperforming loans to total loans	0.59 %	0.62 %	0.66 %		

(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 $146 million in the second quarter of 2023 reflected portfolio activity and changes in macroeconomic variables. The first quarter of 2023 included a provision for credit losses of $235 million.

Net loan charge-offs of $194 million in the second quarter of 2023 were stable compared to the first quarter of 2023. Compared to the second quarter of 2022, net loan charge-offs increased $111 million, driven by higher commercial and consumer net loan charge-offs.

The allowance for credit losses was $5.4 billion at both June 30, 2023 and March 31, 2023 and $5.1 billion at June 30, 2022. The allowance for credit losses as a percentage of total loans was 1.68% at June 30, 2023, 1.66% at March 31, 2023 and 1.65% at June 30, 2022.

Nonperforming loans at June 30, 2023 were $1.9 billion, decreasing $97 million from March 31, 2023 due to a decline in commercial and consumer nonperforming loans. Compared to June 30, 2022, nonperforming loans decreased $133 million due to lower consumer nonperforming loans.

Delinquencies at June 30, 2023 were $1.2 billion, decreasing $114 million and $299 million from March 31, 2023 and June 30, 2022, respectively, due to lower commercial and consumer loan delinquencies.

BUSINESS SEGMENT RESULTS

Business Segment Income (Loss) *In millions*	2Q23	1Q23	2Q22
Retail Banking	$ 954	$ 647	$ 322
Corporate & Institutional Banking	817	1,059	1,003
Asset Management Group	63	52	86
Other	(351)	(81)	70
Net income excluding noncontrolling interests	$ 1,483	$ 1,677	$ 1,481

Retail Banking *In millions*	2Q23	1Q23	2Q22	Change 2Q23 vs 1Q23	Change 2Q23 vs 2Q22
Net interest income	$ 2,448	$ 2,281	$ 1,662	$ 167	$ 786
Noninterest income	$ 702	$ 743	$ 748	$ (41)	$ (46)
Noninterest expense	$ 1,904	$ 1,927	$ 1,913	$ (23)	$ (9)
Provision for (recapture of) credit losses	$ (14)	$ 238	$ 55	$ (252)	$ (69)
Earnings	$ 954	$ 647	$ 322	$ 307	$ 632
In billions					
Average loans	$ 97.6	$ 97.4	$ 93.8	$ 0.2	$ 3.8
Average deposits	$ 257.3	$ 262.5	$ 268.4	$ (5.2)	$ (11.1)
Net charge-offs *In millions*	$ 109	$ 112	$ 88	$ (3)	$ 21

Retail Banking Highlights

Second quarter 2023 compared with first quarter 2023

- Earnings increased 47%, largely driven by a provision recapture and higher net interest income.
  - Noninterest income decreased 6%, primarily due to negative Visa Class B derivative fair value adjustments of $83 million related to litigation escrow funding and other valuation changes. The first quarter included negative Visa Class B derivative fair value adjustments of $45 million.
  - Noninterest expense decreased 1%, reflecting a continued focus on expense management.
- Average loans increased modestly.
- Average deposits decreased 2%, reflecting increased consumer spending, the impact of quantitative tightening by the Federal Reserve and consumer tax payments.

Second quarter 2023 compared with second quarter 2022

- Earnings increased 196%, primarily due to higher net interest income.
  - Noninterest income decreased 6%, driven by negative Visa Class B derivative fair value adjustments, partially offset by higher residential mortgage servicing fee income. The second quarter of 2022 included negative Visa Class B derivative fair value adjustments of $16 million.
  - Noninterest expense was relatively stable.
- Average loans increased 4%, driven by growth in residential mortgage, home equity, commercial and credit card loans.
- Average deposits decreased 4%, reflecting the impact of increased spending and quantitative tightening by the Federal Reserve.

Corporate & Institutional Banking										
								Change 2Q23 vs		Change 2Q23 vs
In millions		2Q23		1Q23		2Q22		1Q23		2Q22
Net interest income	$	1,381	$	1,414	$	1,253	$	(33)	$	128
Noninterest income	$	821	$	886	$	968	$	(65)	$	(147)
Noninterest expense	$	921	$	939	$	934	$	(18)	$	(13)
Provision for (recapture of) credit losses	$	209	$	(28)	$	(17)	$	237	$	226
Earnings	$	817	$	1,059	$	1,003	$	(242)	$	(186)
In billions										
Average loans	$	208.1	$	209.9	$	193.0	$	(1.8)	$	15.1
Average deposits	$	141.0	$	145.4	$	146.2	$	(4.4)	$	(5.2)
Net charge-offs *In millions*	$	93	$	85	$	11	$	8	$	82

Corporate & Institutional Banking Highlights

Second quarter 2023 compared with first quarter 2023

- Earnings decreased 23%, due to an increase in the provision for credit losses as well as lower noninterest income and net interest income, partially offset by lower noninterest expense.
  - Noninterest income decreased 7%, driven by a decline in commercial mortgage servicing rights valuation, net of economic hedge, lower merger and acquisition advisory fees and a decline in loan syndication revenue, partially offset by higher treasury management product revenue.
  - Noninterest expense decreased 2%, and included a decline in personnel costs, reflecting lower incentive compensation.
  - Provision for credit losses of $209 million in the second quarter of 2023 reflected portfolio activity and changes in macroeconomic variables.
- Average loans decreased 1%, driven by lower corporate banking balances as paydowns more than offset limited new production.
- Average deposits decreased 3%, and included the impact of quantitative tightening by the Federal Reserve.

Second quarter 2023 compared with second quarter 2022

- Earnings decreased 19%, driven by an increase in the provision for credit losses and lower noninterest income, partially offset by higher net interest income and lower noninterest expense.
  - Noninterest income decreased 15%, driven by lower merger and acquisition advisory fees and a decline in commercial mortgage banking activities, partially offset by higher treasury management product revenue.
  - Noninterest expense decreased 1%, and included lower variable compensation associated with decreased business activity.
- Average loans increased 8%, as a result of growth in PNC's corporate banking, real estate and business credit businesses.
- Average deposits decreased 4%, and included the impact of quantitative tightening by the Federal Reserve.

Asset Management Group										
In millions		2Q23		1Q23		2Q22		Change 2Q23 vs 1Q23		Change 2Q23 vs 2Q22
Net interest income	$	125	$	127	$	153	$	(2)	$	(28)
Noninterest income	$	228	$	230	$	234	$	(2)	$	(6)
Noninterest expense	$	280	$	280	$	270		—	$	10
Provision for (recapture of) credit losses	$	(10)	$	9	$	5	$	(19)	$	(15)
Earnings	$	63	$	52	$	86	$	11	$	(23)
In billions										
Discretionary client assets under management	$	176	$	177	$	167	$	(1)	$	9
Nondiscretionary client assets under administration	$	168	$	156	$	153	$	12	$	15
Client assets under administration at quarter end	$	344	$	333	$	320	$	11	$	24
Brokerage client account assets	$	5	$	4	$	4	$	1	$	1
In billions										
Average loans	$	15.1	$	14.6	$	14.0	$	0.5	$	1.1
Average deposits	$	27.3	$	28.2	$	31.7	$	(0.9)	$	(4.4)
Net charge-offs (recoveries) *In millions*	$	(2)		—	$	(1)	$	(2)	$	(1)

Asset Management Group Highlights

Second quarter 2023 compared with first quarter 2023

- Earnings increased 21%, driven by a provision recapture.
  - Noninterest income decreased 1%, reflecting the impact of client activity, partially offset by higher average equity markets.
  - Noninterest expense was stable.
- Discretionary client assets under management decreased 1%, and included the impact of client activity, partially offset by higher spot equity markets.
- Average loans increased 3%, driven by growth in residential mortgage loans.
- Average deposits decreased 3%, primarily due to consumer tax payments.

Second quarter 2023 compared with second quarter 2022

- Earnings decreased 27%, driven by lower net interest income, higher noninterest expense and a decrease in noninterest income, partially offset by a provision recapture.
  - Noninterest income decreased 3%, reflecting the impact of client activity.
  - Noninterest expense increased 4%, and included higher personnel costs and continued investments to support business growth.
- Discretionary client assets under management increased 5%, driven by higher spot equity markets.
- Average loans increased 8%, driven by growth in residential mortgage loans.
- Average deposits decreased 14%, and included the impact of client activity and quantitative tightening by the Federal Reserve as well as the redeployment of funds to assets under management.

