



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

**Liquidity Coverage Ratio Disclosures**

**September 30, 2024**

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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 September 30, 2024, consolidated total assets, total deposits and total shareholders' equity were \$564.9 billion, \$424.0 billion and \$55.7 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) disclosure is required by the LCR rule issued by the Board of Governors of the Federal Reserve System. This disclosure provides information about our LCR, 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, 2023 (2023 Form 10-K) and Quarterly Report on Form 10-Q for the period ended September 30, 2024 (third quarter 2024 Form 10-Q). These SEC filings are available at [www.pnc.com/secfilings](http://www.pnc.com/secfilings). The LCR disclosure 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 rule.

***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 third quarter 2024 Form 10-Q for more information. Also see all risks and uncertainties disclosed in PNC's SEC filings, including its 2023 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 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. PNC calculates the LCR on a daily basis and is required to maintain a regulatory minimum of 100%. The LCR for PNC exceeded the regulatory minimum throughout the third quarter of 2024.

The following table summarizes PNC's average LCR for the three months ended September 30, 2024 based on the LCR rules:

**Table 1: Liquidity Coverage Ratio**

Average weighted amount (in millions)	Three months ended September 30, 2024
HQLA	\$ 100,796
Estimated net cash outflows	92,670
<b>LCR</b>	<b>109 %</b>
HQLA in excess of estimated net cash outflows	\$ 8,126

PNC's average LCR for the three months ended September 30, 2024 was 109%, increasing 1% compared to the three months ended June 30, 2024, primarily due to increased liquidity transferable from PNC Bank, N.A.

HQLA consists of cash balances held with the Federal Reserve Bank (FRB) 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 September 30, 2024:

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

Dollars in millions		Three months ended September 30, 2024	
		Average Unweighted Amount	Average Weighted Amount (a)
<b>High Quality Liquid Assets</b>			
1	<b>Total eligible HQLA, of which:</b>	<b>\$ 101,782</b>	<b>\$ 100,796</b>
2	Eligible level 1 liquid assets	95,205	95,205
3	Eligible level 2A liquid assets	6,577	5,591
4	Eligible level 2B liquid assets		
<b>Cash Outflow Amounts</b>			
5	<b>Deposit outflow from retail customers and counterparties, of which:</b>	<b>\$ 251,394</b>	<b>\$ 15,090</b>
6	Stable retail deposit outflow	165,299	4,959
7	Other retail funding outflow	69,828	7,014
8	Brokered deposit outflow	16,267	3,117
9	<b>Unsecured wholesale funding outflow, of which:</b>	<b>145,982</b>	<b>51,525</b>
10	Operational deposit outflow	85,774	21,124
11	Non-operational funding outflow	59,905	30,098
12	Unsecured debt outflow	303	303
13	<b>Secured wholesale funding and asset exchange outflow</b>	<b>30,770</b>	<b>3,613</b>
14	<b>Additional outflow requirements, of which:</b>	<b>223,850</b>	<b>44,282</b>
15	Outflow related to derivative exposures and other collateral requirements	6,981	6,617
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	216,869	37,665
17	<b>Other contractual funding obligation outflow</b>	<b>430</b>	<b>430</b>
18	<b>Other contingent funding obligations outflow</b>	<b>13,802</b>	<b>414</b>
19	<b>Total Cash Outflow</b>	<b>\$ 666,228</b>	<b>\$ 115,354</b>
<b>Cash Inflow Amounts</b>			
20	<b>Secured lending and asset exchange cash inflow</b>	<b>\$ 2,418</b>	<b>\$ 219</b>
21	<b>Retail cash inflow</b>	<b>1,308</b>	<b>654</b>
22	<b>Unsecured wholesale cash inflow</b>	<b>2,960</b>	<b>1,876</b>
23	<b>Other cash inflows, of which:</b>	<b>4,100</b>	<b>4,100</b>
24	Net derivative cash inflow	3,640	3,640
25	Securities cash inflow	460	460
26	Broker-dealer segregated account inflow		
27	Other cash inflow		
28	<b>Total Cash Inflow</b>	<b>\$ 10,786</b>	<b>\$ 6,849</b>
		Average Weighted Amount (b)	
29	<b>HQLA Amount</b>		<b>\$ 100,796</b>
30	<b>Total Estimated Net Cash Outflow Amount Excluding the Maturity Mismatch Add-on</b>		<b>\$ 108,505</b>
31	<b>Maturity Mismatch Add-on</b>		518
32	<b>Total unadjusted net cash outflow amount</b>		<b>\$ 109,023</b>
33	<b>Outflow adjustment percentage</b>		<b>85 %</b>
34	<b>Total net cash outflow amount</b>		<b>\$ 92,670</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 \$100.8 billion for the three months ended September 30, 2024.

The following table presents the composition of PNC's HQLA by asset class for the three months ended September 30, 2024:

**Table 3: HQLA Composition**

(in millions)	September 30, 2024	
	Average weighted amount	
<b>HQLA</b>		
Eligible cash (a)	\$	44,886
Eligible level 1 securities (b)		50,319
<b>Total eligible Level 1 assets</b>		<b>95,205</b>
Eligible level 2a securities (c)		5,591
Eligible level 2b securities		
<b>Total eligible Level 2 assets</b>		<b>5,591</b>
<b>Total HQLA</b>	<b>\$</b>	<b>100,796</b>

(a) Cash represents balances held with the FRB.

(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 may also obtain liquidity through various forms of funding, such as senior notes, subordinated debt, Federal Home Loan Bank (FHLB) 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 FRB discount window. The FRB, 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 September 30, 2024, our unused secured borrowing capacity at the FHLB-Pittsburgh and the FRB was \$45.4 billion and \$79.9 billion, respectively.

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 third quarter 2024 Form 10-Q and 2023 Form 10-K.

**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 September 30, 2024 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 September 30, 2024, 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 September 30, 2024, PNC had total average retail deposits of \$251.4 billion and average associated weighted cash outflows of \$15.1 billion, resulting in an implied cash outflow rate of 6%. PNC also had for the three months ended September 30, 2024, total average operational wholesale deposits of \$85.8 billion, with average associated weighted cash outflows of \$21.1 billion, which resulted in an implied cash outflow rate of 25%. Additionally, PNC had total average non-operational wholesale deposits of \$59.9 billion, with average associated weighted cash outflows of \$30.1 billion, which resulted in an implied cash outflow rate of 50%. 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 10 Commitments in our 2023 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.

**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 internal 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. Parent company stress coverage limits and operating guidelines are designed to help ensure that sufficient liquidity is available to meet our parent company obligations over the succeeding 24-month period. Liquidity-related risk limits and operating guidelines are established within our Enterprise Liquidity Management Policy covering regulatory and other key liquidity risk metrics. Management committees, including the Asset and Liability Committee, and the Board of Directors and its Risk Committee, regularly review compliance with key established limits. PNC was in compliance with all relevant internal and regulatory liquidity limits and guidelines during the first, second and third quarters of 2024.

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 2023 Form 10-K.