The PNC Financial Services Group, Inc.

Liquidity Coverage Ratio and Net Stable Funding Ratio Disclosures

June 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 June 30, 2024, consolidated total assets, total deposits and total shareholders' equity were $556.5 billion, $416.4 billion and $52.6 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, 2023 (2023 Form 10-K) and Quarterly Report on Form 10-Q for the period ended June 30, 2024 (second quarter 2024 Form 10-Q). These SEC filings are available at www.pnc.com/secfilings. The LCR and NSFR disclosures and other regulatory disclosures are available at 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

This disclosure 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'second 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 and on the SEC's website at 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. The regulatory minimum LCR that we are required to maintain is 100%. PNC is required to calculate the LCR on a daily basis, and throughout the second quarter of 2024, exceeded the regulatory minimum requirement.

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

Table 1: Liquidity Coverage Ratio

Average weighted amount (in millions)	Three months ended June 30, 2024
HQLA	$ 97,393
Estimated net cash outflows	90,334
LCR	**108 %**
HQLA in excess of estimated net cash outflows	$ 7,059

PNC’s average LCR for the three months ended June 30, 2024 was 108%, increasing 1% compared to the three months ended March 31, 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 June 30, 2024:

Table 2: Liquidity Coverage Ratio and Related Components

		Three months ended June 30, 2024	
	Dollars in millions	Average Unweighted Amount	Average Weighted Amount (a)
	High Quality Liquid Assets		
1	**Total eligible HQLA, of which:**	**$ 98,658**	**$ 97,393**
2	Eligible level 1 liquid assets	90,226	90,226
3	Eligible level 2A liquid assets	8,432	7,167
4	Eligible level 2B liquid assets		
	Cash Outflow Amounts		
5	**Deposit outflow from retail customers and counterparties, of which:**	**$ 253,615**	**$ 15,000**
6	Stable retail deposit outflow	168,050	5,042
7	Other retail funding outflow	70,676	7,098
8	Brokered deposit outflow	14,889	2,860
9	**Unsecured wholesale funding outflow, of which:**	**140,764**	**48,895**
10	Operational deposit outflow	83,599	20,585
11	Non-operational funding outflow	56,829	27,974
12	Unsecured debt outflow	336	336
13	**Secured wholesale funding and asset exchange outflow**	**26,467**	**3,298**
14	**Additional outflow requirements, of which:**	**222,579**	**44,750**
15	Outflow related to derivative exposures and other collateral requirements	7,975	7,621
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	214,604	37,129
17	**Other contractual funding obligation outflow**	**441**	**441**
18	**Other contingent funding obligations outflow**	**11,900**	**357**
19	**Total Cash Outflow**	**$ 655,766**	**$ 112,741**
	Cash Inflow Amounts		
20	**Secured lending and asset exchange cash inflow**	**$ 2,957**	**$ 258**
21	**Retail cash inflow**	**1,309**	**655**
22	**Unsecured wholesale cash inflow**	**2,971**	**1,881**
23	**Other cash inflows, of which:**	**4,271**	**4,271**
24	Net derivative cash inflow	3,834	3,834
25	Securities cash inflow	437	437
26	Broker-dealer segregated account inflow		
27	Other cash inflow		
28	**Total Cash Inflow**	**$ 11,508**	**$ 7,065**
			Average Weighted Amount (b)
29	**HQLA Amount**		**$ 97,393**
30	**Total Estimated Net Cash Outflow Amount Excluding the Maturity Mismatch Add-on**		**$ 105,676**
31	**Maturity Mismatch Add-on**		599
32	**Total unadjusted net cash outflow amount**		**$ 106,275**
33	**Outflow adjustment percentage**		**85 %**
34	**Total net cash outflow amount**		**$ 90,334**
35	**Liquidity Coverage Ratio (%)**		**108 %**

(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 $97.4 billion for the three months ended June 30, 2024.

