Dodd-Frank Act Company-Run Stress Test Disclosures

June 24, 2026

The PNC Financial Services Group, Inc.

Table of Contents

Introduction 3
Background 3
2026 Supervisory Severely Adverse Scenario 3
Capital Action Assumptions 4
Capital Framework For 2026 Stress Test 4
Detailed Results of 2026 Company-Run Stress Test 5
Overview of PNC's Stress Test Methodology and Scenario Development 8
Governance 11

Introduction

Pursuant to regulations issued by the Board of Governors of the Federal Reserve System ("Federal Reserve") and the Office of the Comptroller of the Currency ("OCC") under the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), The PNC Financial Services Group, Inc. ("PNC") (NYSE: PNC) and PNC Bank, National Association ("PNC Bank") are required to biennially conduct a company-run stress test and disclose certain summary results of the test. For the 2026 Stress Test, the results are based on balance sheet information as of December 31, 2025.

Background

The 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—a supervisory severely adverse scenario—on its financial condition and regulatory capital ratios over a nine-quarter planning period (the "stress period"). The test is designed to help assess whether PNC, PNC Bank, and other participating firms have sufficient capital to absorb losses and support operations during hypothetical severely adverse economic conditions. For the 2026 Stress Test, the stress period covers the period of January 1, 2026, through March 31, 2028. While the 2026 Stress Test is conducted in conjunction with the Federal Reserve's Comprehensive Capital Analysis and Review ("CCAR") process, it is separate from the Federal Reserve's CCAR process. The Federal Reserve released its results of the 2026 supervisory stress test on June 24, 2026. Consistent with the Federal Reserve's announcement on February 4, 2026, PNC's stress capital buffer (SCB) will be maintained at the current minimum of 2.5% until PNC receives a new stress capital buffer requirement based on the results of a supervisory stress test conducted in 2027, which would be effective on October 1, 2027.

On January 5, 2026, PNC completed its acquisition of FirstBank Holding Company, including its banking subsidiary, FirstBank, following receipt of all required regulatory approvals and satisfaction of customary closing conditions. Because the acquisition closed after the December 31, 2025 starting balance sheet date for the 2026 Stress Test, and the acquisition and any projected stress losses related to the acquired portfolios are not material to PNC's capital adequacy, funding profile and overall stress testing results, the effects of the FirstBank acquisition were not included in PNC's stress test submission and in this disclosure.

2026 Supervisory Severely Adverse Scenario

The supervisory severely adverse scenario for the 2026 Stress Test was released by the Federal Reserve and OCC on February 4, 2026.

The scenario is designed to test the strength and resilience of large banking organizations, including PNC and PNC Bank, and their ability to continue to meet the needs of consumers and businesses under a hypothetical scenario that includes severe economic and financial conditions.

The 2026 supervisory severely adverse scenario is characterized by a severe global recession accompanied by a period of heightened stress in commercial and residential real estate markets and in corporate debt markets.

- In the United States, the level of real Gross Domestic Product ("GDP") declines sharply in 2026 and is at its trough in the second quarter of 2027 that is 4.6% below its level in the fourth quarter of 2025.
- The Unemployment Rate increases by 5.5 percentage points from year-end 2025 levels, peaking at 10.0% in the third quarter of 2027, and the inflation rate, as measured by the Consumer Price Index ("CPI"), falls to an annualized rate of about 1.0% in the fourth quarter of 2026, before gradually rising to 1.3% by the first quarter of 2029, the final quarter provided by the Federal Reserve as part of the supervisory severely adverse scenario.