- more -

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) 272-3498 and (303) 223-4372 (international) and Internet access to the live audio listen-only webcast of the call is available at www.pnc.com/investorevents. PNC's second 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 22027094 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.

CONTACTS

MEDIA:
Timothy Miller
(412) 762-4550
media.relations@pnc.com

INVESTORS:
Bryan Gill
(412) 768-4143
investor.relations@pnc.com

[TABULAR MATERIAL FOLLOWS]

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

NANCIAL RESULTS	Three months ended			Six months ended	
llars in millions, except per share data	June 30 2023	March 31 2023	June 30 2022	June 30 2023	June 30 2022
venue					
let interest income	$ 3,510	$ 3,585	$ 3,051	$ 7,095	$ 5,855
loninterest income	1,783	2,018	2,065	3,801	3,953
Total revenue	5,293	5,603	5,116	10,896	9,808
vision for (recapture of) credit losses	146	235	36	381	(172)
ninterest expense	3,372	3,321	3,244	6,693	6,416
ome before income taxes and noncontrolling interests	$ 1,775	$ 2,047	$ 1,836	$ 3,822	$ 3,564
ome taxes	275	353	340	628	639
income	$ 1,500	$ 1,694	$ 1,496	$ 3,194	$ 2,925
s:					
Net income attributable to noncontrolling interests	17	17	15	34	36
Preferred stock dividends (a)	127	68	71	195	116
Preferred stock discount accretion and redemptions	2	2	1	4	3
income attributable to common shareholders	$ 1,354	$ 1,607	$ 1,409	$ 2,961	$ 2,770
Common Share					
Basic	$ 3.36	$ 3.98	$ 3.39	$ 7.35	$ 6.62
Diluted	$ 3.36	$ 3.98	$ 3.39	$ 7.34	$ 6.61
h dividends declared per common share	$ 1.50	$ 1.50	$ 1.50	$ 3.00	$ 2.75
ective tax rate (b)	15.5 %	17.2 %	18.5 %	16.4 %	17.9 %
RFORMANCE RATIOS					
interest margin (c)	2.79 %	2.84 %	2.50 %	2.81 %	2.39 %
ninterest income to total revenue	34 %	36 %	40 %	35 %	40 %
iciency (d)	64 %	59 %	63 %	61 %	65 %
urn on:					
verage common shareholders' equity	13.01 %	16.11 %	13.52 %	14.53 %	12.53 %
verage assets	1.08 %	1.22 %	1.10 %	1.15 %	1.07 %

(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 June 30, 2023, March 31, 2023 and June 30, 2022 were $37 million, $38 million and $25 million, respectively. The taxable-equivalent adjustments to net interest income for the six months ended June 30, 2023 and June 30, 2022 were $75 million and $47 million, respectively.
(d) Calculated as noninterest expense divided by total revenue.

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

	June 30 2023	March 31 2023	June 30 2022
BALANCE SHEET DATA			
Dollars in millions, except per share data			
Assets	$ 558,207	$ 561,777	$ 540,786
Loans (a)	$ 321,761	$ 326,475	$ 310,800
Allowance for loan and lease losses	$ 4,737	$ 4,741	$ 4,462
Interest-earning deposits with banks	$ 38,259	$ 33,865	$ 28,404
Investment securities	$ 135,661	$ 138,239	$ 132,732
Total deposits	$ 427,489	$ 436,833	$ 440,811
Borrowed funds (a)	$ 65,384	$ 60,822	$ 35,984
Allowance for unfunded lending related commitments	$ 663	$ 672	$ 681
Total shareholders' equity	$ 49,320	$ 49,044	$ 47,652
Common shareholders' equity	$ 42,083	$ 41,809	$ 41,648
Accumulated other comprehensive income (loss)	$ (9,525)	$ (9,108)	$ (8,358)
Book value per common share	$ 105.67	$ 104.76	$ 101.39
Tangible book value per common share *(non-GAAP)* (b)	$ 77.80	$ 76.90	$ 74.39
Period end common shares outstanding *(In millions)*	398	399	411
Loans to deposits	75 %	75 %	71 %
Common shareholders' equity to total assets	7.5 %	7.4 %	7.7 %
CLIENT ASSETS (In billions)			
Discretionary client assets under management	$ 176	$ 177	$ 167
Nondiscretionary client assets under administration	168	156	153
Total client assets under administration	344	333	320
Brokerage account client assets	80	77	72
Total client assets	$ 424	$ 410	$ 392
CAPITAL RATIOS			
Basel III (c) (d)			
Common equity Tier 1	9.5 %	9.2 %	9.6 %
Common equity Tier 1 fully implemented (e)	9.4 %	9.1 %	9.4 %
Tier 1 risk-based	11.2 %	10.9 %	11.0 %
Total capital risk-based	13.0 %	12.8 %	12.9 %
Leverage	8.8 %	8.5 %	8.4 %
Supplementary leverage	7.4 %	7.2 %	7.1 %
ASSET QUALITY			
Nonperforming loans to total loans	0.59 %	0.62 %	0.66 %
Nonperforming assets to total loans, OREO and foreclosed assets	0.61 %	0.63 %	0.67 %
Nonperforming assets to total assets	0.35 %	0.36 %	0.38 %
Net charge-offs to average loans (for the three months ended) (annualized)	0.24 %	0.24 %	0.11 %
Allowance for loan and lease losses to total loans	1.47 %	1.45 %	1.44 %
Allowance for credit losses to total loans (f)	1.68 %	1.66 %	1.65 %
Allowance for loan and lease losses to nonperforming loans	248 %	236 %	218 %
Total delinquencies *(In millions)* (g)	$ 1,212	$ 1,326	$ 1,511

(a) Amounts include assets and liabilities for which we have elected the fair value option. Our first quarter 2023 Form 10-Q included, and our second 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 page 17 for additional information.
(c) All ratios are calculated using the regulatory capital methodology applicable to PNC during each period presented and calculated based on the standardized approach. See Capital Ratios on page 16 for additional information. The ratios as of June 30, 2023 are estimated.
(d) The ratios are calculated to reflect PNC's election to adopt the CECL optional five-year transition provision.
(e) The estimated fully implemented ratios are calculated to reflect the full impact of CECL and exclude 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 March 31, 2023, June 30, 2022 and estimated June 30, 2023 ratios. For the full impact of PNC's adoption of CECL, which excludes the benefits of the five-year transition provision, see the June 30, 2023 and March 31, 2023 (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	June 30 2023 (estimated) (b)	March 31 2023 (b)	June 30 2022 (b)	June 30, 2023 (Fully Implemented) (estimated) (c)	March 31, 2023 (Fully Implemented) (estimated) (c)
Common stock, related surplus and retained earnings, net of treasury stock	$ 52,091	$ 51,400	$ 50,730	$ 51,608	$ 50,917
Less regulatory capital adjustments:					
Goodwill and disallowed intangibles, net of deferred tax liabilities	(11,101)	(11,119)	(11,094)	(11,101)	(11,119)
All other adjustments	(89)	(92)	(99)	(90)	(93)
Basel III Common equity Tier 1 capital	$ 40,901	$ 40,189	$ 39,537	$ 40,417	$ 39,705
Basel III standardized approach risk-weighted assets (d)	$ 430,118	$ 435,827	$ 413,432	$ 430,309	$ 436,022
Basel III Common equity Tier 1 capital ratio	9.5 %	9.2 %	9.6 %	9.4 %	9.1 %

(a) All ratios are calculated using the regulatory capital methodology applicable to PNC during each period presented.
(b) The ratio is calculated to reflect PNC's election to adopt the CECL optional five-year transition provision.
(c) The June 30, 2023 and March 31, 2023 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 June 30 2023	March 31 2023	June 30 2022
Income before income taxes and noncontrolling interests	$ 1,775	$ 2,047	$ 1,836
Provision for credit losses	146	235	36
Pretax pre-provision earnings *(non-GAAP)*	$ 1,921	$ 2,282	$ 1,872

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 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 credit losses, which can vary significantly between periods.

