



**The PNC Financial Services Group, Inc.**

**Liquidity Coverage Ratio and Net Stable Funding Ratio  
Disclosures**

**June 30, 2023**

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**Introduction**

The PNC Financial Services Group, Inc. and its subsidiaries on a consolidated basis (PNC) is one of the largest diversified financial services companies in the United States (U.S.) and is headquartered in Pittsburgh, Pennsylvania. We have businesses engaged in retail banking, including residential mortgage, corporate and institutional banking and asset management, providing many of our products and services nationally. Our retail branch network is located coast-to-coast. At June 30, 2023, consolidated total assets, total deposits and total shareholders' equity were \$558.2 billion, \$427.5 billion and \$49.3 billion, respectively.

PNC is a bank holding company registered under the Bank Holding Company Act of 1956 and a financial holding company under the Gramm-Leach-Bliley Act. Our bank subsidiary is PNC Bank, National Association (PNC Bank), a national bank chartered in Wilmington, Delaware.

The Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) disclosures are required by the LCR and NSFR rules issued by the Board of Governors of the Federal Reserve System. These disclosures provide information about our LCR and NSFR, liquidity risk management, sources of liquidity and contractual obligations and commitments and should be read in conjunction with our Securities and Exchange Commission (SEC) filings, including the Annual Report on Form 10-K for the year ended December 31, 2022 (2022 Form 10-K) and Quarterly Report on Form 10-Q for the period ended June 30, 2023 (second quarter 2023 Form 10-Q). These SEC filings are available at [www.pnc.com/secfilings](http://www.pnc.com/secfilings). The LCR and NSFR disclosures and other regulatory disclosures are available at [www.pnc.com/regulatorydisclosures](http://www.pnc.com/regulatorydisclosures).

Further, the financial information presented within these disclosures may differ from similar information presented in the Consolidated Financial Statements and Notes To Consolidated Financial Statements on Forms 10-K and 10-Q. Unless specified otherwise, all amounts and information within are presented in conformity with the definitions and requirements of the LCR and NSFR rules.

***Forward-Looking Statements***

These disclosures may contain forward-looking statements, which are subject to numerous assumptions, risks and uncertainties, which change over time. 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. See the Cautionary Statement Regarding Forward-Looking Information in PNC's second quarter 2023 Form 10-Q for more information. Also see all risks and uncertainties disclosed in PNC's SEC filings, including its 2022 Form 10-K and subsequent reports, 10-Q and 8-K, Proxy Statements on Schedule 14A, and, if applicable, its registration statements under the Securities Act of 1933, as amended, all of which are or will upon filing be accessible on PNC's website at [www.pnc.com/secfilings](http://www.pnc.com/secfilings) and on the SEC's website at [www.sec.gov](http://www.sec.gov).

**Liquidity Coverage Ratio**

The LCR is a regulatory minimum liquidity requirement designed to ensure that covered banking organizations maintain an adequate level of unencumbered high quality liquid assets (HQLA) to meet net liquidity needs over the course of a hypothetical 30-day stress scenario. The LCR, for disclosure purposes, is calculated as the quarterly average of the daily amount of an institution's HQLA, as defined and calculated in accordance with the LCR rules, divided by its estimated net cash outflows, with net cash outflows determined by applying the prescribed outflow factors in the LCR rules. The resulting quotient is expressed as a percentage. The regulatory minimum LCR that we are required to maintain is 100%. PNC is required to calculate the LCR on a daily basis, and as of June 30, 2023, the LCR for PNC exceeded the requirement of 100%.

The following table summarizes PNC's average LCR for the three months ended June 30, 2023 based on the LCR rules:

**Table 1: Liquidity Coverage Ratio**

Average weighted amount (in millions)	Three months ended June 30, 2023
HQLA	\$ 94,613
Estimated net cash outflows	87,026
<b>LCR</b>	<b>109 %</b>
HQLA in excess of estimated net cash outflows	\$ 7,587

PNC's average LCR for the three months ended June 30, 2023 was 109%, a 1% increase from the three months ended March 31, 2023. The increase is primarily attributable to reduced deposit outflows as a result of lower non-operational deposit balances.

