

Annual Meeting of Shareholders

April 28, 2020

The PNC Financial Services Group



Agenda



- **Call Meeting to Order**

William S. Demchak, Chairman, President and Chief Executive Officer

- **Welcome and Introductions**

William S. Demchak, Chairman, President and Chief Executive Officer

- **Corporate Secretary's Report**

Alicia G. Powell, Corporate Secretary

- **Matters to be Acted Upon**

1. Election of 12 Nominated Directors

2. Ratification of the Audit Committee's selection of PricewaterhouseCoopers LLP as PNC's independent registered public accounting firm for 2020

3. Advisory vote to approve named executive officer compensation

4. Approval of the PNC Employee Stock Purchase Plan, as amended and restated effective January 1, 2020

- **Questions and Answers Related to the Proposals**

- **Closing of the Polls**

- **Preliminary Report of Judge of Election**

Alicia G. Powell, Corporate Secretary

- **Vote Declaration and Adjournment**

William S. Demchak, Chairman, President and Chief Executive Officer

- **Remarks of the Chairman, President and Chief Executive Officer**

William S. Demchak, Chairman, President and Chief Executive Officer

- **General Question and Answer Session**

PNC Board of Directors



**Joseph
Alvarado**



**Charles E.
Bunch**



**Debra A.
Cafaro**



**Marjorie
Rodgers
Cheshire**



**William S.
Demchak**



**Andrew T.
Feldstein**



**Richard J.
Harshman**



**Daniel R.
Hesse**



**Linda R.
Medler**



**Martin
Pfinstraff**



**Toni
Townes-Whitley**



**Michael J.
Ward**

PNC Participants



**Chairman, President and
Chief Executive Officer**



**General Counsel and
Chief Administrative Officer**



**Corporate Secretary and Deputy General
Counsel of Corporate Governance**

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



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

This presentation may contain forward-looking statements regarding our outlook for earnings, revenues, expenses, tax rates, capital and liquidity levels and ratios, asset levels, asset quality, financial position, and other matters regarding or affecting PNC and its future business and operations. Forward-looking statements are necessarily subject to numerous assumptions, risks and uncertainties, which change over time. The forward-looking statements in this presentation are qualified by the factors affecting forward-looking statements identified in the more detailed Cautionary Statement included in the Appendix. We provide greater detail regarding these as well as other factors in our 2019 Form 10-K and in our subsequent SEC filings. In particular, our forward-looking statements are subject to risks and uncertainties related to the COVID-19 pandemic and the resulting governmental and societal responses. Our forward-looking statements may also be subject to risks and uncertainties including those we may discuss in this presentation or in our SEC filings. Future events or circumstances may change our outlook and may also affect the nature of the assumptions, risks and uncertainties to which our forward-looking statements are subject. Forward-looking statements in this presentation speak only as of the date of this presentation. We do not assume any duty and do not undertake to update those statements. Actual results or future events could differ, possibly materially, from those anticipated in forward-looking statements, as well as from historical performance. As a result, we caution against placing undue reliance on any forward-looking statements.

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

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

2019 Highlights



- Delivered a successful year
 - Diluted EPS increased 6%
 - Total revenue up 4%
 - Generated positive operating leverage and improved efficiency
 - Grew a strong, well positioned balance sheet
 - Maintained strong credit quality
- Returned significant capital to shareholders
- Continued to invest in our strategic priorities to create long-term shareholder value

Net Income
\$5.4 billion

Diluted Earnings Per Share
\$11.39

Average Loan Growth
5.3%

Operating Leverage
1.4%

Efficiency Ratio
59%

First Quarter 2020 Highlights



- Entered a challenging environment with strong capital and liquidity
- Supporting clients, employees, communities
- Good quarter with solid financial results despite the declining economic conditions
- Grew a strong, well positioned balance sheet
- Implemented the new CECL accounting standard, resulting in a material impact to loan loss provision

Net Income
\$915 million

Diluted Earnings Per Share
\$1.95

Average Loan Growth
2.0%

Operating Leverage
5.9%

Efficiency Ratio
56%

Priority: Supporting Clients, Employees, Communities



Clients

Supporting the Needs of our Customers

- Paycheck Protection Program: Helping thousands of business customers apply for emergency relief loans
- Continuing to provide liquidity to corporate clients
- Grace periods for mortgage payments and consumer loans, with no late fees
- Temporarily halted new foreclosures, evictions, repossessions; waiving certain fees