- Equity prices, as measured by the U.S. Dow Jones Total Stock Market Index, fall by approximately 58% from their level in the fourth quarter of 2025 to the trough in the third quarter of 2026, accompanied by a surge in equity market volatility, as measured by the U.S. Market Volatility Index, which reaches a peak value of 72% in the second quarter of 2026.
- Housing prices, as measured by the House Price Index, fall sharply from their level in the fourth quarter of 2025, decreasing by about 30% by the fourth quarter of 2027. Commercial real estate prices, as measured using the Federal Reserve's U.S. Commercial Real Estate Price Index, experience larger declines of nearly 39% from the fourth quarter of 2025 to their trough in the fourth quarter of 2027.
- Financial conditions in corporate lending markets deteriorate markedly in the hypothetical scenario. The spread between yields on investment-grade corporate bonds and yields on long-term Treasury securities increases to 5.7 percentage points by the third quarter of 2026. The spread between mortgage rates and 10-year Treasury yields widens to 3.4 percentage points by the third quarter of 2026 before declining to 2.4 percentage points by the first quarter of 2029.
- As a result of the severe decline in real activity, short-term Treasury rates fall significantly and remain near zero through the stress period. The 10-year Treasury rate falls to 2.3% in the fourth quarter of 2026 before gradually rising to 2.7% by the first quarter of 2029.

Additional information on the supervisory severely adverse scenario is available on the Federal Reserve's website at https://www.federalreserve.gov/newsevents/pressreleases/bcreg20260204a.htm

Capital Action Assumptions

For purposes of these stress test disclosures, PNC's capital actions during the projection period are consistent with the requirements of the Federal Reserve's Dodd-Frank Act company-run stress test regulations (12 C.F.R. § 252.56).

Financial information and capital ratios for PNC in these 2026 company-run stress test disclosures are calculated for the nine quarters based on the following assumptions:

- There are no repurchases or redemptions of regulatory capital instruments;
- There are no issuances of common stock or preferred stock;
- No dividends are paid on PNC's common stock; and
- Payments on outstanding Tier 1 and Tier 2 regulatory capital instruments are assumed to be equal to the stated dividend, interest, or principal due.

These assumptions may not represent the actual capital actions that PNC would take should severely adverse economic conditions develop. Moreover, the capital action assumptions that PNC used for the 2026 Stress Test disclosure are consistent with those used by the Federal Reserve in conducting and disclosing the results of its 2026 supervisory stress test under the supervisory severely adverse scenario.

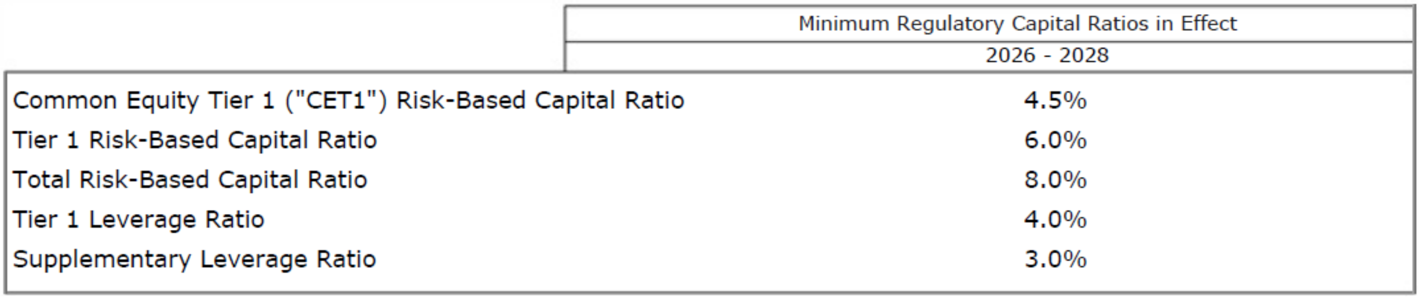
Capital Framework for 2026 Stress Test

PNC and PNC Bank are considered a Category III institution because PNC (i) has more than $250 billion, but less than $700 billion, in consolidated total assets, (ii) is not designated as a global systemically important bank ("GSIB"), and (iii) has less than $75 billion in cross-jurisdictional activity. As permitted under the current regulatory capital rules, PNC and PNC Bank have elected to exclude certain elements of accumulated other comprehensive income ("AOCI") from its Common Equity Tier 1 ("CET1") capital. Additional information on PNC's capital framework can be found in PNC's 2025

Form 10-K within the Supervision and Regulation section of Item 1 Business and the Capital Management section, within the Liquidity and Capital Management portion of the Risk Management section of Item 7.