HQLA consists of cash balances held with the Federal Reserve Bank and Level 1 and Level 2 securities. Estimated net cash outflows primarily relate to deposits and lending-related commitments. Refer to Table 2: Liquidity Coverage Ratio and Related Components and Table 3: HQLA Composition for additional information.

The following table provides additional detail on PNC's average LCR, average unweighted and weighted amount of HQLA, cash outflows and cash inflows for the three months ended June 30, 2023:

**Table 2: Liquidity Coverage Ratio and Related Components**

Dollars in millions		Three months ended June 30, 2023	
		Average Unweighted Amount	Average Weighted Amount (a)
<b>High Quality Liquid Assets</b>			
1	<b>Total eligible HQLA, of which:</b>	<b>\$ 97,475</b>	<b>\$ 94,613</b>
2	Eligible level 1 liquid assets	78,394	78,394
3	Eligible level 2A liquid assets	19,081	16,219
4	Eligible level 2B liquid assets		
<b>Cash Outflow Amounts</b>			
5	<b>Deposit outflow from retail customers and counterparties, of which:</b>	<b>\$ 259,787</b>	<b>\$ 14,755</b>
6	Stable retail deposit outflow	173,662	5,210
7	Other retail funding outflow	72,348	7,264
8	Brokered deposit outflow	13,777	2,281
9	<b>Unsecured wholesale funding outflow, of which:</b>	<b>145,492</b>	<b>48,381</b>
10	Operational deposit outflow	88,862	21,772
11	Non-operational funding outflow	56,233	26,212
12	Unsecured debt outflow	397	397
13	<b>Secured wholesale funding and asset exchange outflow</b>	<b>22,087</b>	<b>2,991</b>
14	<b>Additional outflow requirements, of which:</b>	<b>215,903</b>	<b>41,708</b>
15	Outflow related to derivative exposures and other collateral requirements	8,162	7,957
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	207,741	33,751
17	<b>Other contractual funding obligation outflow</b>	<b>539</b>	<b>539</b>
18	<b>Other contingent funding obligations outflow</b>	<b>8,963</b>	<b>269</b>
19	<b>Total Cash Outflow</b>	<b>\$ 652,771</b>	<b>\$ 108,643</b>
<b>Cash Inflow Amounts</b>			
20	<b>Secured lending and asset exchange cash inflow</b>	<b>\$ 2,917</b>	<b>\$ 251</b>
21	<b>Retail cash inflow</b>	<b>1,245</b>	<b>623</b>
22	<b>Unsecured wholesale cash inflow</b>	<b>2,893</b>	<b>1,709</b>
23	<b>Other cash inflows, of which:</b>	<b>4,775</b>	<b>4,775</b>
24	Net derivative cash inflow	4,269	4,269
25	Securities cash inflow	506	506
26	Broker-dealer segregated account inflow		
27	Other cash inflow		
28	<b>Total Cash Inflow</b>	<b>\$ 11,830</b>	<b>\$ 7,358</b>
		Average Weighted Amount (b)	
29	<b>HQLA Amount</b>		<b>\$ 94,613</b>
30	<b>Total Estimated Net Cash Outflow Amount Excluding the Maturity Mismatch Add-on</b>		<b>\$ 101,285</b>
31	<b>Maturity Mismatch Add-on</b>		1,098
32	<b>Total unadjusted net cash outflow amount</b>		<b>\$ 102,383</b>
33	<b>Outflow adjustment percentage</b>		<b>85 %</b>
34	<b>Total net cash outflow amount</b>		<b>\$ 87,026</b>
35	<b>Liquidity Coverage Ratio (%)</b>		<b>109 %</b>

(a) Average weighted amount represents the average balances after applying HQLA haircuts and outflow/inflow rates prescribed by the LCR rules.

