



***The PNC Financial Services Group, Inc. ("PNC")  
Dodd-Frank Act Company-Run Stress Test Disclosures  
March 20, 2014***

Pursuant to regulations issued by the Board of Governors of the Federal Reserve System ("Federal Reserve") and the Office of the Comptroller of Currency ("OCC") under the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), The PNC Financial Services Group, Inc. (NYSE: PNC) and PNC Bank, National Association ("PNC Bank") are required to conduct an annual company-run stress test and disclose certain results of the test.

This annual Dodd-Frank Act company-run stress test is a forward-looking exercise under which PNC and PNC Bank each must estimate the impact of a hypothetical severely adverse macroeconomic scenario provided by the Federal Reserve and OCC on its financial condition and Basel I and Basel III regulatory capital ratios over a nine-quarter planning period. For the stress test conducted as part of the 2014 exercise, the nine-quarter planning period extended from the fourth quarter of 2013 through and including the fourth quarter of 2015. The test is designed to help assess whether PNC and PNC Bank have sufficient capital to absorb losses and support operations during hypothetical severely adverse economic conditions. While this annual company-run stress test is conducted in conjunction with the Federal Reserve's Comprehensive Capital Analysis and Review ("CCAR") process, the results of this stress test do not reflect, nor should they be interpreted as, any decision by the Federal Reserve on the capital plan that PNC submitted on January 6, 2014 as part of the 2014 CCAR process. The Federal Reserve previously announced that it will release the results of the 2014 CCAR, including its determination whether to object or not object to the proposed capital actions included in the capital plans submitted as part of the 2014 CCAR, at 4:00 p.m. (EDT) on March 26, 2014.

The supervisory severely adverse scenario for the 2014 annual company-run tests was released by the Federal Reserve on November 1, 2013. It is important to note that this is a hypothetical scenario that involves economic conditions that are far more adverse than currently expected by the Federal Reserve or PNC. Accordingly, the scenario is not a forecast of anticipated economic conditions, and therefore the estimates produced under the company-run test are not forecasts of expected losses, revenues, net income before taxes, or capital ratios. Rather, the hypothetical severely adverse scenario helps assess PNC's strength and resilience and its ability to continue to meet the credit needs of consumers and businesses should severe economic and financial conditions develop in the future. In light of PNC's limited trading activities, PNC was not required to apply the additional global shock and counterparty default components of the supervisory severely adverse scenario.

The supervisory severely adverse scenario reflects a severe recession in the U.S., including a significant reversal of recent improvements to the U.S. housing market and the euro area outlook. In the United States, the unemployment rate increases by 4 percentage points from its level at September 30, 2013 to 11¼ percent in the middle of 2015, the highest rate since the Great Depression. Real GDP declines by nearly 4¾ percentage points from the third quarter of 2013 to the trough in the fourth quarter of 2014. Economic recovery begins in the first quarter of 2015, with real GDP expanding 2 percent during 2015. The unemployment rate gradually declines starting in the second half of 2015. With the high unemployment rate and soft consumer and business demand under the scenario, inflation (as measured by the Consumer Price Index) averages approximately 1 percent across 2014 and 2015. Asset prices drop sharply, with housing prices (as measured by the House Price Index) down by 25 percent during the planning period. Commercial real estate prices decline nearly 35 percent from the third quarter 2013 to their trough in the fourth quarter of 2015, and equity prices (as measured by the Dow Jones Total Stock Market Index) fall by almost one-half from the level at September 30, 2013 to the trough in the third quarter of 2014. Additional information on the supervisory severely adverse scenario is available on the Federal Reserve's website at <http://www.federalreserve.gov/newsevents/press/bcreg/20131101a.htm>.

Pursuant to the Federal Reserve's Dodd-Frank Act stress test regulation (12 CFR § 252.50-58), bank holding companies, including PNC, must make a uniform set of assumptions regarding capital actions over the stress test planning horizon. These assumptions are designed to assist the public in comparing disclosed results across the institutions subject to the tests and reduce the effect of company-specific assumptions about capital distributions on disclosed results. Under these regulations, financial information and capital ratios are calculated using the actual capital actions undertaken by the relevant firm in the fourth quarter of 2013. For the remaining eight quarters of the planning period, firms must assume that (i) there are no issuances or redemptions of regulatory capital instruments (other than issuances pursuant to expensed employee compensation programs); (ii) quarterly common stock dividends are equal to the quarterly average of common stock dividends paid during calendar year 2013 (for PNC, the quarterly average common dividend was \$228 million); and (iii) payments on other regulatory capital instruments are made equal to the stated dividend, interest, or principal due on the instrument during the quarter. These assumptions may not represent the actual capital actions that would be taken should severely adverse economic conditions develop. For example, if the extreme economic conditions specified in the hypothetical supervisory severely adverse scenario were indeed realized, PNC would expect to respond by adjusting its capital actions in ways designed to positively impact capital and liquidity (e.g. by reducing capital payouts).