Table 1 illustrates the minimum required capital ratios in effect during the stress period:

Table 1: Minimum Regulatory Capital Ratios in Effect during the Stress Period

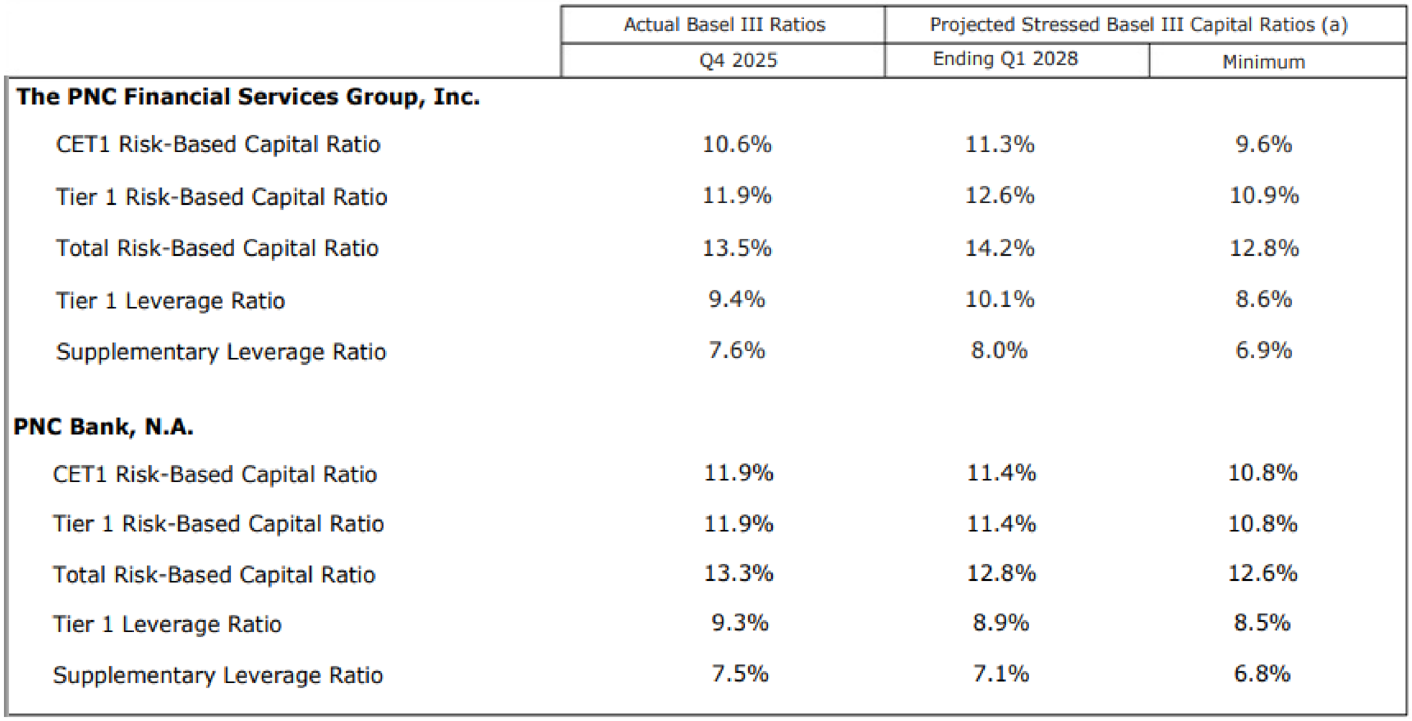


	Minimum Regulatory Capital Ratios in Effect
	2026 - 2028
Common Equity Tier 1 ("CET1") Risk-Based Capital Ratio	4.5%
Tier 1 Risk-Based Capital Ratio	6.0%
Total Risk-Based Capital Ratio	8.0%
Tier 1 Leverage Ratio	4.0%
Supplementary Leverage Ratio	3.0%

Detailed Results of 2026 Company-Run Stress Test

The following tables provide PNC's company-run results of the 2026 Stress Test under the supervisory severely adverse scenario. All projections represent hypothetical outcomes under the assumed severely adverse scenario conditions and are not forecasts of expected losses, revenues, net income before taxes, risk-weighted assets, or capital ratios.