Employees

Ensuring Health and Safety of our Team Members

- Implemented a work-from-home strategy for employees whose jobs can be performed remotely
- Adjusted branch hours and temporarily closed some locations, with many operating in drive-thru only mode
- Two-week, split-team rotations for frontline and operations employees, with compensation while not on site and additional pay in monthly lump sums
- Offered two weeks paid time off for child or elder care for eligible employees



Communities

Helping the Communities we Serve

- Providing over \$30 million in charitable support of coronavirus relief efforts
- Directing funds primarily toward basic needs and hardship relief programs across PNC's markets
- Implementing an employee matching gift program in support of the coronavirus relief efforts

Providing Relief to Customers



Paycheck Protection Program (PPP)

- Began receiving PPP applications on April 3
- Original \$349 billion PPP (fully allocated on April 16):

Over 21,000

Applications Registered

~ \$9.6 billion

Loans Registered With The SBA

To Businesses With More Than

600,000

Employees

(estimated)

- Working to submit ~55,000 small business customer applications to the SBA for registration on April 27

Loan Modifications to Borrowers

- Granting extensions, deferrals, and forbearance
- YTD we have completed loan modification requests, primarily due to COVID-19, of:

~156,000

Total Consumer Accounts Modified

(including ~31,000 investor owned)

~\$9.3 billion

Total Consumer Loans Modified

(including \$5.6 billion investor owned)

Additional Customer Relief Programs

- Providing personal emergency loans of up to \$5,000
- Expect fee waivers to continue in coming weeks

\$2.6 million

Approved Emergency

Personal Loans YTD

\$8.1 million

Deposit Fees Waived Due

To COVID-19 Impacts

– YTD – Year-to-date as of April 23.

– SBA – Small Business Administration.

– Modified loans include investor owned mortgages where PNC is the servicer; Excludes student loans.

Appendix: Cautionary Statement Regarding Forward-Looking Information



This presentation includes “snapshot” information about PNC used by way of illustration and is not intended as a full business or financial review. It should not be viewed in isolation but rather in the context of all of the information made available by PNC in its SEC filings.

We also make statements in this presentation, and we may from time to time make other statements, regarding our outlook for earnings, revenues, expenses, tax rates, capital and liquidity levels and ratios, asset levels, asset quality, financial position, and other matters regarding or affecting PNC and its future business and operations that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are typically identified by words such as “believe,” “plan,” “expect,” “anticipate,” “see,” “look,” “intend,” “outlook,” “project,” “forecast,” “estimate,” “goal,” “will,” “should” and other similar words and expressions.

Forward-looking statements are necessarily subject to numerous assumptions, risks and uncertainties, which change over time. Future events or circumstances may change our outlook and may also affect the nature of the assumptions, risks and uncertainties to which our forward-looking statements are subject. Forward-looking statements speak only as of the date made. We do not assume any duty and do not undertake to update forward-looking statements. Actual results or future events could differ, possibly materially, from those anticipated in forward-looking statements, as well as from historical performance. As a result, we caution against placing undue reliance on any forward-looking statements.

Our forward-looking statements are subject to the following principal risks and uncertainties.

- Our businesses, financial results and balance sheet values are affected by business and economic conditions, including the following:
 - Changes in interest rates and valuations in debt, equity and other financial markets.
 - Disruptions in the U.S. and global financial markets.
 - Actions by the Federal Reserve Board, U.S. Treasury and other government agencies, including those that impact money supply and market interest rates.
 - Changes in customer behavior due to changing business and economic conditions or legislative or regulatory initiatives.
 - Changes in customers’, suppliers’ and other counterparties’ performance and creditworthiness.
 - Impacts of tariffs and other trade policies of the U.S. and its global trading partners.
 - The length and extent of economic contraction as a result of the COVID-19 pandemic.
 - Commodity price volatility.
- Our forward-looking financial statements are subject to the risk that economic and financial market conditions will be substantially different than those we are currently expecting and do not take into account potential legal and regulatory contingencies. These statements are based on our view that:
 - PNC’s baseline economic forecast is for a severe but short recession in the first half of 2020. Restrictions on movement because of the COVID-19 pandemic have led to a substantial drop in consumer spending and a steep drop in output as many businesses are closed or operating at significantly reduced levels, and many workers are unable to get to their jobs. PNC expects a significant contraction in U.S. real GDP and steep job losses over the next few months and a large increase in the unemployment rate through mid-2020.