***Detailed Results of PNC's Company-Run Stress Test and Overview of PNC's Stress Test Methodology***

The financial information and capital ratios for PNC are calculated using the assumptions required by the Federal Reserve's company-run stress test regulation. Capital ratios for PNC Bank, N.A. are calculated using management's estimate of the capital actions (e.g. dividends and capital issuances and redemptions) that PNC Bank would take in the assumed macroeconomic scenario. All projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These projections are not forecasts of expected losses, revenues, net income before taxes, risk-weighted assets, or capital ratios.

As provided in the Federal Reserve's stress test regulation, the capital ratio calculations for this year's company-run stress test incorporate a transition from Basel I to Basel III that aligns with the manner in which Basel III is being phased-in for the relevant organization, while maintaining the Basel I Tier 1 common metric throughout the planning period to maintain a degree of consistency and comparability with previous stress tests. Specifically, capital ratios and risk-weighted asset information as of Q3 2013 and for Q4 2013, as well as the Basel I Tier 1 common capital ratio metric that is applied throughout the planning period, are calculated using the Basel I rules in effect during 2013, including the Basel I framework for risk-weighting assets. The Basel I framework is referred to in the Federal Reserve's disclosures as the "current general risk-based approach."

PNC and PNC Bank are subject to the advanced approaches for risk-based capital purposes, but have not exited the parallel run qualification phase under the advanced approaches. Accordingly, our stress test capital ratios (other than the Basel I Tier I common ratio) during 2014 and 2015 were determined using the Basel III definitions of, and deductions from, capital included in the Basel III rules adopted in July 2013 by the U.S. banking agencies (the "Basel III rules"), including the phase-ins provided in those rules in effect for 2014 and 2015, respectively. For example, under the phase-in schedule included in the Basel III rules, the individual and aggregate deductions from adjusted Basel III Common Equity Tier 1 Capital for mortgage servicing rights, deferred tax assets, and significant common stock investments in unconsolidated financial institutions are phased-in 20% in 2014 and 40% in 2015. In addition, the risk-based capital ratios (other than the Basel I Tier 1 common ratio) for 2014 were determined using the Basel I risk-weighting framework with the adjustments required by the Basel III rules, and for 2015 were determined using the standardized approach for risk-weights included in the Basel III rules. The following table illustrates the minimum regulatory ratios for PNC in CCAR 2014:

**Table 1: Minimum Regulatory Ratios and Tier 1 Common Ratio for CCAR 2014**

	Minimum Ratio		
	Q4 2013	2014	2015
Basel I: Tier 1 Common Ratio	5 %	5 %	5 %
Basel III: Common Equity Tier 1 Capital Ratio	N/A	4 %	4.5 %
Tier 1 Risk-Based Capital Ratio	4 %	5.5 %	6 %
Total Risk-Based Capital Ratio	8 %	8 %	8 %
Tier 1 Leverage Ratio (a)	3 or 4%	4 %	4 %

(a) Under both Basel I and Basel III, bank holding companies generally are required to maintain a minimum leverage ratio of Tier 1 capital to average total assets of 4%. The Basel I rules in effect during 2013, however, permitted a bank holding company to meet its minimum leverage requirement if it had a leverage ratio of 3% and was rated Composite 1 in its most recent report of examination, subject to Federal Reserve guidelines.