Table 2: Actual Q4 2025 and Projected Basel III Capital Ratios through Q1 2028 under the Supervisory Severely Adverse Scenario



	Actual Basel III Ratios	Projected Stressed Basel III Capital Ratios (a)	
	Q4 2025	Ending Q1 2028	Minimum
The PNC Financial Services Group, Inc.			
CET1 Risk-Based Capital Ratio	10.6%	11.3%	9.6%
Tier 1 Risk-Based Capital Ratio	11.9%	12.6%	10.9%
Total Risk-Based Capital Ratio	13.5%	14.2%	12.8%
Tier 1 Leverage Ratio	9.4%	10.1%	8.6%
Supplementary Leverage Ratio	7.6%	8.0%	6.9%
PNC Bank, N.A.			
CET1 Risk-Based Capital Ratio	11.9%	11.4%	10.8%
Tier 1 Risk-Based Capital Ratio	11.9%	11.4%	10.8%
Total Risk-Based Capital Ratio	13.3%	12.8%	12.6%
Tier 1 Leverage Ratio	9.3%	8.9%	8.5%
Supplementary Leverage Ratio	7.5%	7.1%	6.8%

(a) The capital ratios for PNC through the stress period are calculated using the capital action assumptions included in the Federal Reserve's Dodd-Frank Act stress testing rules in effect for the 2026 Stress Test. The capital ratios for PNC Bank through the stress period are calculated using management's estimate of the capital actions that PNC Bank would expect to take in the supervisory severely adverse scenario. All risk-based regulatory capital ratios are calculated based on the current Basel III Standardized Approach rules for the risk-weighting of assets. These projections represent estimates under the hypothetical conditions included in the 2026 supervisory severely adverse scenario. The projected minimum capital ratios presented are the minimum quarter-end ratios for the relevant metrics during the stress period.

Table 3: Actual Q4 2025 and Projected Q1 2028 Standardized Approach Risk-Weighted Assets under the Supervisory Severely Adverse Scenario for The PNC Financial Services Group, Inc.

In billions	Actual Q4 2025	Projected Q1 2028
Risk-Weighted Assets (a)	$444.4	$442.6

(a) Risk-weighted assets are calculated under the current Basel III Standardized Approach rules.

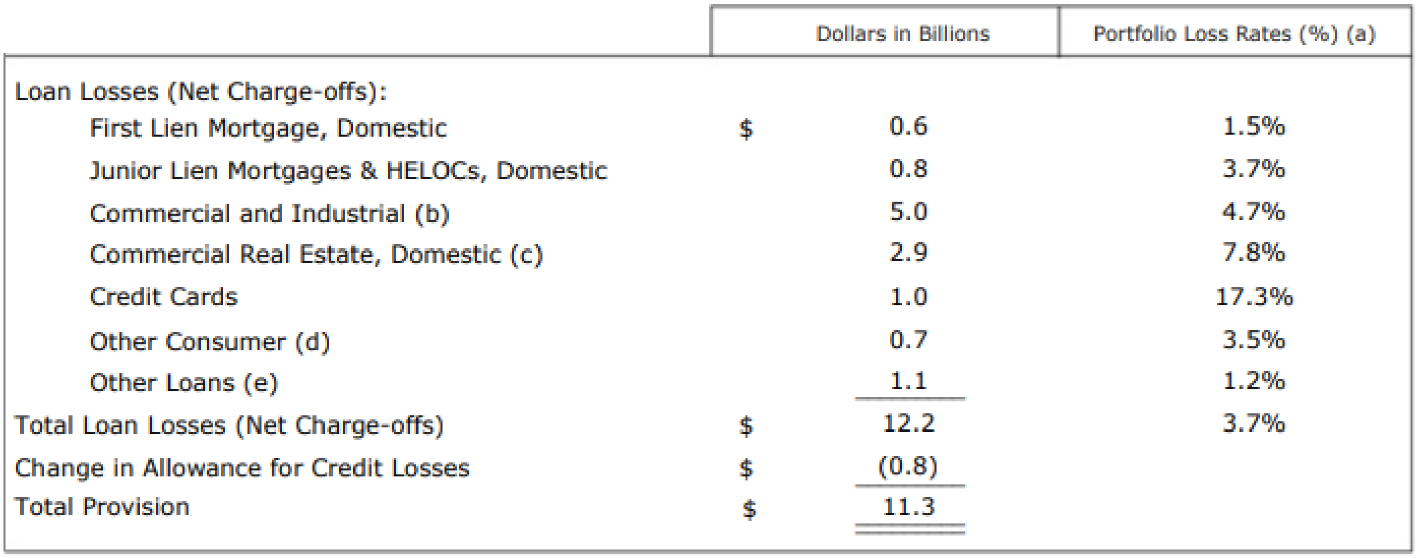
Table 4: Projected Losses, Revenue, and Net Income Before Taxes for Q1 2026 through Q1 2028 under the Supervisory Severely Adverse Scenario for The PNC Financial Services Group, Inc.

