The PNC Financial Services Group, Inc.

Dodd-Frank Act Company-Run Stress Test Disclosures

March 7, 2013

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. (NYSE: PNC) and PNC Bank, National Association ("PNC Bank, N. A.") are required to conduct an annual company-run stress test.

This annual Dodd-Frank Act company-run stress test is a forward-looking exercise under which PNC and PNC Bank, N.A. must estimate the impact of a hypothetical severely adverse macroeconomic scenario provided by the Federal Reserve and OCC on the financial condition and Basel I regulatory capital ratios of PNC and PNC Bank, N.A. over a nine-quarter planning period. For the test conducted as part of the 2013 exercise, the nine-quarter planning period was from the fourth quarter of 2012 through and including the fourth quarter of 2014. The test is designed to help assess whether PNC and PNC Bank, N.A. 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 7, 2013 as part of the 2013 CCAR. The Federal Reserve previously has announced that it will release the results of the 2013 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 2013 CCAR, at approximately 4:30 p.m. (EDT) on March 14, 2013.

The supervisory severely adverse scenario on which the 2013 annual company-run tests were based was released by the Federal Reserve on November 15, 2012. It is important to note that this scenario is a hypothetical scenario that involves economic conditions that are more adverse than expected by the Federal Reserve or PNC. Accordingly, the scenario is not a forecast of anticipated economic conditions, nor are the estimates produced under the company-run test forecasts of expected losses, revenues, net income before taxes, or capital ratios. Rather, the scenario is a hypothetical scenario designed by regulators to help assess the strength and resilience of financial institutions and their ability to continue to meet the credit needs of households and businesses in the event severe economic and financial environments were to develop.

The supervisory severely adverse scenario released by the Federal Reserve for the 2013 company-run stress test assumes a deep recession starting in the fourth quarter of 2012. In the scenario, real GDP falls by 4% in 2013, starts to recover in the second quarter of 2014, and is then followed by an above-trend recovery. The unemployment rate in the scenario increases to 12.1% by the second quarter of 2014 and falls to 11.1% by the end of 2015. Additional information on the supervisory severely adverse scenario is available on the Federal Reserve's website at www.federalreserve.gov/newsevents/press/bcreg/20121115a.htm.

Pursuant to the Federal Reserve's company-run stress test regulation (12 CFR § 252.141-148), bank holding companies, including PNC, must make a uniform set of assumptions regarding capital actions over the 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 2012. For the remaining eight quarters of the planning period, firms must assume that (i) there are no issuances or redemptions of regulatory capital instruments; (ii) quarterly common stock dividends are and remain equal to the quarterly average of common stock dividends paid in the calendar year in which the planning period starts (for PNC, the quarterly average dividend in 2012 was $0.3875); 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, presented with the extreme economic conditions specified in the hypothetical supervisory severely adverse scenario, PNC would expect to undertake capital actions in response designed to positively impact capital and liquidity, such as, for example, reducing capital payouts and planned redemptions of hybrid capital securities.

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

The financial information and capital ratios for The PNC Financial Services Group, Inc. are calculated using the assumptions required by the Federal Reserve's company-run stress test regulation. Financial information and 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, N.A. would take in the assumed macroeconomic scenario. All projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses, revenues, net income before taxes, or capital ratios. The minimum capital ratio presented is for the period Q4 2012 through and including Q4 2014.

Table 1

Projected Capital Ratios through Q4 2014 under the Supervisory Severely Adverse Scenario

	Actual	Stressed Capital Ratios	
	Q3 2012	Q4 2014	Minimum
The PNC Financial Services Group, Inc.			
Tier 1 Common Ratio (%)	9.5%	7.9%	7.9%
Tier 1 Capital Ratio (%)	11.7%	10.0%	10.0%
Total Risk Based Capital Ratio (%)	14.5%	12.6%	12.6%
Tier 1 Leverage Ratio (%)	10.4%	8.0%	8.0%
PNC Bank, N.A.			
Tier 1 Common Ratio (%)	10.1%	8.9%	8.9%
Tier 1 Capital Ratio (%)	11.3%	9.5%	9.5%
Total Risk Based Capital Ratio (%)	14.0%	13.4%	13.4%
Tier 1 Leverage Ratio (%)	10.1%	7.4%	7.4%

Table 2

PNC Financial Services Group, Inc.
Projected Losses, Revenue, and Net Income Before Taxes
through Q4 2014 under the Supervisory Severely Adverse Scenario

	Billions of Dollars	% of Avg. PNC Total Consolidated Assets
Pre-Provision Net Revenue [1]	$8.1	2.7%
Other Revenue [2]	(0.1)	0.0%
Less		
Provision[3]	12.2	4.0%
Realized (Gains) / Losses on Securities (AFS & HTM)	0.5	0.2%
Trading & Counterparty Losses [4]	0.0	0.0%
Other Losses / (Gains) [5]	(0.0)	0.0%
Equals		
Net Income Before Taxes[6]	$(4.6)	-1.5%

[1] Pre-provision net revenue includes losses from operational risk events, mortgage put-back expenses, and OREO costs.
[2] Other revenue includes one-time income and (expense) items not included in pre-provision net revenue such as, for example, noncash charges related to the redemption of trust preferred securities.
[3] Provision is calculated in accordance with applicable regulatory standards for CCAR.
[4] Trading and counterparty includes mark-to-market losses, changes in credit valuation adjustments (CVA) and incremental default losses. Trading & Counterparty Losses are reported as $0 because PNC was not required to complete the Counterparty/Trading templates.
[5] 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, if any.
[6] Numbers in the table may not foot due to rounding.