**Table 2: Projected Capital Ratios through Q4 2015 under the Supervisory Severely Adverse Scenario**

	Actual	Stressed Capital Ratios(a)	
	Q3 2013	Ending	Minimum
<b>The PNC Financial Services Group, Inc.</b>			
Basel I: Tier 1 Common Ratio	10.3 %	9.6 %	9.6 %
Basel III: Common Equity Tier 1 Capital Ratio (b)	N/A	8.6 %	8.6 %
Tier 1 Risk-Based Capital Ratio	12.3 %	9.9 %	9.9 %
Total Risk-Based Capital Ratio	15.6 %	12.8 %	12.8 %
Tier 1 Leverage Ratio	11.1 %	8.8 %	8.8 %
<b>PNC Bank, N.A.</b>			
Basel I: Tier 1 Common Ratio	10.1 %	9.7 %	9.7 %
Basel III: Common Equity Tier 1 Capital Ratio (b)	N/A	9.5 %	9.5 %
Tier 1 Risk-Based Capital Ratio	11.1 %	9.9 %	9.9 %
Total Risk-Based Capital Ratio	14.4 %	13.0 %	13.0 %
Tier 1 Leverage Ratio	10.1 %	8.6 %	8.6 %

(a) The capital ratios for PNC are calculated using the capital action assumptions included in the Federal Reserve's Dodd-Frank Act stress testing rules. Capital ratios for PNC Bank are calculated using management's estimate of the capital actions that PNC Bank would take in the supervisory severely adverse scenario. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. The projected minimum capital ratios presented are the minimum quarter end ratio for the relevant metric during the planning period (Q4 2013 to Q4 2015).

(b) As advanced approaches banking organizations, PNC and PNC Bank are subject to the Basel III common equity tier 1 ratio for each quarter of 2014 and 2015.

**Table 3: Actual Q3 2013 and Projected Q4 2015 Risk Weighted Assets Under the Supervisory Severely Adverse Scenario for The PNC Financial Services Group, Inc.**

In billions	Actual Q3 2013 Basel I Approach	Projected Q4 2015	
		Basel I Approach	Basel III Standardized Approach
Risk-Weighted Assets (a)	266.7	258.1	269.1

(a) For each quarter in 2014, risk-weighted assets are based on the Basel I general risk-based capital approach. For each quarter in 2015, risk-weighted assets are calculated under the Basel III standardized capital risk-based approach, except for the Basel I tier 1 common ratio which uses the Basel I risk-based capital approach for all quarters.

**Table 4: Projected Losses, Revenue, and Net Income Before Taxes Q4 2013 through Q4 2015 under the Supervisory Severely Adverse Scenario for The PNC Financial Services Group, Inc.**

	Billions of Dollars	% of Avg. Assets (a)
Pre-Provision Net Revenue (b)	\$ 8.3	2.6 %
Other Revenue (c)	-	- %
Less: Provision	10.2	3.2 %
Realized (Gains)/Losses on Securities (AFS & HTM)	0.3	0.1 %
Trading & Counterparty Losses (d)	-	- %
Other Losses/(Gains) (e)	-	- %
<b>Equals: Net Income Before Taxes</b>	<b>\$ (2.2)</b>	<b>-0.7 %</b>
<b>Memo Items</b>		
Other comprehensive income (f)	\$ (1.0)	
<i>Other effects on capital</i>	Q4 2014	Q4 2015
Accumulated Other Comprehensive Income included in capital (AOCI) (g)	\$ (0.2)	\$ (0.4)

(a) Average assets is the nine-quarter average of total assets.

(b) Pre-provision net revenue includes losses from operational risk events, mortgage repurchase expenses, and other real estate owned (OREO) costs.

(c) Other revenue includes one-time income and (expense) items not included in pre-provision net revenue.

(d) Trading and counterparty losses include mark-to-market losses and credit valuation adjustments (CVA). PNC was not subject to the counterparty default scenario component of the stress test.

(e) Other losses/gains includes projected change in fair value of loans held for sale and loans held for investment measured under the fair-value option, and goodwill impairment losses.

(f) Represents cumulative net change over the nine quarter CCAR planning period of the following primary components of other comprehensive income ("OCI"): net unrealized gains/(losses) on securities and cash flow hedge derivatives, and adjustments related to pension and other postretirement benefit plans.

(g) For 2014, includes 20% of the after-tax AOCI related to the net unrealized gains/(losses) on securities and adjustments related to pension and other postretirement benefit plans. 40% of these same AOCI items are included in capital calculations for 2015.