		Dollars in Billions	% of Avg Assets (a)
Pre-Provision Net Revenue (b)	$	16.9	2.9%
Other Revenue (c)		-	-
Less: Provision (d)		11.3	2.0%
Trading and Counterparty Losses (e)		-	-
Other Losses/(Gains) (f)		0.1	0.0%
Equals: Net Income/(Loss) Before Taxes	$	5.4	0.9%

*Numbers may not foot due to rounding.

(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, other real estate owned ("OREO") costs, and expenses associated with the change in the allowance for credit losses – unfunded lending related commitments.
(c) Other revenue includes one-time income and (expense) items not included in pre-provision net revenue.
(d) Provision includes provision related to Loans and Leases, Current Expected Credit Losses ("CECL") available-for-sale and held-to-maturity securities, and CECL Other Financial Assets.
(e) Trading and counterparty losses include mark-to-market losses and credit valuation adjustment ("CVA") losses. PNC was not subject to the global market shock or counterparty default scenario components of the stress test.
(f) Other losses/gains include 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.

Table 5: Projected Loan Losses by Type of Loans for Q1 2026 through Q1 2028 under the Supervisory Severely Adverse Scenario for The PNC Financial Services Group, Inc.



		Dollars in Billions	Portfolio Loss Rates (%) (a)
Loan Losses (Net Charge-offs):			
First Lien Mortgage, Domestic	$	0.6	1.5%
Junior Lien Mortgages & HELOCs, Domestic		0.8	3.7%
Commercial and Industrial (b)		5.0	4.7%
Commercial Real Estate, Domestic (c)		2.9	7.8%
Credit Cards		1.0	17.3%
Other Consumer (d)		0.7	3.5%
Other Loans (e)		1.1	1.2%
Total Loan Losses (Net Charge-offs)	$	12.2	3.7%
Change in Allowance for Credit Losses	$	(0.8)	
Total Provision	$	11.3	

*Numbers may not foot due to rounding.

