

Morgan Stanley

Virtual U.S. Financial Services Conference

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The PNC Financial Services Group



Cautionary Statement Regarding Forward-Looking 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 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 coronavirus (COVID-19) pandemic.
 - Commodity price volatility.

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- 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:
 - Our 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 huge drop in consumer spending and a steep drop in output as many workers are unable to get to their jobs. We expect a significant contraction in U.S. real GDP, steep job losses, and a large increase in the unemployment rate through mid-2020.
 - In the baseline forecast, economic growth resumes in the third quarter as consumers start to spend again. Fiscal stimulus and extremely low interest rates support the recovery. Real GDP surpasses its pre-recession peak in 2022, and growth is well above its long-term trend through 2023.
 - The baseline forecast assumes that the Federal Open Market Committee keeps the federal funds rate in its current range of 0.00% to 0.25% 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.

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- 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.
 - 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.
- 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.

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We provide greater detail regarding these as well as other factors in our 2019 Form 10-K and our first quarter 2020 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 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. References to our corporate website are to www.pnc.com under "About Us - Investor Relations." We have included these web addresses as inactive textual references only. Information on these websites is not part of this presentation.

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.

We include non-GAAP financial information related to certain of our capital ratios in this presentation. 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.

Basel III Common Equity Tier 1 Capital Ratios

<i>\$ millions</i>	<u>Mar. 31, 2020 ^(a)</u>	<u>BlackRock Sale Adjustments</u>	<u>Pro Forma Mar. 31, 2020</u>
Basel III Common equity Tier 1 capital ^(b)	\$34,139	\$4,391	\$38,530
Basel III standardized approach risk-weighted assets ^(c)	363,631	(17,750)	345,881
Basel III Common equity Tier 1 capital ratio ^(d)	9.4%		11.1%

^(a) The ratios are calculated to reflect PNC's election to adopt the CECL optional five-year transition provision.

^(b) For common equity Tier 1 capital adjustment detail, see May 15, 2020 Form 8-K filed on May 21, 2020, pro forma impact to retained earnings

^(c) Basel III standardized approach weighted-assets are based on the Basel III standardized approach rules and include credit and market risk-weighted assets.

^(d) All ratios are calculated using the regulatory capital methodology applicable to PNC and calculated based on the standardized approach.