Table 3

PNC Financial Services Group, Inc.

Projected Loan Losses by Type of Loans for Q4 2012 through Q4 2014

Q4 2014 under the Supervisory Severely Adverse Scenario

	Billions of Dollars	Portfolio Loss Rates (%)
Loan Losses (Net charge-offs)[1]	$8.3	4.8
First Lien Mortgages Domestic	1.0	4.6
Junior Lien Mortgages & HELOCs, Domestic	2.7	10.3
Commercial and Industrial	1.8	3.3
Commercial Real Estate	1.3	4.6
Credit Cards	0.6	17.2
Other Consumer Loans	0.6	3.3
All Other Loans	0.3	1.3
Change in Allowance for Loan and Lease Losses	3.9	
Total Provision [2]	$12.2	

[1] Commercial and industrial loans include small and medium enterprise loans and corporate cards. Average loan balances used to calculate portfolio loss rates exclude loans held for sale and loans held for investment under the fair-value option.

[2] Provision is calculated in accordance with applicable regulatory standards for CCAR.

The annual company-run stress test conducted by PNC incorporated a broad spectrum of risks that face PNC including, among others, credit risk, other-than-temporary impairment (OTTI) risk on securities, mortgage repurchase risk, and operational risk. 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. 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. 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.

PNC applied both quantitative and qualitative methods to measure and assess risks. Estimated losses for commercial and industrial (C&I) loans were primarily modeled by projecting the probability of default, loss given default (taking into account available collateral), and exposure at default. The probability of default model for C&I loans is based on a transition matrix approach and its inputs include, among other things, macroeconomic variables and loan-level characteristics such as loan type, tenor, segment, and internal ratings. The probability of default on owner-occupied properties within the Commercial Real Estate (CRE) portfolio generally was 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 which 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 debt service coverage ratio and the loan-to-value ratio. For certain segments of the CRE portfolio losses were estimated employing the results of the third party vendor model as applied to other segments along with internal risk ratings.

For Residential Real Estate loans, 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 payoff or default and liquidation. 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 loss data where such data is deemed sufficient for modeling purposes. For such units of measure, losses are estimated by developing an event frequency estimate, and second, calculating the historical average loss per event. The estimated loss is a product of the projected number of events multiplied by the historical average loss per event. Projected event frequencies are derived from a model that fits the relationship between macroeconomic factors and historical event frequencies. In instances in which no statistically significant relationship to macroeconomic factors was observed, the event frequency estimate is a constant value based upon the historical average event frequency.

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

PNC in many cases developed "challenger" or various alternative models to estimate losses for many risk types or for segments within a loan or securities portfolio, including the C&I, CRE, and Residential Real Estate loan portfolios, in light of the special characteristics of the loans or securities within the segment. For example, a PNC-developed model was used to estimate losses on impaired CRE loans. In addition, 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, the output of challenger models, 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.

The loan loss estimates presented in Table 3 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 CCAR 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 CCAR. 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.

All of the models employed by PNC to conduct this stress test were subjected to PNC's internal model governance framework and procedures. Additional information on PNC's Model Risk Management framework can be found in PNC's 2012 Form 10-K at Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Risk Management—Model Risk Management.

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 inputs for the balance estimates, as well as for the models or other processes used to estimate noninterest income, expense, credit loss, securities losses, and other losses over the nine-quarter planning period. Balance sheet and loan balance estimates were used as inputs to the various credit models to estimate losses for each portfolio for the duration of the planning period. Noninterest expense and income were estimated based on historical trends and models 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 forecasts in the assumed scenario, combined with outputs of noninterest income and expense models. Risk weighted assets were calculated under the Basel I framework in line with current methodologies used for regulatory reporting purposes (FR Y-9C) utilizing the estimated balance sheet, which together with estimated levels of regulatory capital derived from the projected income statement and in combination with the capital action assumptions required by applicable regulations, were used to calculate the PNC capital ratios in Table 1. The stress test conducted by PNC Bank, N.A. employed similar processes, except the information and capital ratios for PNC Bank, N.A. were calculated using management's estimate of the capital actions that PNC Bank, N.A. would take in the assumed macroeconomic scenario.

In the hypothetical severely adverse scenario changes in the regulatory capital ratios of PNC and PNC Bank, N.A. over the course of the planning period are driven predominantly by losses in three loan categories. Specifically, of the $8.3 billion in cumulative loan losses projected for the nine quarters from Q4 2012 through Q4 2014 under the hypothetical severely adverse scenario, approximately 69% were losses attributable to C&I loans, CRE loans, and domestic junior lien mortgages and home equity lines of

credit. As of September 30, 2012, 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 62% of all loans). Estimated loss rates in the junior lien mortgage and home equity line of credit category (10.3%) were significantly above the estimated loss rate for all loan portfolios (4.8%). Losses are partially offset, in terms of capital ratio impact, by a reduction in risk weighted assets over the planning horizon arising from projected stalled loan growth and increased securities purchasing activity (assumed to be high-quality securities issued or backed by the US government and its agencies) in the hypothetical severely adverse scenario. PNC projected a total provision expense of $12.2 billion over the nine-quarter planning period. This expense provides for both the replacement of the $8.3 billion in cumulative net charge-offs, as well as an additional $3.9 billion of provision expense for estimated future loan losses projected to be incurred beyond the planning period.

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