**Table 5: Projected Loan Losses by Type of Loans for Q4 2013 through Q4 2015 under the Supervisory Severely Adverse Scenario for The PNC Financial Services Group, Inc.**

	Billions of Dollars	Portfolio Loss Rates (%) (a)
<b>Loan Losses (Net charge-offs):</b>		
First Lien Mortgage Domestic	\$ 0.6	2.5 %
Junior Lien Mortgages & HELOCS, Domestic	1.5	6.2
Commercial and Industrial (b)	1.7	3.0
Commercial Real Estate	1.6	5.5
Credit Cards	0.6	15.9
Other Consumer (c)	0.6	2.9
Other Loans (d)	0.3	1.2
<b>Total Loan Losses (Net charge-offs)</b>	<b>\$ 6.9</b>	<b>3.7 %</b>
Change in Allowance for Loan and Lease Losses	3.3	
<b>Total Provision</b>	<b>\$ 10.2</b>	

(a) Average loan balances used to calculate portfolio loss rates exclude loans held for sale and loans held for investment under the fair-value option, and are calculated over nine quarters.

(b) Commercial and industrial loans include small- and medium-enterprise loans and corporate cards.

(c) Other consumer loans include student loans and automobile loans.

(d) Other loans include international real estate loans.

In the hypothetical severely adverse scenario, provision expense, driven primarily by loan losses, results in a reduction in regulatory capital ratios over the course of the planning period. Estimated loan losses are primarily concentrated in three asset classes. Specifically, of the \$6.9 billion in cumulative loan losses projected for the nine quarters from Q4 2013 through Q4 2015 under the hypothetical severely adverse scenario, approximately 70% were losses attributable to commercial and industrial ("C&I") loans, commercial real estate ("CRE") loans, and domestic junior lien mortgages and home equity lines of credit ("HELOCs"). C&I loans together with CRE loans and domestic junior lien mortgages and home equity lines of credit comprise the majority of PNC's loan portfolio (approximately 60% of all loans). Estimated loss rates in the junior lien mortgage and HELOC category (6.2%) were significantly above the estimated aggregate loss rate for all PNC loan portfolios (3.7%). Projected total provision expense is \$10.2 billion over the nine-quarter planning period, which provides for both the cumulative net charge-offs during the period of \$6.9 billion as well as an increase in the allowance for loan and lease losses of \$3.3 billion for future losses. Pre-provision net revenue of \$8.3 billion over the planning period, which reflects a projected decline in loan balances, yields, and non-interest income resulting from the economic stress in the hypothetical scenario, is insufficient to cover provision expense and non-loan losses, resulting in lower capital ratios.

The net impact of total provision expense and pre-provision net revenue on PNC's Basel I Tier Common capital ratio is slightly offset by a projected reduction of \$8.6 billion in Basel I risk-weighted assets as stalled loan growth and new business generation, as well as the run-off, paydown and charge-off of loan balances, leads to a shift in balance sheet composition throughout the planning horizon, with loans being replaced by high-quality securities and deposits held at the Federal Reserve. As a result of these and other influences, PNC's Basel I Tier 1 Common Capital ratio declines from 10.3% (actual) in Q3 2013 to a low point of 9.6% during the nine-quarter planning period (see Table 2).

A number of factors influenced the overall improvement in losses, provision, pre-provision net revenue, and Basel I capital ratios in this stress test compared to the results released by PNC in March 2013 following last year's annual company-run stress test. For example, four quarters of additional earnings – combined with prudent capital returns – contributed to higher capital ratios at the starting point of the current stress test, which also positively impacted the minimum and ending capital ratios. Moreover, the overall credit quality of PNC's loan portfolios improved between Q3 2012 (the starting point of the previous annual test) and Q3 2013 (the starting point for this year's test), which also positively affected projected credit losses and pre-provision net revenues. Several factors contributed to this improvement including, among other things, the continued strengthening of the economy during the first three quarters of 2013, resulting in higher GDP and home prices, lower unemployment, the continued run-off of PNC's non-strategic assets portfolio and other assets with higher risk profiles. Finally, improvements to the control processes for stress testing and loss aggregation contributed to lower net charge-offs and lower total provision relative to last year's annual company-run stress test.