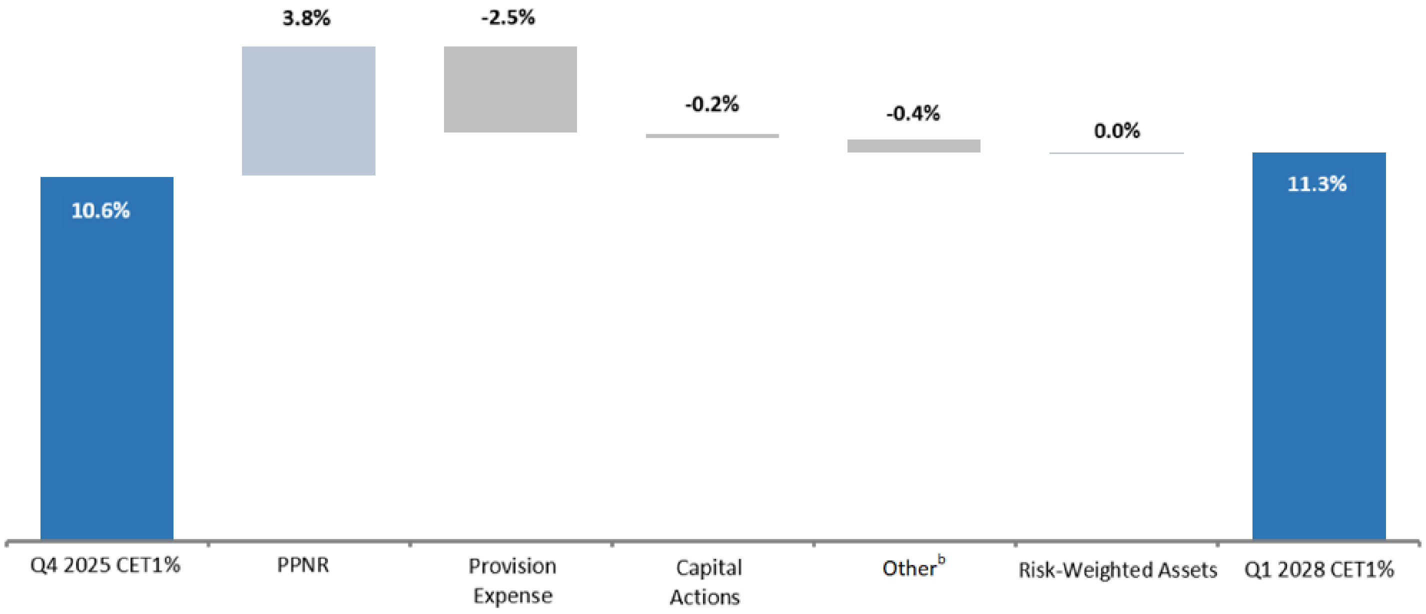
(a) Average loan balances used to calculate portfolio loss rates exclude loans held for sale and loans held for investment under the fair-value option, and are calculated over the nine quarters.
(b) Commercial and industrial loans include small- and medium-enterprise loans and corporate cards.
(c) Commercial real estate includes loans secured by farmland.
(d) Other consumer loans include student loans and automobile loans.
(e) Other loans include loans to non-profit organizations, commercial leases, other commercial loans not classified elsewhere, and international real estate loans (if any).

In the hypothetical severely adverse scenario, depressed earnings and the capital actions assumed to occur reduce projected regulatory capital. The loan loss estimates in Table 5 represent estimates of the net charge-off activity recorded during the nine-quarter stress period. Wholesale Loans (Commercial & Industrial (“C&I”), Commercial Real Estate (“CRE”), and Other Loans) account for approximately 74% of total loan losses or $9.0 billion, with 50% or $6.1 billion of losses coming from C&I/Other Loans and approximately 24% or $2.9 billion from CRE. Of the remaining total loan losses, approximately 12%, or $1.4 billion of total losses, are from Residential Real Estate (First and Junior Lien Mortgages and Home Equity Lines of Credit (“HELOCs”)), while Other Consumer Loans and Credit Cards together account for approximately 14% or $1.7 billion of total losses.

Projected total provision expense is $11.3 billion over the stress period, which accounts for both the cumulative net charge-offs during the period of $12.2 billion, as well as a reduction of $0.8 billion in the Allowance for Credit Losses ("ACL").

Pre-provision net revenue (“PPNR”) is $16.9 billion over the stress period, which reflects, among other things, a projected decline in loan balances, net interest income, and noninterest income due to the economic stress in the hypothetical scenario, as well as projected losses from operational risk events. Despite the decline, PPNR remains sufficient to cover provision expense over the projection period.