(b) The amounts reported in this column may not equal the calculation of those amounts using component amounts reported in rows 1-28 due to technical factors such as the application of the level 2 asset caps, the total inflow cap, and for depository institution holding companies subject to subpart G, the application of the modification to total net cash outflows.

**High Quality Liquid Assets**

HQLA is the amount of liquid assets that qualify for inclusion in the LCR. HQLA primarily consists of unencumbered cash and high quality liquid securities as defined in the LCR rules. The average weighted amount of HQLA was \$94.6 billion for the three months ended June 30, 2023.

The following table presents the composition of PNC's HQLA by asset class for the three months ended June 30, 2023:

**Table 3: HQLA Composition**

	June 30, 2023	
(in millions)	Average weighted amount	
<b>HQLA</b>		
Eligible cash (a)	\$	30,638
Eligible level 1 securities (b)		47,756
<b>Total eligible Level 1 assets</b>		<b>78,394</b>
Eligible level 2a securities (c)		16,219
Eligible level 2b securities		
<b>Total eligible Level 2 assets</b>		<b>16,219</b>
<b>Total HQLA</b>	<b>\$</b>	<b>94,613</b>

(a) Cash represents balances held with the Federal Reserve Bank.

(b) Level 1 securities are U.S. Treasuries and securities guaranteed by sovereign entities with no prescribed HQLA haircut under the LCR rules.

(c) Level 2 securities are primarily securities guaranteed by a U.S. government sponsored enterprise, sovereign entity, or multilateral development bank net of prescribed HQLA haircuts under the LCR rules.

**LCR Funding Sources**

Our largest source of liquidity on a consolidated basis is the customer deposit base generated by our banking businesses. These deposits provide relatively stable and low-cost funding. We also obtain liquidity through various forms of funding, including long-term debt (senior notes, subordinated debt and Federal Home Loan Bank (FHLB) borrowings) and short-term borrowings (securities sold under repurchase agreements, commercial paper and other short-term borrowings).

PNC Bank maintains additional secured borrowing capacity with the FHLB-Pittsburgh and through the Federal Reserve Bank discount window. The Federal Reserve Bank, however, is not viewed as a primary means of funding our routine business activities, but rather as a potential source of liquidity in a stressed environment or during a market disruption. At June 30, 2023, our unused secured borrowing capacity at the FHLB-Pittsburgh and the Federal Reserve Bank totaled \$86.4 billion.

For additional information on funding sources and sources of liquidity, refer to the Funding Sources section of the Consolidated Balance Sheet Review and the Liquidity and Capital Management section of Risk Management in our June 30, 2023 Form 10-Q.

**Net Cash Outflows**

Total net cash outflows are defined as the total expected cash outflows minus the total expected cash inflows in the hypothetical 30-day stress scenario. Cash outflows and cash inflows are calculated by multiplying unweighted balances of PNC's funding, assets and obligations by prescribed rates that are defined in the LCR rules. As detailed in Table 2, our largest average weighted cash outflows for the three months ended June 30, 2023 were deposits and credit and liquidity facilities related to unfunded commitments which are discussed in further detail below. Other cash outflows, including outflows associated with unsecured debt, secured wholesale funding, derivatives, and other contractual/contingent funding obligations, as well as cash inflows associated with secured lending, retail lending, unsecured wholesale lending, derivatives and securities composed the remainder of the average weighted net cash outflows for the three months ended June 30, 2023, excluding the maturity mismatch add-on.