Tangible Book Value per Common Share (non-GAAP)

Dollars in millions, except per share data	June 30 2023	March 31 2023	June 30 2022
Book value per common share	$ 105.67	$ 104.76	$ 101.39
Tangible book value per common share			
Common shareholders' equity	$ 42,083	$ 41,809	$ 41,648
Goodwill and other intangible assets	(11,357)	(11,378)	(11,360)
Deferred tax liabilities on goodwill and other intangible assets	256	260	267
Tangible common shareholders' equity	$ 30,982	$ 30,691	$ 30,555
Period-end common shares outstanding *(In millions)*	398	399	411
Tangible book value per common share *(non-GAAP)*	$ 77.80	$ 76.90	$ 74.39

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 June 30 2023	March 31 2023	June 30 2022
Net interest income	$ 3,510	$ 3,585	$ 3,051
Taxable-equivalent adjustments	37	38	25
Net interest income *(Fully Taxable-Equivalent - FTE)*	$ 3,547	$ 3,623	$ 3,076

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 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 the first half of 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 mild recession starting in late 2023 or early 2024, with a small contraction in real GDP of less than 1%, lasting into mid-2024. The unemployment rate will increase in the second half of this year, ending 2023 at above 4%, and then peak slightly above 5% in early 2025. Inflation will slow with weaker demand, moving back to the Federal Reserve's 2% objective by this time next year.
  - PNC expects one additional 25 basis point increase to the federal funds rate this summer, with the federal funds rate remaining between 5.25% and 5.50% through March 2024, when PNC expects federal funds rate cuts in response to the recession contemplated by our outlook.

- 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 and in our first quarter 2023 Form 10-Q, including in the Risk Factors and Risk Management sections and the Legal Proceedings and Commitments Notes of the Notes To Consolidated Financial Statements in those reports, and in our other subsequent SEC filings. Our forward-looking statements may also be subject to other risks and uncertainties, including those we may discuss elsewhere in this news release or in our SEC filings, accessible on the SEC's website at www.sec.gov and on our corporate website at www.pnc.com/secfilings. We have included these web addresses as inactive textual references only. Information on these websites is not part of this document.

###

Exhibit 99.2

THE PNC FINANCIAL SERVICES GROUP, INC.

FINANCIAL SUPPLEMENT
SECOND QUARTER 2023
(Unaudited)

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

The information contained in this Financial Supplement is preliminary, unaudited and based on data available on July 18, 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.

PRESENTATION OF NONINTEREST INCOME
In the fourth quarter of 2022, PNC updated the name of the noninterest income line item “Capital markets related” to “Capital markets and advisory.” This update did not impact the components of the category. All periods presented herein reflect these changes. For a description of each updated noninterest income revenue stream, see Note 1 Accounting Policies in our 2022 Form 10-K.

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

Table 1: Consolidated Income Statement (Unaudited)

In millions, except per share data	Three months ended June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022	Six months ended June 30 2023	June 30 2022
Interest Income							
Loans	$ 4,523	$ 4,258	$ 3,860	$ 3,138	$ 2,504	$ 8,781	$ 4,797
Investment securities	883	885	836	715	631	1,768	1,175
Other	538	516	413	279	146	1,054	223
Total interest income	5,944	5,659	5,109	4,132	3,281	11,603	6,195
Interest Expense							
Deposits	1,531	1,291	812	340	88	2,822	115
Borrowed funds	903	783	613	317	142	1,686	225
Total interest expense	2,434	2,074	1,425	657	230	4,508	340
Net interest income	3,510	3,585	3,684	3,475	3,051	7,095	5,855
Noninterest Income							
Asset management and brokerage	348	356	345	357	365	704	742
Capital markets and advisory	213	262	336	299	409	475	661
Card and cash management	697	659	671	671	671	1,356	1,291
Lending and deposit services	298	306	296	287	282	604	551
Residential and commercial mortgage	98	177	184	143	161	275	320
Other (a) (b)	129	258	247	317	177	387	388
Total noninterest income	1,783	2,018	2,079	2,074	2,065	3,801	3,953
Total revenue	5,293	5,603	5,763	5,549	5,116	10,896	9,808
Provision For (Recapture of) Credit Losses	146	235	408	241	36	381	(172)
Noninterest Expense							
Personnel	1,846	1,826	1,943	1,805	1,779	3,672	3,496
Occupancy	244	251	247	241	246	495	504
Equipment	349	350	369	344	351	699	682
Marketing	109	74	106	93	95	183	156
Other	824	820	809	797	773	1,644	1,578
Total noninterest expense	3,372	3,321	3,474	3,280	3,244	6,693	6,416
Income before income taxes and noncontrolling interests	1,775	2,047	1,881	2,028	1,836	3,822	3,564
Income taxes	275	353	333	388	340	628	639
Net income	1,500	1,694	1,548	1,640	1,496	3,194	2,925
Less: Net income attributable to noncontrolling interests	17	17	20	16	15	34	36
Preferred stock dividends (c)	127	68	120	65	71	195	116
Preferred stock discount accretion and redemptions	2	2	1	1	1	4	3
Net income attributable to common shareholders	$ 1,354	$ 1,607	$ 1,407	$ 1,558	$ 1,409	$ 2,961	$ 2,770
Earnings Per Common Share							
Basic	$ 3.36	$ 3.98	$ 3.47	$ 3.78	$ 3.39	$ 7.35	$ 6.62
Diluted	$ 3.36	$ 3.98	$ 3.47	$ 3.78	$ 3.39	$ 7.34	$ 6.61
Average Common Shares Outstanding							
Basic	401	401	404	410	414	401	417
Diluted	401	402	404	410	414	401	417
Efficiency	64 %	59 %	60 %	59 %	63 %	61 %	65 %
Noninterest income to total revenue	34 %	36 %	36 %	37 %	40 %	35 %	40 %
Effective tax rate (d)	15.5 %	17.2 %	17.7 %	19.1 %	18.5 %	16.4 %	17.9 %

(a) Includes net gains (losses) on sales of securities of $(2) million, less than $1 million, $(3) million, less than $1 million and less than $(1) million for the quarters ended June 30, 2023, March 31, 2023, December 31, 2022, September 30, 2022 and June 30, 2022, respectively, and $(2) million and $(4) million for the six months ended June 30, 2023 and June 30, 2022, respectively.
(b) Includes Visa Class B derivative fair value adjustments of $(83) million, $(45) million, $(41) million, $13 million and $(16) million for the quarters ended June 30, 2023, March 31, 2023, December 31, 2022, September 30, 2022 and June 30, 2022, respectively, and $(127) million and $(12) million for the six months ended June 30, 2023 and June 30, 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	June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022
Assets					
Cash and due from banks	$ 6,191	$ 5,940	$ 7,043	$ 6,548	$ 8,582
Interest-earning deposits with banks (a)	38,259	33,865	27,320	40,278	28,404
Loans held for sale (b)	835	998	1,010	1,126	1,191
Investment securities – available for sale	41,787	43,220	44,159	45,798	52,984
Investment securities – held to maturity	93,874	95,019	95,175	90,653	79,748
Loans (b)	321,761	326,475	326,025	315,400	310,800
Allowance for loan and lease losses	(4,737)	(4,741)	(4,741)	(4,581)	(4,462)
Net loans	317,024	321,734	321,284	310,819	306,338
Equity investments	8,015	8,323	8,437	8,130	8,441
Mortgage servicing rights	3,455	3,293	3,423	3,206	2,608
Goodwill	10,987	10,987	10,987	10,987	10,916
Other (b)	37,780	38,398	38,425	41,932	41,574
Total assets	$ 558,207	$ 561,777	$ 557,263	$ 559,477	$ 540,786
Liabilities					
Deposits					
Noninterest-bearing	$ 110,527	$ 118,014	$ 124,486	$ 138,423	$ 146,438
Interest-bearing	316,962	318,819	311,796	299,771	294,373
Total deposits	427,489	436,833	436,282	438,194	440,811
Borrowed funds					
Federal Home Loan Bank borrowings	34,000	32,020	32,075	30,075	10,000
Senior debt	22,005	19,622	16,657	13,357	14,358
Subordinated debt	5,548	5,630	6,307	7,286	7,487
Other (b)	3,831	3,550	3,674	3,915	4,139
Total borrowed funds	65,384	60,822	58,713	54,633	35,984
Allowance for unfunded lending related commitments	663	672	694	682	681
Accrued expenses and other liabilities	15,325	14,376	15,762	19,245	15,622
Total liabilities	508,861	512,703	511,451	512,754	493,098
Equity					
Preferred stock (c)					
Common stock - $5 par value					
Authorized 800 shares, issued 543 shares	2,715	2,714	2,714	2,714	2,714
Capital surplus	19,934	19,864	18,376	19,810	18,531
Retained earnings	55,346	54,598	53,572	52,777	51,841
Accumulated other comprehensive income (loss)	(9,525)	(9,108)	(10,172)	(10,486)	(8,358)
Common stock held in treasury at cost: 145, 144, 142, 139, and 132 shares	(19,150)	(19,024)	(18,716)	(18,127)	(17,076)
Total shareholders' equity	49,320	49,044	45,774	46,688	47,652
Noncontrolling interests	26	30	38	35	36
Total equity	49,346	49,074	45,812	46,723	47,688
Total liabilities and equity	$ 558,207	$ 561,777	$ 557,263	$ 559,477	$ 540,786