### ***Overview of PNC's Stress Test Methodology***

The annual company-run stress test conducted by PNC incorporated a broad spectrum of risks that affect PNC including, among others, credit risk and operational risk, and more specifically, mortgage repurchase risk and other-than-temporary impairment ("OTTI") risk on securities. Credit risk represents the risk that losses will be incurred as a result of borrowers not performing in accordance with the contractual terms of their obligations. Operational risk refers to the risk of financial loss, adverse customer experience, or negative regulatory or reputational impact resulting from inadequate or failed processes, people and systems, or external events. Mortgage repurchase risk refers to the risk of loss arising from demands or legal action initiated by mortgage investors as a result of claims that PNC breached representations or warranties in selling mortgage loans to the investor. Credit risk primarily affects the loan classes identified in Table 5, while mortgage repurchase risk primarily affects first-lien residential mortgages that have been sold. OTTI affects the securities portfolio while operational risk losses are estimated for all businesses and segments of PNC.

PNC applied both quantitative and qualitative methods to measure and assess risks. Estimated losses for C&I loans were primarily modeled by projecting the probability of default, estimated loss given default (taking into account available collateral and guarantees), and estimated exposure at default. The probability of default model for C&I loans is based on a credit migration approach and its inputs include, among other things, macroeconomic variables and loan-level characteristics such as loan type, tenor,

segment, and internal credit ratings. The estimated losses on owner-occupied properties within the CRE portfolio generally were modeled using a methodology similar to that used for C&I loans. Losses on commercial construction, stabilized commercial product loans, and the multifamily segment of the CRE portfolio were primarily modeled using a third-party vendor model. The inputs to the vendor model include, among other things, macroeconomic variables and loan-level inputs such as collateral, geography, loan-to-value ratio, and debt service coverage ratio. The model simulates future paths of the collateral's net operating income and market value. Along each simulation path, the conditional probability of default and loss given default are estimated based on the forecast environment and the resulting performance metrics for each loan. For a small portion of the CRE portfolio, losses were determined by mapping the results of the third party vendor model using internal risk ratings in the assignments. For impaired CRE loans, an internally-developed model that takes into account, among other things, previously incurred purchase accounting marks and estimated future cash flows was used to estimate losses.

For residential real estate loans, including first lien mortgages, junior lien mortgages and domestic HELOCs, credit losses were primarily estimated via a loan delinquency state transition model that considers among other things, macroeconomic variables and loan level characteristics such as origination data, payment history, and updated loan and property information. The model steps forward through time to predict the likely evolution that the loan would follow from its current state through termination (i.e. payoff or default and liquidation). Roll rate models utilizing multivariate regressions linked to macroeconomic variables were utilized for several consumer segments including credit cards and the majority of other consumer loans. OTTI on available-for-sale ("AFS") and held to maturity ("HTM") securities was estimated using internally and vendor developed models which were applied at the security level. OTTI for US Government and agency-guaranteed securities was assumed to be zero. Major inputs to the OTTI models include macroeconomic variables and collateral characteristics (if applicable), and the output for each model includes projected cash flows for each security. These cash flows were then discounted at the original, credit adjusted book yield on the security to calculate the estimated OTTI. Mortgage repurchase losses were modeled primarily based on estimated levels of defaults on sold mortgage loans, investor demands or other actions following default, and losses given demands and other actions.

Losses within operational risk units of measure are modeled using a methodology that leverages historical internal and external loss data where such data are deemed sufficient for modeling purposes. For such units of measure, losses are estimated by first developing an event frequency estimate and, second, calculating the expected loss per event. The estimated loss is a product of the projected number of events multiplied by the expected loss per event, with expected losses per event held constant over time across different macroeconomic projections within each unit of measure. Projected event frequencies are derived from a model that fits the relationship between macroeconomic factors and historical event frequencies. For units of measure, in which no statistically significant relationship to macroeconomic factors was observed, the event frequency estimate also is a constant value and is based upon the historical average event frequency. In these instances, loss estimates are independent of macroeconomic factors and constant over time.

For other units of measure for which historical loss data were deemed insufficient for modeling purposes, losses are based on operational risk specific scenarios. For each of these units of measure, the estimated annualized loss is equal to the sum of expected annualized losses for the relevant operational risk scenarios for the unit of measure. The expected annualized loss for each operational risk scenario is equal to the scenario frequency multiplied by the scenario severity. In these instances, loss estimates are independent of macroeconomic factors and thus are constant over time.