In this hypothetical severely adverse scenario, with assumed capital actions described on page 4, PNC’s Basel III CET1 risk-based capital ratio increases from 10.6% (actual) as of the fourth quarter of 2025 to 11.3% at the end of the stress period. PNC’s minimum Basel III CET1 risk-based capital ratio of 9.6%, which is significantly above (+5.1%) the regulatory minimum of 4.5%, occurs in the second quarter of 2026. The following graph illustrates the key drivers of the CET1 risk-based capital ratio change over the stress period.



Common Equity Tier 1 Ratio Attribution Analysis[a]

(a) Basel III CET1 ratios are calculated based on the current Basel III Standardized Approach rules for the risk-weighting of assets.
(b) Represents other items, including income taxes, net operating loss carryforwards, and goodwill and intangibles.

Overview of PNC's Stress Test Methodology and Scenario Development

The 2026 Stress Test conducted by PNC incorporates a broad spectrum of risks that affect PNC including, among others, credit risk, operational risk, and credit losses on investment securities.

- Credit risk represents the risk that losses will be incurred as a result of customers, counterparties, or issuers not performing in accordance with contractual terms. Credit risk primarily affects the loan classes identified in Table 5.
- Operational risk refers to the risk of financial loss, adverse customer experience, or negative regulatory or reputational impacts resulting from inadequate or failed internal processes or systems, human error or misconduct, or adverse external events. Operational risk losses are estimated for all businesses and segments of PNC.

PNC applies both quantitative and qualitative methods to project losses, balances, income, and risk-weighted assets over the stress period. PNC's forecast models are developed using historical data when sufficient relevant data and relationships exist. PNC has robust methodologies in place for risk identification, scenario design, model development, and internal controls. Throughout the stress testing process, PNC follows a structured review and challenge process that involves subject matter experts from across the organization. Quantitative and qualitative model projections are subject to independent review and challenge by management, and adjustments may be applied to address model limitations or account for specific risks.

Loan Losses

Credit loss projections are primarily based on internally developed models that are built on historical loss experience relevant to PNC's credit exposures and separately model the probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD") under the supervisory severely adverse scenario. Distinct models are used for each major asset class to incorporate differences in the asset classes' relevant risk attributes and sensitivities.

The primary commercial loan modeling segments include Wholesale C&I and CRE methodologies.

- The C&I methodology is driven by a credit migration approach that uses borrower risk ratings as a key input to project stressed rating transitions and defaults based on economic variables. The model separately projects stressed LGD and EAD based on the loan and collateral details along with economic variables.
- The CRE methodology translates macroeconomic scenarios into CRE market forecasts, which are then used along with loan-level attributes to project loan-level default rate and loss forecasts. The approach differentiates risk between stabilized and construction loans as well as by property type and geographic market.

The primary consumer loan modeling segments include Residential Real Estate, Credit Cards, Auto loans, and Unsecured Installment loans methodologies.

- The Residential Real Estate methodology uses a combination of loan attributes, borrower characteristics, and macroeconomic variables. There are distinct models for mortgage and home equity exposures.
- The Credit Card, Auto, and Unsecured Installment loan methodologies use loan-level characteristics at origination and key updated attributes such as delinquency status and FICO score, and macroeconomic variables. The Auto loan methodology also incorporates collateral data.

For certain smaller segments, qualitative frameworks based on historical data and qualitative factors are primarily used to estimate losses.

The amount of the ACL established for stress testing purposes, at any point in time, is derived from the projected future net charge-offs to be realized, with net charge-offs projected separately for existing balances as of December 31, 2025 and for new volume over the projection period. The provision expense, which includes both net charge-offs and the change in ACL, is reflected in net income and consequently is reflected in capital levels and ratios throughout the planning period.

Securities

Projected credit losses on investment securities are included as provision for credit losses in the income statement. These losses are generally driven by economic contractions, indicated by worsening macroeconomic indicators such as rising unemployment and declining prices for equities and real estate assets, which result in deterioration in credit quality. Generally, provision for credit losses on available-for-sale (“AFS”) and held to maturity (“HTM”) securities are estimated using internally and vendor-developed models that are applied at the security level. Major inputs to the models include macroeconomic variables and collateral characteristics (if applicable); the output for each model includes projected principal loss and cash flows for each security. If a principal loss is projected, cash flows are then discounted at the effective interest rate on the security to calculate the estimated allowances.