(a) Amounts include balances held with the Federal Reserve Bank of $37.8 billion, $32.5 billion, $26.9 billion, $39.8 billion and $28.0 billion as of June 30, 2023, March 31, 2023, December 31, 2022, September 30, 2022 and June 30, 2022, respectively.

(b) Amounts include assets and liabilities for which PNC has elected the fair value option. Our first quarter 2023 Form 10-Q included, and our second 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					*Six months ended*	
In millions	June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022	June 30 2023	June 30 2022
Assets							
Interest-earning assets:							
Investment securities							
Securities available for sale							
Residential mortgage-backed							
Agency	$ 31,180	$ 31,850	$ 31,818	$ 32,500	$ 37,285	$ 31,513	$ 52,308
Non-agency	663	689	714	748	902	676	954
Commercial mortgage-backed	2,948	3,102	3,377	3,489	4,362	3,025	4,793
Asset-backed	575	218	105	110	2,388	397	4,296
U.S. Treasury and government agencies	8,231	9,088	10,345	11,789	17,480	8,657	32,391
Other	2,997	3,263	3,370	3,506	4,200	3,129	4,536
Total securities available for sale	46,594	48,210	49,729	52,142	66,617	47,397	99,278
Securities held to maturity							
Residential mortgage-backed	45,033	45,616	44,184	39,329	33,086	45,323	16,687
Commercial mortgage-backed	2,396	2,453	2,323	2,069	1,175	2,424	591
Asset-backed	6,712	7,026	6,995	6,571	4,119	6,868	2,071
U.S. Treasury and government agencies	36,912	36,748	36,441	34,279	28,167	36,831	14,618
Other	3,391	3,338	3,218	2,600	1,560	3,365	1,068
Total securities held to maturity	94,444	95,181	93,161	84,848	68,107	94,811	35,035
Total investment securities	141,038	143,391	142,890	136,990	134,724	142,208	134,313
Loans							
Commercial and industrial	180,878	182,017	179,111	172,788	166,968	181,444	161,256
Commercial real estate	35,938	36,110	36,181	35,140	34,467	36,023	34,237
Equipment lease financing	6,364	6,452	6,275	6,202	6,200	6,408	6,150
Consumer	55,070	55,020	54,809	54,563	54,551	55,045	54,757
Residential real estate	46,284	45,927	45,499	44,333	42,604	46,107	41,385
Total loans	324,534	325,526	321,875	313,026	304,790	325,027	297,785
Interest-earning deposits with banks (c)	31,433	34,054	30,395	31,892	39,689	32,736	51,120
Other interest-earning assets	9,215	8,806	9,690	9,560	9,935	9,012	9,677
Total interest-earning assets	506,220	511,777	504,850	491,468	489,138	508,983	492,895
Noninterest-earning assets	49,287	50,555	52,356	55,629	57,740	49,918	56,232
Total assets	$ 555,507	$ 562,332	$ 557,206	$ 547,097	$ 546,878	$ 558,901	$ 549,127
Liabilities and Equity							
Interest-bearing liabilities:							
Interest-bearing deposits							
Money market	$ 63,691	$ 65,753	$ 63,944	$ 60,934	$ 58,019	$ 64,716	$ 60,295
Demand	124,111	124,376	122,501	120,358	119,636	124,243	116,024
Savings	102,415	104,408	102,020	106,761	109,063	103,406	108,799
Time deposits	22,342	20,519	12,982	10,020	10,378	21,436	13,195
Total interest-bearing deposits	312,559	315,056	301,447	298,073	297,096	313,801	298,313
Borrowed funds							
Federal Home Loan Bank borrowings	33,752	32,056	30,640	16,708	6,978	32,909	3,508
Senior debt	20,910	19,679	16,312	14,597	16,172	20,298	17,089
Subordinated debt	5,850	6,100	6,933	7,614	6,998	5,974	6,886
Other	5,180	5,133	5,346	5,342	5,508	5,156	5,515
Total borrowed funds	65,692	62,968	59,231	44,261	35,656	64,337	32,998
Total interest-bearing liabilities	378,251	378,024	360,678	342,334	332,752	378,138	331,311
Noninterest-bearing liabilities and equity:							
Noninterest-bearing deposits	113,178	121,176	133,461	141,167	149,432	117,155	151,567
Accrued expenses and other liabilities	15,063	16,014	17,461	15,699	17,116	15,536	16,245
Equity	49,015	47,118	45,606	47,897	47,578	48,072	50,004
Total liabilities and equity	$ 555,507	$ 562,332	$ 557,206	$ 547,097	$ 546,878	$ 558,901	$ 549,127

(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 $30.6 billion, $33.5 billion, $30.0 billion, $31.5 billion and $39.3 billion for the three months ended June 30, 2023, March 31, 2023, December 31, 2022, September 30, 2022 and June 30, 2022 and $32.0 billion and $50.7 billion for the six months ended June 30, 2023 and June 30,2022, respectively.

Table 4: Details of Net Interest Margin (Unaudited)