PNC's forecast models were developed using historical data when sufficient relevant data exist to support robust and accurate modeling. These data reflect the performance and behavior of PNC's portfolios through recent credit cycles. The models also take into account macroeconomic variables and their relation to, in the case of credit models, customer credit migration, changes in delinquency status and charge-off behavior. As reflected above, PNC's stress testing models utilize a variety of modeling techniques and functional forms and may use different variables for different asset classes. As part of PNC's overall model risk management and stress testing processes, significant management review of the performance and fit of stress testing models was undertaken. Moreover, all of the models employed by PNC to conduct this stress test were subjected to PNC's rigorous internal model governance framework

and procedures. Additional information on PNC's Model Risk Management framework and the risks associated with the use of models can be found in PNC's 2013 Form 10-K at Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Risk Management—Model Risk Management and Item 1A Risk Factors. It is important to note that when considering the appropriateness of models for stress testing, both management and PNC's independent Model Risk Management Group consider the losses estimated to occur through the stress scenario against the performance experienced in prior economic downturns.

For certain portfolios or segments, model outputs were calibrated by management in light of, among other things, the actual historical performance of loans or securities within the portfolio or segment, or the particular characteristics of the loans or securities within the portfolio or segment that may not have been reasonably reflected in the primary model's outputs. These management adjustments in the aggregate and for most individual portfolios resulted in higher estimated provision than the pre-adjusted estimates produced by the relevant models. PNC's Executive Capital Committee is responsible for reviewing and approving material management adjustments to model provision forecast results for capital stress testing purposes. In considering the appropriateness and size of any adjustment, the committee may consider, among other things, the expected timing of losses, model uncertainty, internal ratings and data quality, actual historical experience of losses (including PNC historical losses in recent economic downturns), supervisory estimates of losses and provisions, the characteristics of the specific economic scenario developed, and changes to the firm's business strategy or balance sheet that may influence the relevance of model results.

In addition to modeled outcomes, PNC utilizes various assumptions in estimating its income and capital ratios through the planning period. Key assumptions include, for example, projected rates/spreads on deposits and loans, mortgage origination volume, forecasts for certain balance sheet items, and potential expense changes. Sensitivity analysis is conducted for these and other key assumptions and the results are reviewed by PNC's Executive Capital Committee and the Board of Directors and its Risk Committee.

The loan loss estimates presented in Table 5 represent estimates of the net charge-off activity recorded during the nine-quarter planning period. The balance of the allowance for loan and leases losses ("ALLL") established for stress testing reporting purposes, at any point in time, is derived from the estimated expected future net charge-offs to be incurred. ALLL for portfolios or segments were modeled using processes similar to those for estimating losses in the relevant portfolio or segment and were calculated in accordance with the applicable regulatory standards for stress testing. The provision expense, which includes both net charge-offs and the change in ALLL, is reflected in net income and consequently is reflected in capital levels and ratios during the period.

Using the macroeconomic variables provided by the Federal Reserve for the hypothetical severely adverse scenario, PNC derived a broader set of variables to be used as modeling inputs for the balance sheet estimates, as well as for the models, assumptions or other processes used to estimate interest and noninterest income, expense, credit loss, securities losses, and other losses over the nine-quarter planning period. These balance sheet estimates were used as inputs to the various credit models to estimate losses for each portfolio for the duration of the planning period. Additionally, the balance sheet projections serve as the primary input utilized in calculating projected risk-weighted assets for each period of the planning horizon. Noninterest expense and income were estimated based on historical trends and assumptions driven by the macroeconomic variables. Pre-provision net revenue was estimated based on the net interest income projection, which was derived from balance sheet estimates and the impact of the respective interest rate and spread forecasts in the assumed scenario, combined with outputs of noninterest income and expense assumptions. The stress test conducted by PNC Bank employed similar processes and methodologies, except the financial information and capital ratios for PNC Bank were calculated using management's estimate of the capital actions that PNC Bank would take in the assumed macroeconomic scenario.

PNC utilizes a robust internal capital adequacy assessment process ("ICAAP") to evaluate its capital adequacy in light of a wide range of inputs. These inputs include capital stress test results as well as risks that may not be adequately captured by capital stress testing, such as liquidity risks, reputational risks, idiosyncratic risks, and firm-wide model risk. The Board of Directors, its Risk Committee, and senior

management use the firm's ICAAP results to assess the level of capital that is appropriate for the firm to maintain in light of the range of risks facing the firm, the firm's business strategy, and its risk tolerance.

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