Appendix: Cautionary Statement Regarding Forward-Looking Information



- In the baseline forecast economic growth resumes in the third quarter as businesses re-open and consumers start to spend again. Fiscal stimulus and extremely low interest rates support the recovery. Real GDP surpasses its pre-recession peak in the second half of 2021, and growth is well above its long-term trend through 2022.
- The baseline forecast assumes that the Federal Open Market Committee keeps the fed funds rate in its current range of 0.00 to 0.25 percent into 2023.
- Given the many unknowns and risks being heavily weighted to the downside, our forward-looking statements are subject to the risk that conditions will be substantially different than we are currently expecting. If efforts to contain COVID-19 are unsuccessful and restrictions on movement last into the third quarter or beyond, the recession would be much longer and much more severe. Ineffective fiscal stimulus, or an extended delay in implementing it, are also major downside risks. The deeper the recession is, and the longer it lasts, the more it will damage consumer fundamentals and sentiment. This could both prolong the recession, and/or make any recovery weaker. Similarly, the recession could damage business fundamentals. And an extended global recession due to COVID-19 would weaken the U.S. recovery. As a result, the outbreak and its consequences, including responsive measures to manage it, have had and are likely to continue to have an adverse effect, possibly materially, on our business and financial performance by adversely affecting, possibly materially, the demand and profitability of our products and services, the valuation of assets and our ability to meet the needs of our customers.
- PNC's ability to take certain capital actions, including returning capital to shareholders, is subject to review by the Federal Reserve Board as part of PNC's comprehensive capital plan for the applicable period in connection with the Federal Reserve Board's Comprehensive Capital Analysis and Review (CCAR) process. During the third quarter of 2020, the Federal Reserve's revised capital plan rule permits PNC to make capital distributions in an amount equal to the average quarterly amount that was approved by the Federal Reserve for the 2019 capital plan year (July 1, 2019 through June 30, 2020). Once the Federal Reserve's new stress capital buffer rules become effective on October 1, 2020, our ability to take certain capital actions, including returning capital to shareholders, will be subject to PNC meeting or exceeding a stress capital buffer established by the Federal Reserve Board as part of the annual 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.
- Legal and regulatory developments could have an impact on our ability to operate our businesses, financial condition, results of operations, competitive position, reputation, or pursuit of attractive acquisition opportunities. Reputational impacts could affect matters such as business generation and retention, liquidity, funding, and ability to attract and retain management. These developments could include:
 - Changes to laws and regulations, including changes affecting oversight of the financial services industry, consumer protection, bank capital and liquidity standards, pension, bankruptcy and other industry aspects, and changes in accounting policies and principles.
 - Unfavorable resolution of legal proceedings or other claims and regulatory and other governmental investigations or other inquiries. These matters may result in monetary judgments or settlements or other remedies, including fines, penalties, restitution or alterations in our business practices, and in additional expenses and collateral costs, and may cause reputational harm to PNC.

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



- Results of the regulatory examination and supervision process, including our failure to satisfy requirements of agreements with governmental agencies.
- Impact on business and operating results of any costs associated with obtaining rights in intellectual property claimed by others and of adequacy of our intellectual property protection in general.
- Business and operating results are affected by our ability to identify and effectively manage risks inherent in our businesses, including, where appropriate, through effective use of systems and controls, third-party insurance, derivatives, and capital management techniques, and to meet evolving regulatory capital and liquidity standards.
- Business and operating results also include impacts relating to our equity interest in BlackRock, Inc. and rely to a significant extent on information provided to us by BlackRock. Risks and uncertainties that could affect BlackRock are discussed in more detail by BlackRock in its SEC filings.
- We grow our business in part through acquisitions and new strategic initiatives. Risks and uncertainties include those presented by the nature of the business acquired and strategic initiative, including in some cases those associated with our entry into new businesses or new geographic or other markets and risks resulting from our inexperience in those new areas, as well as risks and uncertainties related to the acquisition transactions themselves, regulatory issues, and the integration of the acquired businesses into PNC after closing.
- Competition can have an impact on customer acquisition, growth and retention and on credit spreads and product pricing, which can affect market share, deposits and revenues. Our ability to anticipate and respond to technological changes can also impact our ability to respond to customer needs and meet competitive demands.
- Business and operating results can also be affected by widespread natural and other disasters, pandemics, dislocations, terrorist activities, system failures, security breaches, cyberattacks or international hostilities through impacts on the economy and financial markets generally or on us or our counterparties specifically.

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

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