	Three months ended					*Six months ended*	
	June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022	June 30 2023	June 30 2022
Average yields/rates (a)							
Yield on interest-earning assets							
Investment securities							
Securities available for sale							
Residential mortgage-backed							
Agency	2.67 %	2.67 %	2.54 %	2.36 %	2.17 %	2.67 %	1.89 %
Non-agency	9.39 %	8.53 %	7.85 %	7.62 %	7.56 %	8.95 %	7.55 %
Commercial mortgage-backed	2.84 %	2.62 %	2.75 %	2.70 %	2.45 %	2.72 %	2.40 %
Asset-backed	6.56 %	7.04 %	11.98 %	6.31 %	1.84 %	6.67 %	1.49 %
U.S. Treasury and government agencies	2.20 %	2.05 %	1.96 %	1.73 %	1.60 %	2.12 %	1.29 %
Other	2.55 %	2.47 %	2.39 %	2.47 %	2.59 %	2.51 %	2.67 %
Total securities available for sale	2.73 %	2.64 %	2.52 %	2.33 %	2.13 %	2.69 %	1.79 %
Securities held to maturity							
Residential mortgage-backed	2.72 %	2.74 %	2.60 %	2.30 %	1.98 %	2.73 %	1.96 %
Commercial mortgage-backed	5.35 %	4.95 %	4.57 %	3.50 %	2.30 %	5.15 %	2.29 %
Asset-backed	4.10 %	3.97 %	3.44 %	2.58 %	1.92 %	4.03 %	1.91 %
U.S. Treasury and government agencies	1.34 %	1.33 %	1.30 %	1.19 %	1.05 %	1.33 %	1.09 %
Other	4.65 %	4.62 %	4.47 %	4.10 %	4.21 %	4.63 %	4.19 %
Total securities held to maturity	2.41 %	2.41 %	2.27 %	1.96 %	1.65 %	2.41 %	1.67 %
Total investment securities	2.52 %	2.49 %	2.36 %	2.10 %	1.89 %	2.50 %	1.76 %
Loans							
Commercial and industrial	5.70 %	5.34 %	4.70 %	3.69 %	2.90 %	5.52 %	2.83 %
Commercial real estate	6.37 %	6.02 %	5.28 %	4.27 %	3.15 %	6.19 %	3.01 %
Equipment lease financing	4.51 %	4.28 %	4.18 %	3.85 %	3.62 %	4.40 %	3.68 %
Consumer	6.57 %	6.34 %	5.88 %	5.32 %	4.68 %	6.46 %	4.68 %
Residential real estate	3.41 %	3.35 %	3.28 %	3.21 %	3.11 %	3.38 %	3.07 %
Total loans	5.57 %	5.29 %	4.75 %	3.98 %	3.29 %	5.43 %	3.24 %
Interest-earning deposits with banks	5.10 %	4.58 %	3.76 %	2.32 %	0.79 %	4.83 %	0.42 %
Other interest-earning assets	5.96 %	5.75 %	5.20 %	3.94 %	2.76 %	5.86 %	2.42 %
Total yield on interest-earning assets	4.70 %	4.46 %	4.02 %	3.35 %	2.69 %	4.58 %	2.53 %
Rate on interest-bearing liabilities							
Interest-bearing deposits							
Money market	2.79 %	2.40 %	1.75 %	0.85 %	0.19 %	2.59 %	0.10 %
Demand	1.89 %	1.58 %	1.14 %	0.59 %	0.15 %	1.74 %	0.09 %
Savings	1.26 %	1.03 %	0.50 %	0.09 %	0.04 %	1.14 %	0.04 %
Time deposits	3.26 %	3.00 %	1.45 %	0.26 %	0.18 %	3.14 %	0.15 %
Total interest-bearing deposits	1.96 %	1.66 %	1.07 %	0.45 %	0.12 %	1.81 %	0.08 %
Borrowed funds							
Federal Home Loan Bank borrowings	5.28 %	4.80 %	3.92 %	2.60 %	1.24 %	5.04 %	1.24 %
Senior debt	5.91 %	5.39 %	4.30 %	2.96 %	1.61 %	5.66 %	1.30 %
Subordinated debt	6.19 %	5.69 %	4.79 %	3.43 %	1.94 %	5.94 %	1.68 %
Other	3.79 %	3.70 %	3.24 %	2.20 %	1.46 %	3.74 %	1.22 %
Total borrowed funds	5.44 %	4.98 %	4.07 %	2.81 %	1.58 %	5.22 %	1.36 %
Total rate on interest-bearing liabilities	2.56 %	2.20 %	1.55 %	0.75 %	0.27 %	2.38 %	0.20 %
Interest rate spread	2.14 %	2.26 %	2.47 %	2.60 %	2.42 %	2.20 %	2.33 %
Benefit from use of noninterest-bearing sources (b)	0.65 %	0.58 %	0.45 %	0.22 %	0.08 %	0.61 %	0.06 %
Net interest margin	2.79 %	2.84 %	2.92 %	2.82 %	2.50 %	2.81 %	2.39 %

(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 June 30, 2023, March 31, 2023, December 31, 2022, September 30, 2022 and June 30, 2022 were \$37 million, \$38 million, \$36 million, \$29 million and \$25 million, respectively. The taxable-equivalent adjustments to net interest income for the six months ended June 30, 2023 and June 30, 2022 were \$75 million and \$47 million, respectively.

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

Table 5: Details of Loans (Unaudited)

In millions	June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022
Commercial					
Commercial and industrial					
Manufacturing	$ 30,586	$ 32,132	$ 30,845	$ 28,629	$ 27,179
Retail/wholesale trade	28,751	29,172	29,176	27,532	26,475
Service providers	22,277	23,186	23,548	22,043	21,184
Financial services	21,823	22,534	21,320	21,590	19,594
Real estate related (a)	17,200	17,548	17,780	17,513	16,179
Technology, media & telecommunications	11,158	11,338	11,845	11,366	16,249
Health care	10,186	10,537	10,649	10,420	10,153
Transportation and warehousing	8,048	7,824	7,858	7,977	7,604
Other industries	27,600	28,726	29,198	26,743	27,214
Total commercial and industrial	177,629	182,997	182,219	173,813	171,831
Commercial real estate	35,928	35,991	36,316	35,592	34,452
Equipment lease financing	6,400	6,424	6,514	6,192	6,240
Total commercial	219,957	225,412	225,049	215,597	212,523
Consumer					
Residential real estate	46,834	46,067	45,889	45,057	43,717
Home equity	26,200	26,203	25,983	25,367	24,693
Automobile	15,065	14,923	14,836	15,025	15,323
Credit card	7,092	6,961	7,069	6,774	6,650
Education	2,058	2,131	2,173	2,287	2,332
Other consumer	4,555	4,778	5,026	5,293	5,562
Total consumer	101,804	101,063	100,976	99,803	98,277
Total loans	$ 321,761	$ 326,475	$ 326,025	$ 315,400	$ 310,800

(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					Six months ended	
Dollars in millions	June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022	June 30 2023	June 30 2022
Allowance for loan and lease losses							
Beginning balance	$ 4,741	$ 4,741	$ 4,581	$ 4,462	$ 4,558	$ 4,741	$ 4,868
Adoption of ASU 2022-02 (a)		(35)				(35)	
Beginning balance, adjusted	4,741	4,706	4,581	4,462	4,558	4,706	4,868
Gross charge-offs:							
Commercial and industrial	(45)	(104)	(121)	(65)	(30)	(149)	(71)
Commercial real estate	(87)	(12)	(22)	(7)	(5)	(99)	(15)
Equipment lease financing	(3)	(4)	(2)	(1)	(2)	(7)	(3)
Residential real estate	(2)	(3)	(2)	(2)		(5)	(7)
Home equity	(5)	(6)	(6)	(3)	(2)	(11)	(6)
Automobile	(28)	(33)	(34)	(32)	(34)	(61)	(86)
Credit card	(80)	(74)	(62)	(59)	(67)	(154)	(135)
Education	(5)	(4)	(4)	(4)	(4)	(9)	(8)
Other consumer	(38)	(42)	(64)	(49)	(51)	(80)	(115)
Total gross charge-offs	(293)	(282)	(317)	(222)	(195)	(575)	(446)
Recoveries:							
Commercial and industrial	33	20	33	23	15	53	45
Commercial real estate		2	2	1	1	2	2
Equipment lease financing	3	3	1	1	3	6	6
Residential real estate	4	3	2	4	6	7	11
Home equity	13	11	13	19	18	24	39
Automobile	27	24	24	30	39	51	70
Credit card	11	11	8	12	19	22	31
Education	2	2	1	1	2	4	3
Other consumer	6	11	9	12	9	17	19
Total recoveries	99	87	93	103	112	186	226
Net (charge-offs) / recoveries:							
Commercial and industrial	(12)	(84)	(88)	(42)	(15)	(96)	(26)
Commercial real estate	(87)	(10)	(20)	(6)	(4)	(97)	(13)
Equipment lease financing		(1)	(1)		1	(1)	3
Residential real estate	2			2	6	2	4
Home equity	8	5	7	16	16	13	33
Automobile	(1)	(9)	(10)	(2)	5	(10)	(16)
Credit card	(69)	(63)	(54)	(47)	(48)	(132)	(104)
Education	(3)	(2)	(3)	(3)	(2)	(5)	(5)
Other consumer	(32)	(31)	(55)	(37)	(42)	(63)	(96)
Total net (charge-offs)	(194)	(195)	(224)	(119)	(83)	(389)	(220)
Provision for (recapture of) credit losses (b)	189	229	380	241	(10)	418	(182)
Other	1	1	4	(3)	(3)	2	(4)
Ending balance	$ 4,737	$ 4,741	$ 4,741	$ 4,581	$ 4,462	$ 4,737	$ 4,462
Supplemental Information							
Net charge-offs							
Commercial net charge-offs	$ (99)	$ (95)	$ (109)	$ (48)	$ (18)	$ (194)	$ (36)
Consumer net charge-offs	(95)	(100)	(115)	(71)	(65)	(195)	(184)
Total net charge-offs	$ (194)	$ (195)	$ (224)	$ (119)	$ (83)	$ (389)	$ (220)
Net charge-offs to average loans (annualized)	0.24 %	0.24 %	0.28 %	0.15 %	0.11 %	0.24 %	0.15 %
Commercial	0.18 %	0.17 %	0.20 %	0.09 %	0.03 %	0.17 %	0.04 %
Consumer	0.38 %	0.40 %	0.45 %	0.28 %	0.27 %	0.39 %	0.39 %