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

Table 3: HQLA Composition

(in millions)	June 30, 2024 Average weighted amount
HQLA	
Eligible cash (a)	$ 40,628
Eligible level 1 securities (b)	49,598
Total eligible Level 1 assets	**90,226**
Eligible level 2a securities (c)	7,167
Eligible level 2b securities	
Total eligible Level 2 assets	**7,167**
Total HQLA	**$ 97,393**

(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 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 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 June 30, 2024, our unused secured borrowing capacity at the FHLB-Pittsburgh and the FRB was $37.6 billion and $85.3 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 June 30, 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 June 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 June 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 June 30, 2024, PNC had total average retail deposits of $253.6 billion and average associated weighted cash outflows of $15.0 billion, resulting in an implied cash outflow rate of 6%. PNC also had for the three months ended June 30, 2024, total average operational wholesale deposits of $83.6 billion, with average associated weighted cash outflows of $20.6 billion, which resulted in an implied cash outflow rate of 25%. Additionally, PNC had total average non-operational wholesale deposits of $56.8 billion, with average associated weighted cash outflows of $28.0 billion, which resulted in an implied cash outflow rate of 49%. 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.

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 calculates the NSFR on a daily 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. PNC is required to disclose the quarterly average NSFR on a semi-annual basis. The NSFR for PNC exceeded the regulatory minimum requirement throughout the first and second quarter of 2024.

NSFR Composition
NSFR is defined as the amount of ASF relative to the amount of RSF, expressed as a percentage. 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, 2024 and March 31, 2024:

Table 4: Net Stable Funding Ratio

		Three months ended June 30, 2024					
		Average Unweighted Amount					Average Weighted Amount
	Dollars in millions	Open Maturity	< 6 months	6 months to < 1 year	≥ 1 year	Perpetual	
	Available Stable Funding Item						
1	**Capital and securities:**		**$ 1,684**	**$ 2,225**	**$ 85,870**		**$86,983**
2	NSFR regulatory capital elements				59,644		59,644
3	Other capital elements and securities		1,684	2,225	26,226		27,339
4	**Retail funding:**	**$ 221,479**	**$ 28,921**	**$ 3,504**	**$ 685**		**$229,001**
5	Stable deposits	154,567	11,491	1,384	480		159,525
6	Less stable deposits	61,079	8,124	1,201	205		63,548
7	Sweep deposits, brokered reciprocal deposits and brokered deposits	5,833	8,136	919			5,343
8	Other retail funding		1,170				585
9	**Wholesale funding:**	**$ 151,435**	**$ 28,438**	**$ 11,388**	**$ 15,827**		**$99,973**
10	Operational deposits	83,597					41,798
11	Other wholesale funding	67,838	28,438	11,388	15,827		58,175
	Other Liabilities:						
12	NSFR derivatives liability amount			$2,048			
13	Total derivatives liability amount			$4,181			
14	All other liabilities not included in categories 1 through 13 of this table		$ 10,381	$ 24	$ 4,570		
15	**Total Available Stable Funding (a)**						**$363,055**
	Required Stable Funding Item						
16	**Total high-quality liquid assets**	**$ 40,628**	**$ 6,480**	**$ 5,338**	**$ 110,331**		**$10,495**
17	Level 1 liquid assets	40,628	6,343	5,163	44,968		
18	Level 2A liquid assets		62	24	63,788		9,594
19	Level 2B liquid assets		75	151	1,575		901
20	Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	5,013	88	25	5,000		
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	1,045					523
22	**Loans and securities:**	**$ 15**	**$ 32,046**	**$ 22,678**	**$ 261,897**		**$239,408**
23	Loans to financial sector entities secured by level 1 liquid assets		1,918	3,350			1,675
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	13	4,990		15,376		16,126
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	2	25,013	19,109	184,646		177,789
26	Of which: With a risk weight of no greater than 20 percent under Regulation Q (12 CFR part 217)				6,111		3,972
27	Retail mortgages				46,839		30,814
28	Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 217)				44,996		29,247
29	Securities that do not qualify as HQLA		125	219	15,036		13,004
	Other assets:						
30	Commodities						
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements			$1,082			$ 920
32	NSFR derivatives asset amount						
33	Total derivatives asset amount			$2,133			
34	RSF for potential derivatives portfolio valuation changes			$5,594			$ 280
35	All other assets not included in the categories 16-33 of this table, including nonperforming assets	$ 8	$ 31,196	$ 3,977	$ 41,262		$74,304
36	Undrawn commitments			$215,494			$10,775
37	**Total RSF prior to application of required stable funding adjustment percentage**						**$336,705**
38	**Required stable funding adjustment percentage**						**85 %**
39	**Total adjusted RSF**						**$286,199**
40	**Net stable funding ratio**						**127 %**