Mortgage Servicing Rights Income and Valuation

Cash flow models are used to project noninterest income and balance sheet items related to capitalized commercial mortgage servicing rights (“CMSR”) and capitalized residential mortgage servicing rights ("RMSR") under the relevant stressed scenario. These calculations require the projection of cash flows over the stress period as well as the projection of any changes to the CMSR and RMSR asset fair values to be realized over the stress period.

Operational Risk

PNC estimates Operational risk-related losses using a variety of methods including regression-based models when a significant relationship to either economic stress or business drivers can be found for either event frequencies or aggregated quarterly losses, historical average losses for other business as usual risks, and stressed, forward-looking business-led loss projections resulting from scenario analysis. Loss projections for legal matters are separately estimated based on a combination of regression model for legal losses with certain risk segments, a quarterly average loss-based approach for small dollar legal losses and losses in other risk segments, stressed loss projections resulting from scenario analysis and stressed estimates of potential outcomes on significant current, pending, or threatened matters with potential exposure above an established threshold.

Scenario Design

Using the limited set of macroeconomic variables provided by the Federal Reserve for the hypothetical supervisory severely adverse scenario, PNC utilizes three models to construct a comprehensive, fully integrated severely adverse scenario that is benchmarked against the historical experience of recessions in the U.S. since World War II. These models are:

- A macroeconomic model of the U.S. economy that projects a large number of variables at the national level;
- A regional model that projects housing prices and unemployment rates for over 400 U.S. metropolitan areas based on projected macroeconomic and local economic conditions; and
- An interest rate projection framework that projects a set of interest rate variables including swap, Treasury, mortgage, and corporate rates, 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 stress period.

Balance Sheet and Net Interest Income

The three Scenario Design models allow for a broad 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 stress period.

Estimates of loan balances over the stress period are used as inputs to the various credit models to estimate losses for each portfolio for the duration of the stress period. Additionally, the balance sheet projections serve as the primary input utilized in calculating projected risk-weighted assets for each quarter of the stress period.

Risk-Weighted Assets (RWA)

Risk-weighted assets are calculated under the current Basel III Standardized Approach rules utilizing projections of PNC's balance sheet and certain off-balance sheet exposures. The projected Standardized Approach risk-weighted assets are then used together with estimated levels of regulatory capital to calculate the risk-based capital ratios in Table 2.

Income Statement

A combination of qualitative and quantitative models is used to project loan and deposit balances, provision, noninterest income, and noninterest expense categories. When employing a qualitative approach, significant focus is placed on sound and thoroughly documented assumptions and effective challenge provided through Line of Business, Finance, Independent Risk Management, and senior management reviews.

Pre-provision net revenue is estimated based on the net interest income projection, which is derived from balance sheet estimates and the impact of the respective interest rate and spread forecasts in the hypothetical supervisory severely adverse scenario, combined with outputs of noninterest income and noninterest expense projections.

Model Risk Management

As part of PNC's overall model risk management and stress testing processes, significant management review of the assumptions, performance, and fit of stress testing models is undertaken.

All of the models employed by PNC to conduct the 2026 Stress Test are subject to PNC's internal model risk 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 Item 1A Risk Factors and the Operational Risk Management portion of the Risk Management section of Item 7 in PNC's 2025 Form 10-K.

Governance

PNC has established a robust governance framework to oversee its stress testing and capital planning processes, consistent with the expectations outlined by the Federal Reserve for capital adequacy processes at large banking organizations.

PNC's governance framework includes oversight by the Board of Directors, its Risk Committee, Asset and Liability Committee, Executive Capital Committee, and senior management, including the review of internal capital goals and targets, the economic scenarios, PPNR and loss estimates utilized in the stress testing process, significant assumptions, and compensating controls to address model limitations and uncertainties in the stress testing and capital planning process, and approval of capital actions.

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