(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 . Our first quarter 2023 Form 10-Q included, and our second 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					Six months ended	
In millions	June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022	June 30 2023	June 30 2022
Provision for (recapture of) credit losses							
Loans and leases	$ 189	$ 229	$ 380	$ 241	$ (10)	$ 418	$ (182)
Unfunded lending related commitments	(9)	(22)	12	1	42	(31)	19
Investment securities		(1)	10	3	3	(1)	4
Other financial assets	(34)	29	6	(4)	1	(5)	(13)
Total provision for (recapture of) credit losses	$ 146	$ 235	$ 408	$ 241	$ 36	$ 381	$ (172)

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

	June 30, 2023			March 31, 2023			June 30, 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	$ 1,836	$ 177,629	1.03 %	$ 1,771	$ 182,997	0.97 %	$ 1,853	$ 171,831	1.08 %
Commercial real estate	1,206	35,928	3.36 %	1,171	35,991	3.25 %	993	34,452	2.88 %
Equipment lease financing	100	6,400	1.56 %	104	6,424	1.62 %	91	6,240	1.46 %
Total commercial	3,142	219,957	1.43 %	3,046	225,412	1.35 %	2,937	212,523	1.38 %
Consumer									
Residential real estate	72	46,834	0.15 %	95	46,067	0.21 %	36	43,717	0.08 %
Home equity	294	26,200	1.12 %	316	26,203	1.21 %	190	24,693	0.77 %
Automobile	188	15,065	1.25 %	199	14,923	1.33 %	254	15,323	1.66 %
Credit card	765	7,092	10.79 %	782	6,961	11.23 %	715	6,650	10.75 %
Education	61	2,058	2.96 %	64	2,131	3.00 %	63	2,332	2.70 %
Other consumer	215	4,555	4.72 %	239	4,778	5.00 %	267	5,562	4.80 %
Total consumer	1,595	101,804	1.57 %	1,695	101,063	1.68 %	1,525	98,277	1.55 %
Total	4,737	$ 321,761	1.47 %	4,741	$ 326,475	1.45 %	4,462	$ 310,800	1.44 %
Allowance for unfunded lending related commitments	663			672			681		
Allowance for credit losses	$ 5,400			$ 5,413			$ 5,143		
Supplemental Information									
Allowance for credit losses to total loans			1.68 %			1.66 %			1.65 %
Commercial			1.68 %			1.60 %			1.68 %
Consumer			1.67 %			1.79 %			1.60 %

(a) Excludes allowances for investment securities and other financial assets, which together totaled $171 million, $205 million and $163 million at June 30, 2023, March 31, 2023 and June 30, 2022, respectively.

Details of Nonperforming Assets (Unaudited)

Table 9: Nonperforming Assets by Type

Dollars in millions	June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022
Nonperforming loans (a)					
Commercial					
Commercial and industrial					
Service providers	$ 114	$ 128	$ 174	$ 223	$ 151
Health care	60	57	50	45	54
Technology, media & telecommunications	55	22	20	20	21
Manufacturing	50	105	85	88	101
Real estate related (b)	42	43	50	47	59
Retail/wholesale trade	41	82	151	158	87
Transportation and warehousing	33	24	27	29	30
Other industries	75	87	106	138	146
Total commercial and industrial	470	548	663	748	649
Commercial real estate	350	337	189	148	161
Equipment lease financing	7	6	6	7	5
Total commercial	827	891	858	903	815
Consumer (c)					
Residential real estate	429	432	424	429	457
Home equity	506	523	526	530	556
Automobile	133	145	155	167	175
Credit card	10	9	8	6	6
Other consumer	8	10	14	33	37
Total consumer	1,086	1,119	1,127	1,165	1,231
Total nonperforming loans (d)	1,913	2,010	1,985	2,068	2,046
OREO and foreclosed assets	36	38	34	33	29
Total nonperforming assets	$ 1,949	$ 2,048	$ 2,019	$ 2,101	$ 2,075
Nonperforming loans to total loans	0.59 %	0.62 %	0.61 %	0.66 %	0.66 %
Nonperforming assets to total loans, OREO and foreclosed assets	0.61 %	0.63 %	0.62 %	0.67 %	0.67 %
Nonperforming assets to total assets	0.35 %	0.36 %	0.36 %	0.38 %	0.38 %
Allowance for loan and lease losses to nonperforming loans	248 %	236 %	239 %	222 %	218 %

(a) In connection with the adoption of ASU 2022-02 *Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures,* nonperforming loan amounts after January 1, 2023 include certain loans whose terms were modified as a result of a borrower's financial difficulty. Prior year amounts included nonperforming TDRs, for which accounting guidance was eliminated effective January 1, 2023. Our first quarter 2023 Form 10-Q included, and our second 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	April 1, 2023 - June 30, 2023	January 1, 2023 - March 31, 2023	October 1, 2022 - December 31, 2022	July 1, 2022 - September 30, 2022	April 1, 2022 - June 30, 2022
Beginning balance	$ 2,048	$ 2,019	$ 2,101	$ 2,075	$ 2,324
New nonperforming assets	410	452	346	438	393
Charge-offs and valuation adjustments	(135)	(122)	(174)	(79)	(55)
Principal activity, including paydowns and payoffs	(297)	(172)	(139)	(182)	(273)
Asset sales and transfers to loans held for sale	(12)	(46)	(22)	(3)	(6)
Returned to performing status	(65)	(83)	(93)	(148)	(308)
Ending balance	$ 1,949	$ 2,048	$ 2,019	$ 2,101	$ 2,075

Accruing Loans Past Due (Unaudited)

Under the CARES Act credit reporting rules, certain loans modified due to pandemic 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. The CARES Act credit reporting rules expire in the third quarter of 2023.

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

Dollars in millions	June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022
Commercial					
Commercial and industrial	$ 64	$ 119	$ 169	$ 321	$ 99
Commercial real estate	10	25	19	11	28
Equipment lease financing	14	33	20	6	7
Total commercial	88	177	208	338	134
Consumer					
Residential real estate					
Non government insured	151	167	190	223	230
Government insured	77	78	91	75	68
Home equity	56	48	53	46	43
Automobile	84	79	106	96	102
Credit card	49	48	50	44	37
Education					
Non government insured	5	6	5	6	5
Government insured	28	29	29	30	39
Other consumer	17	13	15	21	38
Total consumer	467	468	539	541	562
Total	$ 555	$ 645	$ 747	$ 879	$ 696
Supplemental Information					
Total accruing loans past due 30-59 days to total loans	0.17 %	0.20 %	0.23 %	0.28 %	0.22 %
Commercial	0.04 %	0.08 %	0.09 %	0.16 %	0.06 %
Consumer	0.46 %	0.46 %	0.53 %	0.54 %	0.57 %