**Deposits**

As noted previously, our largest source of liquidity on a consolidated basis is our customer deposit base, which provides a relatively stable source of funding and limits our reliance on wholesale funding markets. The majority of PNC's deposits are retail or wholesale operational, which are both considered to be stable sources of liquidity. For the three months ended June 30, 2023, PNC had total average retail deposits of \$259.8 billion and average associated weighted cash outflows of \$14.8 billion, resulting in an implied cash outflow rate of 6%. PNC also had for the three months ended June 30, 2023, total average operational wholesale deposits of \$88.9 billion, with average associated weighted cash outflows of \$21.8 billion, which resulted in an implied cash outflow rate of 25%. Additionally, PNC had total average non-operational wholesale deposits of \$56.2 billion, with average associated weighted cash outflows of \$26.2 billion, which resulted in an implied cash outflow rate of 47%. The prescribed outflow rates for non-operational wholesale funding are higher than the outflow rates for other deposit sources under the LCR rules.

**Commitments**

The LCR rules require us to apply prescribed outflow rates against off-balance sheet obligations and transactions. In the normal course of business, we have various commitments outstanding, such as commitments to extend credit, net outstanding standby letters of credit and other commitments. Commitments to extend credit represent arrangements to lend funds or provide liquidity subject to specified contractual conditions to commercial and consumer customers. Net outstanding standby letters of credit, including those issued by other financial institutions where we share the risk, support obligations of our customers to third parties, such as insurance agreements and the facilitation of transactions involving capital markets product execution. For additional information refer to Note 8 Commitments in our June 30, 2023 Form 10-Q and Note 11 Commitments in our 2022 Form 10-K.

**Maturity Mismatch Add-on**

The maturity mismatch add-on identifies gaps between the contractual inflows and outflows of liquidity during the period, specifically when there are early outflows and late inflows in the 30-day stress period. In Table 2, the quarterly average for the maturity mismatch add-on did not have a material impact on the total estimated net cash outflow amount.

**Net Stable Funding Ratio**

The NSFR is designed to measure the stability of the maturity structure of assets and liabilities of banking organizations over a one-year time horizon. A covered Bank Holding Company's NSFR is the ratio of its available stable funding (ASF) to its required stable funding (RSF) amount (as calculated under the rules) over a one-year horizon. The purpose of NSFR is to ensure stable funding of the balance sheet by requiring banks to maintain a stable funding profile, restricting maturity mismatches between assets and liabilities and limiting the reliance on unstable short-term funding to finance potentially illiquid long-term assets. The regulatory minimum ratio for all covered banking organizations is 100%. PNC is required to calculate the NSFR on an ongoing basis. If an institution's NSFR falls, or is likely to fall below the minimum requirement, the institution must provide its regulator with a plan for achieving compliance with the minimum NSFR requirement. The NSFR for PNC exceeded the regulatory minimum requirement throughout the first and second quarters of 2023.

**NSFR Composition**

NSFR is defined as the amount of ASF relative to the amount of RSF. The final rule takes into account the different risk characteristics of a covered company's various assets, liabilities and certain off-balance sheet commitments and applies different weightings (ASF and RSF factors) to reflect these risk characteristics. For disclosure purposes, the NSFR is calculated using simple daily averages showing both the unweighted amount based on maturity categories, as well as weighted balances prescribed in the final rule.

The following tables summarize PNC's average NSFR for the three months ended June 30, 2023 and March 31, 2023:

**Table 4: Net Stable Funding Ratio**

		Three months ended June 30, 2023					Average Weighted Amount
		Open Maturity	Average Unweighted Amount			Perpetual	
Dollars in millions		< 6 months	6 months to < 1 year	≥ 1 year			
<b>Available Stable Funding Item</b>							
1	<b>Capital and securities:</b>	\$ 1,413	\$ 1,524	\$ 78,354			\$79,116
2	NSFR regulatory capital elements			59,131			59,131
3	Other capital elements and securities	1,413	1,524	19,223			19,985
4	<b>Retail funding:</b>	\$ 238,976	\$ 8,896	\$ 12,303	\$ 1,211		\$237,011
5	Stable deposits	165,943	1,916	4,980	823		164,979
6	Less stable deposits	67,149	1,658	3,178	362		65,113
7	Sweep deposits, brokered reciprocal deposits and brokered deposits	5,884	4,456	4,145	26		6,487
8	Other retail funding		866				432
9	<b>Wholesale funding:</b>	\$ 157,110	\$ 10,824	\$ 2,854	\$ 34,384		\$111,762
10	Operational deposits	88,862					44,431
11	Other wholesale funding	68,248	10,824	2,854	34,384		67,331
<b>Other Liabilities:</b>							
12	NSFR derivatives liability amount				\$ 2,162		
13	Total derivatives liability amount				3,998		
14	All other liabilities not included in categories 1 through 13 of this table	8,307	73	2,910			
15	<b>Total Available Stable Funding (a)</b>						\$367,828
<b>Required Stable Funding Item</b>							
16	<b>Total high-quality liquid assets</b>	\$ 30,637	\$ 1,510	\$ 1,711	\$ 115,731		\$11,037
17	Level 1 liquid assets	30,637	1,414	1,587	47,047		
18	Level 2A liquid assets		30	20	66,898		10,059
19	Level 2B liquid assets		66	104	1,786		978
20	Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	4,615	1,636	77	4,599		
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	1,118					559
22	<b>Loans and securities:</b>	\$ 10	\$ 27,657	\$ 20,877	\$ 245,473		\$225,409
23	Loans to financial sector entities secured by level 1 liquid assets		1,694	2,944			1,471
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	8	3,609		12,632		13,175
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	2	22,216	17,607	181,442		173,819
26	Of which: With a risk weight of no greater than 20 percent under Regulation Q (12 CFR part 217)				1,594		1,036
27	Retail mortgages				36,399		23,947
28	Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 217)				34,964		22,726
29	Securities that do not qualify as HQLA		138	326	15,000		12,997
<b>Other assets:</b>							
30	Commodities						
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements						776 659
32	NSFR derivatives asset amount						
33	Total derivatives asset amount						1,836
34	RSF for potential derivatives portfolio valuation changes						5,146 258
35	All other assets not included in the categories 16-33 of this table, including nonperforming assets	9	36,329	7,989	69,457		107,945
36	Undrawn commitments						207,741 10,387
37	<b>Total RSF prior to application of required stable funding adjustment percentage</b>						\$356,254
38	<b>Required stable funding adjustment percentage</b>						85 %
39	<b>Total adjusted RSF</b>						\$302,816
40	<b>Net stable funding ratio</b>						121 %



PNC Liquidity Coverage Ratio and Net Stable Funding Ratio Disclosures as of June 30, 2023

(Continued from previous page)