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	Dollars in millions	Three months ended March 31, 2024					
		Average Unweighted Amount					Average Weighted Amount
		Open Maturity	< 6 months	6 months to < 1 year	≥ 1 year	Perpetual	
	Available Stable Funding Item						
1	**Capital and securities:**		**$ 1,310**	**$ 1,979**	**$ 86,804**		**$87,794**
2	NSFR regulatory capital elements				60,783		60,783
3	Other capital elements and securities		1,310	1,979	26,021		27,011
4	**Retail funding:**	**$ 223,842**	**$ 22,469**	**$ 8,179**	**$ 906**		**$230,737**
5	Stable deposits	155,370	9,067	2,260	619		158,933
6	Less stable deposits	62,399	6,806	1,779	287		64,142
7	Sweep deposits, brokered reciprocal deposits and brokered deposits	6,073	5,507	4,140			7,116
8	Other retail funding		1,089				546
9	**Wholesale funding:**	**$ 154,701**	**$ 18,651**	**$ 16,141**	**$ 19,030**		**$104,200**
10	Operational deposits	85,507					42,750
11	Other wholesale funding	69,194	18,651	16,141	19,030		61,450
	Other Liabilities:						
12	NSFR derivatives liability amount			$1,774			
13	Total derivatives liability amount			$3,837			
14	All other liabilities not included in categories 1 through 13 of this table		$ 10,413	$ 21	$ 2,619		
15	**Total Available Stable Funding (a)**						**$368,032**
	Required Stable Funding Item						
16	**Total high-quality liquid assets**	**$ 47,808**	**$ 2,235**	**$ 8,143**	**$ 104,526**		**$10,624**
17	Level 1 liquid assets	47,808	2,110	8,022	38,349		
18	Level 2A liquid assets		31	27	64,524		9,703
19	Level 2B liquid assets		94	94	1,653		921
20	Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	5,442	52	21	3,161		
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	1,019					509
22	**Loans and securities:**	**$ 17**	**$ 28,425**	**$ 23,090**	**$ 259,133**		**$237,078**
23	Loans to financial sector entities secured by level 1 liquid assets		1,381	3,413			1,707
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	15	5,057		16,716		17,476
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	2	21,772	19,530	181,640		174,802
26	Of which: With a risk weight of no greater than 20 percent under Regulation Q (12 CFR part 217)				1,215		790
27	Retail mortgages				45,761		30,096
28	Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 217)				44,007		28,604
29	Securities that do not qualify as HQLA		215	147	15,016		12,997
	Other assets:						
30	Commodities						
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements			$799			$ 679
32	NSFR derivatives asset amount						
33	Total derivatives asset amount			$2,063			
34	RSF for potential derivatives portfolio valuation changes			$5,033			$ 252
35	All other assets not included in the categories 16-33 of this table, including nonperforming assets	$ 8	$ 34,732	$ 5,598	$ 47,074		$83,971
36	Undrawn commitments			$215,241			$10,762
37	**Total RSF prior to application of required stable funding adjustment percentage**						**$343,875**
38	**Required stable funding adjustment percentage**						**85 %**
39	**Total adjusted RSF**						**$292,294**
40	**Net stable funding ratio**						**126 %**

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

PNC’s NSFR averaged 127% for the three months ended June 30, 2024 compared to 126% for the three months ended March 31, 2024 and 124% for the three months ended December 31, 2023. In both comparisons, NSFR increased as decreases in RSF outpaced declines in ASF.

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, 2024 compared to the three months ended March 31, 2024, the decrease in ASF was driven by lower deposit balances and growth in wholesale funding balances maturing in less than one year.

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.

Total average loans were stable for the second quarter of 2024 compared to the first quarter of 2024, and included a modest decline in consumer balances reflecting lower residential real estate and home equity loans. Although unweighted average loan balances were stable, RSF declined as a result of lower encumbered loans with maturities of one year or more.

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 and second 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.