(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	June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022
Commercial					
Commercial and industrial	$ 47	$ 21	$ 27	$ 55	$ 128
Commercial real estate		1	4	4	11
Equipment lease financing	5	5	4	6	4
Total commercial	52	27	35	65	143
Consumer					
Residential real estate					
Non government insured	36	43	54	49	53
Government insured	50	55	58	46	42
Home equity	18	18	20	16	14
Automobile	20	18	25	21	24
Credit card	36	35	35	30	25
Education					
Non government insured	2	4	2	4	2
Government insured	15	17	20	22	21
Other consumer	9	8	12	15	21
Total consumer	186	198	226	203	202
Total	$ 238	$ 225	$ 261	$ 268	$ 345
Supplemental Information					
Total accruing loans past due 60-89 days to total loans	0.07 %	0.07 %	0.08 %	0.08 %	0.11 %
Commercial	0.02 %	0.01 %	0.02 %	0.03 %	0.07 %
Consumer	0.18 %	0.20 %	0.22 %	0.20 %	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	June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022
Commercial					
Commercial and industrial	$ 112	$ 134	$ 137	$ 139	$ 138
Commercial real estate				5	
Total commercial	112	134	137	144	138
Consumer					
Residential real estate					
Non government insured	30	26	32	30	20
Government insured	144	152	167	166	182
Automobile	5	5	7	6	6
Credit card	71	74	70	58	54
Education					
Non government insured	2	2	2	2	2
Government insured	46	54	57	61	56
Other consumer	9	9	10	12	12
Total consumer	307	322	345	335	332
Total	$ 419	$ 456	$ 482	$ 479	$ 470
Supplemental Information					
Total accruing loans past due 90 days or more to total loans	0.13 %	0.14 %	0.15 %	0.15 %	0.15 %
Commercial	0.05 %	0.06 %	0.06 %	0.07 %	0.06 %
Consumer	0.30 %	0.32 %	0.34 %	0.34 %	0.34 %
Total accruing loans past due	$ 1,212	$ 1,326	$ 1,490	$ 1,626	$ 1,511
Commercial	$ 252	$ 338	$ 380	$ 547	$ 415
Consumer	$ 960	$ 988	$ 1,110	$ 1,079	$ 1,096
Total accruing loans past due to total loans	0.38 %	0.41 %	0.46 %	0.52 %	0.49 %
Commercial	0.11 %	0.15 %	0.17 %	0.25 %	0.20 %
Consumer	0.94 %	0.98 %	1.10 %	1.08 %	1.12 %

(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 who are serviced through our coast-to-coast branch network, digital channels, ATMs, or through our phone-based customer contact centers. Deposit products include checking, savings and money market accounts and time deposits. 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

	June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022
Full-time employees					
Retail Banking	30,446	31,583	32,467	33,288	33,565
Other full-time employees	27,785	27,874	27,427	26,328	25,390
Total full-time employees	58,231	59,457	59,894	59,616	58,955
Part-time employees					
Retail Banking	1,567	1,537	1,577	1,520	1,712
Other part-time employees	503	79	74	77	460
Total part-time employees	2,070	1,616	1,651	1,597	2,172
Total	60,301	61,073	61,545	61,213	61,127

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

	Three months ended					Six months ended	
In millions	June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022	June 30 2023	June 30 2022
Net Income							
Retail Banking	$ 954	$ 647	$ 752	$ 560	$ 322	$ 1,601	$ 662
Corporate & Institutional Banking	817	1,059	982	929	1,003	1,876	1,959
Asset Management Group	63	52	52	90	86	115	188
Other	(351)	(81)	(258)	45	70	(432)	80
Net income excluding noncontrolling interests	$ 1,483	$ 1,677	$ 1,528	$ 1,624	$ 1,481	$ 3,160	$ 2,889
Revenue							
Retail Banking	$ 3,150	$ 3,024	$ 3,079	$ 2,742	$ 2,410	$ 6,174	$ 4,686
Corporate & Institutional Banking	2,202	2,300	2,451	2,255	2,221	4,502	4,185
Asset Management Group	353	357	375	396	387	710	773
Other	(412)	(78)	(142)	156	98	(490)	164
Total revenue	$ 5,293	$ 5,603	$ 5,763	$ 5,549	$ 5,116	$ 10,896	$ 9,808

(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					Six months ended	
Dollars in millions	June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022	June 30 2023	June 30 2022
Income Statement							
Net interest income	$ 2,448	$ 2,281	$ 2,330	$ 2,017	$ 1,662	$ 4,729	$ 3,193
Noninterest income	702	743	749	725	748	1,445	1,493
Total revenue	3,150	3,024	3,079	2,742	2,410	6,174	4,686
Provision for (recapture of) credit losses	(14)	238	193	92	55	224	(26)
Noninterest expense	1,904	1,927	1,892	1,901	1,913	3,831	3,805
Pretax earnings	1,260	859	994	749	442	2,119	907
Income taxes	295	202	232	175	105	497	214
Noncontrolling interests	11	10	10	14	15	21	31
Earnings	$ 954	$ 647	$ 752	$ 560	$ 322	$ 1,601	$ 662
Average Balance Sheet							
Loans held for sale	$ 614	$ 542	$ 737	$ 837	$ 957	$ 578	$ 1,070
Loans							
Consumer							
Residential real estate	$ 35,150	$ 35,421	$ 35,286	$ 34,465	$ 33,240	$ 35,285	$ 32,389
Home equity	24,663	24,571	24,126	23,393	22,886	24,617	22,673
Automobile	15,005	14,918	14,793	15,088	15,566	14,962	15,918
Credit card	7,015	6,904	6,882	6,684	6,508	6,960	6,455
Education	2,115	2,188	2,257	2,327	2,410	2,151	2,470
Other consumer	1,929	1,990	2,049	2,092	2,173	1,959	2,261
Total consumer	85,877	85,992	85,393	84,049	82,783	85,934	82,166
Commercial	11,708	11,438	11,181	10,881	11,044	11,574	11,325
Total loans	$ 97,585	$ 97,430	$ 96,574	$ 94,930	$ 93,827	$ 97,508	$ 93,491
Total assets	$ 114,826	$ 115,384	$ 115,827	$ 114,619	$ 113,068	$ 115,103	$ 112,415
Deposits							
Noninterest-bearing	$ 59,464	$ 60,801	$ 64,031	$ 65,405	$ 65,599	$ 60,129	$ 64,833
Interest-bearing	197,854	201,720	195,743	198,956	202,801	199,776	201,916
Total deposits	$ 257,318	$ 262,521	$ 259,774	$ 264,361	$ 268,400	$ 259,905	$ 266,749
Performance Ratios							
Return on average assets	3.33 %	2.27 %	2.58 %	1.94 %	1.14 %	2.80 %	1.19 %
Noninterest income to total revenue	22 %	25 %	24 %	26 %	31 %	23 %	32 %
Efficiency	60 %	64 %	61 %	69 %	79 %	62 %	81 %

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

Retail Banking (Unaudited) (Continued)

Dollars in millions, except as noted	Three months ended June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022	Six months ended June 30 2023	June 30 2022
Supplemental Noninterest Income Information							
Asset management and brokerage	$ 123	$ 131	$ 128	$ 131	$ 135	$ 254	$ 269
Card and cash management	$ 344	$ 324	$ 335	$ 344	$ 351	$ 668	$ 659
Lending and deposit services	$ 176	$ 181	$ 172	$ 167	$ 167	$ 357	$ 331
Residential and commercial mortgage	$ 75	$ 104	$ 111	$ 38	$ 71	$ 179	$ 170
Residential Mortgage Information							
Residential mortgage servicing statistics (in billions, except as noted) (a)							
Serviced portfolio balance (b)	$ 191	$ 188	$ 190	$ 170	$ 145		
Serviced portfolio acquisitions	$ 7	$ 2	$ 24	$ 29	$ 15	$ 9	$ 21
MSR asset value (b)	$ 2.3	$ 2.2	$ 2.3	$ 2.1	$ 1.6		
MSR capitalization value (in basis points) (b)	123	119	122	122	112		
Servicing income: (in millions)							
Servicing fees, net (c)	$ 67	$ 78	$ 73	$ 50	$ 36	$ 145	$ 69
Mortgage servicing rights valuation net of economic hedge	$ (9)	$ 14	$ 24	$ (30)	$ 13	$ 5	$ 15
Residential mortgage loan statistics							
Loan origination volume (in billions)	$ 2.4	$ 1.4	$ 2.1	$ 3.1	$ 4.8	$ 3.8	$ 9.9
Loan sale margin percentage	2.23 %	2.26 %	2.20 %	1.97 %	1.88 %	2.24 %	2.18 %
Percentage of originations represented by:							
Purchase volume (d)	90 %	84 %	88 %	85 %	74 %	88 %	57 %
Refinance volume	10 %	16 %	12 %	15 %	26 %	12 %	43 %
Other Information (b)							
Customer-related statistics (average)							
Non-teller deposit transactions (e)	65 %	65 %	65 %	65 %	64 %	65 %	64 %
Digital consumer customers (f)	72 %	75 %	76 %	78 %	78 %	74 %	78 %
Credit-related statistics							
Nonperforming assets	$ 981	$ 1,009	$ 1,003	$ 1,027	$ 1,088		
Net charge-offs - loans and leases	$ 109	$ 112	$ 108	$ 98	$ 88	$ 221	$ 229
Other statistics							
ATMs	8,566	8,697	8,933	9,169	9,301		
Branches (g)	2,361	2,450	2,518	2,527	2,535		
Brokerage account client assets (in billions) (h)	$ 75	$ 73	$ 70	$ 67	$ 68		