(Continued from previous page)		Three months ended March 31, 2023					Average Weighted Amount			
		Open Maturity	Average Unweighted Amount < 6 months	6 months to < 1 year	≥ 1 year	Perpetual				
Dollars in millions										
Available Stable Funding Item										
1	Capital and securities:	\$	1,630	\$	985	\$	76,475	\$76,967		
2	NSFR regulatory capital elements						58,136	58,136		
3	Other capital elements and securities		1,630		985		18,339	18,831		
4	Retail funding:	\$	245,777	\$	8,940	\$	8,608	\$	2,932	\$243,515
5	Stable deposits		167,200		1,829		3,169		1,675	165,179
6	Less stable deposits		72,491		1,267		2,284		828	69,183
7	Sweep deposits, brokered reciprocal deposits and brokered deposits		6,086		2,572		3,155		40	6,624
8	Other retail funding				3,272				389	2,529
9	Wholesale funding:	\$	163,078	\$	9,592	\$	1,005	\$	34,237	\$113,666
10	Operational deposits		88,569							44,285
11	Other wholesale funding		74,509		9,592		1,005		34,237	69,381
Other Liabilities:										
12	NSFR derivatives liability amount							\$	2,474	
13	Total derivatives liability amount								4,354	
14	All other liabilities not included in categories 1 through 13 of this table		5,783		16		2,913			
15	Total Available Stable Funding (a)									\$365,183
Required Stable Funding Item										
16	Total high-quality liquid assets	\$	33,552	\$	1,334	\$	2,203	\$	117,549	\$11,195
17	Level 1 liquid assets		33,552		1,189		2,115		47,773	
18	Level 2A liquid assets				51		21		68,005	10,229
19	Level 2B liquid assets				94		67		1,771	966
20	Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries		5,261		23		21		4,415	
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries		1,071							536
22	Loans and securities:	\$	43	\$	26,027	\$	20,689	\$	247,132	\$225,991
23	Loans to financial sector entities secured by level 1 liquid assets				1,617		2,427			1,214
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities		41		3,036				12,757	13,218
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties		2		21,243		18,019		182,327	174,190
26	Of which: With a risk weight of no greater than 20 percent under Regulation Q (12 CFR part 217)								2,099	1,365
27	Retail mortgages								36,831	24,230
28	Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 217)								35,381	22,998
29	Securities that do not qualify as HQLA				131		243		15,217	13,139
Other assets:										
30	Commodities									
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements							\$	688	585
32	NSFR derivatives asset amount									
33	Total derivatives asset amount								1,880	
34	RSF for potential derivatives portfolio valuation changes								5,656	283
35	All other assets not included in the categories 16-33 of this table, including nonperforming assets		9		36,396		7,471		67,916	106,648
36	Undrawn commitments								208,183	10,410
37	Total RSF prior to application of required stable funding adjustment percentage									\$355,648
38	Required stable funding adjustment percentage									85 %
39	Total adjusted RSF									\$302,301
40	Net stable funding ratio									121 %

(a) Amount excludes subsidiary funding that cannot be transferred.

PNC's average NSFR of 121% for the three months ended June 30, 2023 was stable compared to the three months ended March 31, 2023, and included a stable capital position and long-term wholesale funding position.

**Available Stable Funding**

ASF is defined as the portion of capital and funding sources expected to be reliable over a one-year time horizon. PNC's ASF is primarily comprised of retail and wholesale funding, as well as regulatory capital.

As previously noted, our customer deposit base, which is our largest source of liquidity on a consolidated basis, provides relatively stable and low-cost funding. PNC's largest deposit categories are retail and wholesale operational. For the three months ended June 30, 2023, the decrease in total average deposits included a favorable shift in composition to more stable types of funding. Additionally, our ASF was impacted by an increase to our capital and securities and a shift towards longer-term average wholesale funding.

**Required Stable Funding**

RSF is defined as a banking organization's projected funding needs over a one-year time horizon, including both on and off-balance sheet exposures. The amount of funding is a function of the liquidity characteristics and residual maturities of the various assets, including the type of counterparty. PNC's RSF is primarily comprised of loans and investment securities.

For the three months ended June 30, 2023, PNC's total average loans and investment securities remained relatively stable in terms of balance and composition compared to the three months ended March 31, 2023.

**Liquidity Risk Management**

Management monitors liquidity through a series of early warning indicators that may indicate a potential market, or PNC-specific, liquidity stress event. In addition, management performs a set of liquidity stress tests over multiple time horizons with varying levels of severity and maintains a contingency funding plan to address a potential liquidity stress event. In the most severe liquidity stress simulation, we assume that our liquidity position is under pressure, while the market in general is under systemic pressure. The simulation considers, among other things, the impact of restricted access to both secured and unsecured external sources of funding, accelerated runoff of customer deposits, valuation pressure on assets and heavy demand to fund committed obligations. Liquidity-related risk limits are established within our Enterprise Liquidity Management Policy and supporting policies. Management committees, including the Asset and Liability Committee, and the Board of Directors and its Risk Committee regularly review compliance with key established limits.

For discussion of Enterprise Risk Management, including our Risk Culture, Enterprise Strategy, Risk Governance and Framework, Risk Identification, Risk Assessment, Risk Controls and Monitoring, and Risk Aggregation and Reporting, see the Risk Management section in our 2022 Form 10-K.