(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 and six 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					Six months ended	
Dollars in millions	June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022	June 30 2023	June 30 2022
Income Statement							
Net interest income	$ 1,381	$ 1,414	$ 1,489	$ 1,368	$ 1,253	$ 2,795	$ 2,413
Noninterest income	821	886	962	887	968	1,707	1,772
Total revenue	2,202	2,300	2,451	2,255	2,221	4,502	4,185
Provision for (recapture of) credit losses	209	(28)	183	150	(17)	181	(135)
Noninterest expense	921	939	990	890	934	1,860	1,771
Pretax earnings	1,072	1,389	1,278	1,215	1,304	2,461	2,549
Income taxes	250	325	291	281	298	575	583
Noncontrolling interests	5	5	5	5	3	10	7
Earnings	$ 817	$ 1,059	$ 982	$ 929	$ 1,003	$ 1,876	$ 1,959
Average Balance Sheet							
Loans held for sale	$ 440	$ 456	$ 337	$ 449	$ 490	$ 448	$ 559
Loans							
Commercial							
Commercial and industrial	$ 167,357	$ 168,874	$ 166,176	$ 160,140	$ 153,948	$ 168,110	$ 147,819
Commercial real estate	34,410	34,605	34,663	33,525	32,844	34,507	32,640
Equipment lease financing	6,364	6,451	6,274	6,202	6,201	6,408	6,150
Total commercial	208,131	209,930	207,113	199,867	192,993	209,025	186,609
Consumer	5	7	8	7	14	7	11
Total loans	$ 208,136	$ 209,937	$ 207,121	$ 199,874	$ 193,007	$ 209,032	$ 186,620
Total assets	$ 234,174	$ 234,536	$ 234,120	$ 224,984	$ 219,513	$ 234,354	$ 210,171
Deposits							
Noninterest-bearing	$ 51,948	$ 58,529	$ 67,340	$ 73,523	$ 81,028	$ 55,221	$ 83,589
Interest-bearing	89,068	86,832	79,916	71,925	65,151	87,956	66,780
Total deposits	$ 141,016	$ 145,361	$ 147,256	$ 145,448	$ 146,179	$ 143,177	$ 150,369
Performance Ratios							
Return on average assets	1.40 %	1.83 %	1.66 %	1.64 %	1.83 %	1.61 %	1.88 %
Noninterest income to total revenue	37 %	39 %	39 %	39 %	44 %	38 %	42 %
Efficiency	42 %	41 %	40 %	39 %	42 %	41 %	42 %
Other Information							
Consolidated revenue from:							
Treasury Management (b)	$ 778	$ 785	$ 843	$ 753	$ 659	$ 1,563	$ 1,205
Commercial mortgage banking activities:							
Commercial mortgage loans held for sale (c)	$ 13	$ 27	$ 15	$ 26	$ 20	$ 40	$ 36
Commercial mortgage loan servicing income (d)	44	39	52	66	70	83	138
Commercial mortgage servicing rights valuation, net of economic hedge	4	41	39	53	33	45	46
Total	$ 61	$ 107	$ 106	$ 145	$ 123	$ 168	$ 220
Commercial mortgage servicing statistics							
Serviced portfolio balance (in billions) (e)	$ 280	$ 281	$ 281	$ 282	$ 282		
MSR asset value (e)	$ 1,106	$ 1,061	$ 1,113	$ 1,132	$ 988		
Average loans by C&IB business (f)							
Corporate Banking	$ 117,259	$ 119,602	$ 115,126	$ 110,665	$ 104,721	$ 118,424	$ 99,187
Real Estate	47,692	47,297	48,031	45,837	44,202	47,495	43,710
Business Credit	30,613	30,180	30,087	28,930	28,246	30,398	27,395
Commercial Banking	8,225	8,430	8,683	9,008	9,459	8,327	9,751
Other	4,347	4,428	5,194	5,434	6,379	4,388	6,577
Total average loans	$ 208,136	$ 209,937	$ 207,121	$ 199,874	$ 193,007	$ 209,032	$ 186,620
Credit-related statistics							
Nonperforming assets (e)	$ 738	$ 801	$ 761	$ 779	$ 674		
Net charge-offs - loans and leases	$ 93	$ 85	$ 100	$ 33	$ 11	$ 178	$ 10

(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.
(f) As the result of a business realignment within C&IB during the second quarter of 2023, certain loans were reclassified from Other to Corporate Banking in the prior periods to conform to the current period presentation.

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

	Three months ended					Six months ended	
Dollars in millions, except as noted	June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022	June 30 2023	June 30 2022
Income Statement							
Net interest income	$ 125	$ 127	$ 152	$ 165	$ 153	$ 252	$ 291
Noninterest income	228	230	223	231	234	458	482
Total revenue	353	357	375	396	387	710	773
Provision for (recapture of) credit losses	(10)	9	17	4	5	(1)	7
Noninterest expense	280	280	291	274	270	560	521
Pretax earnings	83	68	67	118	112	151	245
Income taxes	20	16	15	28	26	36	57
Earnings	$ 63	$ 52	$ 52	$ 90	$ 86	$ 115	$ 188
Average Balance Sheet							
Loans							
Consumer							
Residential real estate	$ 9,855	$ 9,174	$ 8,835	$ 8,430	$ 7,835	$ 9,517	$ 7,414
Other consumer	4,065	4,156	4,388	4,640	4,633	4,110	4,587
Total consumer	13,920	13,330	13,223	13,070	12,468	13,627	12,001
Commercial	1,229	1,246	1,291	1,328	1,560	1,237	1,704
Total loans	$ 15,149	$ 14,576	$ 14,514	$ 14,398	$ 14,028	$ 14,864	$ 13,705
Total assets	$ 15,562	$ 14,997	$ 14,935	$ 14,820	$ 14,449	$ 15,282	$ 14,126
Deposits							
Noninterest-bearing	$ 1,787	$ 1,846	$ 2,107	$ 2,286	$ 2,824	$ 1,817	$ 3,140
Interest-bearing	25,482	26,337	25,651	27,054	28,839	25,907	29,331
Total deposits	$ 27,269	$ 28,183	$ 27,758	$ 29,340	$ 31,663	$ 27,724	$ 32,471
Performance Ratios							
Return on average assets	1.62 %	1.41 %	1.38 %	2.41 %	2.39 %	1.52 %	2.68 %
Noninterest income to total revenue	65 %	64 %	59 %	58 %	60 %	65 %	62 %
Efficiency	79 %	78 %	78 %	69 %	70 %	79 %	67 %
Other Information							
Nonperforming assets (b)	$ 41	$ 42	$ 56	$ 95	$ 114		
Net charge-offs (recoveries) - loans and leases	$ (2)		$ 18	$ (2)	$ (1)	$ (2)	$ 1
Brokerage account client assets (in billions) (b)	$ 5	$ 4	$ 4	$ 4	$ 4		
Client Assets Under Administration (in billions) (b) (c)							
Discretionary client assets under management	$ 176	$ 177	$ 173	$ 166	$ 167		
Nondiscretionary client assets under administration	168	156	152	148	153		
Total	$ 344	$ 333	$ 325	$ 314	$ 320		
Discretionary client assets under management							
PNC Private Bank	$ 111	$ 108	$ 105	$ 99	$ 103		
Institutional Asset Management	65	69	68	67	64		
Total	$ 176	$ 177	$ 173	$ 166	$ 167		

(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.