# Investor Meetings

Third Quarter 2017

The PNC Financial Services Group

# Cautionary Statement Regarding Forward-Looking and Non-GAAP Financial Information

This presentation is not intended as a full business or financial review and should be viewed in the context of all of the information made available by PNC in its SEC filings and on its corporate website.

The presentation contains forward-looking statements regarding our outlook for earnings, revenues, expenses, capital and liquidity levels and ratios, asset levels, asset quality, financial position, and other matters regarding or affecting PNC and its future business and operations. Forward-looking statements are necessarily subject to numerous assumptions, risks and uncertainties, which change over time. The forward-looking statements in this presentation are qualified by the factors affecting forward-looking statements identified in the more detailed Cautionary Statement included in the Appendix. We provide greater detail regarding these as well as other factors in our 2016 Form 10-K and our 2017 Form 10-Qs, and in our subsequent SEC filings. Our forward-looking statements may also be subject to other risks and uncertainties, including those we may discuss in this presentation or in our SEC filings. Future events or circumstances may change our outlook and may also affect the nature of the assumptions, risks and uncertainties to which our forward-looking statements are subject. Forward-looking statements in this presentation speak only as of the date of this presentation. We do not assume any duty and do not undertake to update those statements. Actual results or future events could differ, possibly materially, from those anticipated in forward-looking statements, as well as from historical performance.

In this presentation, we may sometimes include non-GAAP financial information. Non-GAAP financial information includes metrics such as fee income, tangible book value, as well as adjusted results and certain information used to review components of reported information. When we do so, we provide GAAP reconciliations for such information. Such reconciliations may be found in our presentation, in these slides, including the Appendix, in other materials on our corporate website, and in our SEC filings. This information supplements our results as reported in accordance with GAAP and should not be viewed in isolation from, or as a substitute for, our GAAP results. We believe that this information and the related reconciliations may be useful to investors, analysts, regulators and others to help understand and evaluate our financial results. We may also use annualized, pro forma, estimated or third party numbers for illustrative or comparative purposes only. These may not reflect actual results.

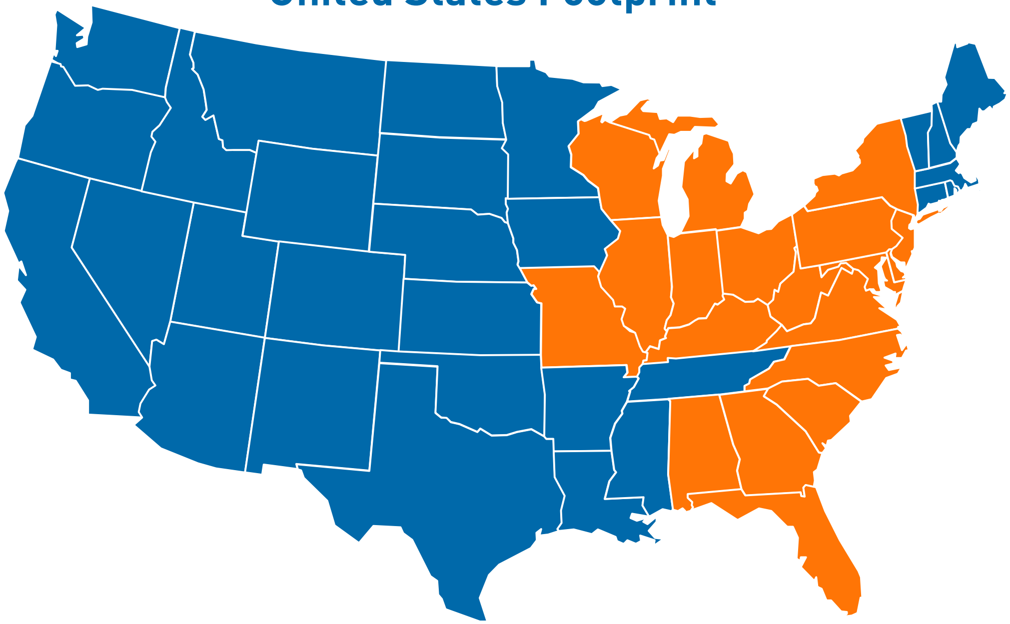
References to our corporate website are to www.pnc.com under "About Us–Investor Relations." Our SEC filings are available both on our corporate website and on the SEC's website at www.sec.gov. We include web addresses here as inactive textual references only. Information on these websites is not part of this presentation.

# Agenda

1. PNC business model overview
2. High quality and consistent financial performance
3. Levers to drive growth and positive operating leverage
4. Continuing to execute

# PNC is a Strong and Diversified Bank Holding Company

## United States Footprint



Asset Management and Corporate & Institutional

Asset Management, Corporate & Institutional and Retail Banking – full service franchise

## PNC's Financial Highlights

| 6/30/17 | PNC | U.S. Rank |
|---|---|---|
| Deposits | $259 billion | #7 |
| Assets | $372 billion | #7 |
| Branches | 2,481 | #5 |
| ATMs | 8,972 | #5 |

## PNC's Diversified Franchise

**Asset Management** – One of the top bank wealth managers; minority ownership in BlackRock. National business with offices primarily located in retail footprint.

**Corporate and Institutional** - A leader in serving middle-market, large corporate, government and non-profit entities. National business.

**Retail Banking** - Footprint covering nearly half of U.S. population. Residential mortgage loans offered within footprint and nationwide.

*Strategic international offices: Canada, China, Germany, United Kingdom*

– Source for U.S. Rankings: SNL Financial. Assets rank excludes Morgan Stanley and Goldman Sachs.
– Source for Asset Management top bank wealth manager: Barron's, as of September 2016.

# Our Business Model

- Deliver long-term value
- Strong capital management
- Invest in and grow high return, diverse businesses which fit our desired risk profile
- Adhere to our risk appetite
- Stay core funded and disciplined in deposit pricing
- Maintain expense management to help fund growth and investments
- Execute on our strategic priorities

| 2Q17 Results (unless specified) | PNC | Peer Rank |
|---|---|---|
| Tangible book value per common share % change (12/31/07 – 6/30/17) | 282% | #1 |
| Return on average assets | 1.19% | #2 |
| Noninterest income to total revenue | 44% | #3 |
| Net charge-offs to average loans (2Q17 annualized) | 0.20% | #2 |
| Liquidity coverage ratio (6/30/17) | > 100% | NA |
| Efficiency Ratio | 61% | #7 |

– Peer Rank – See list of Peer Group Banks in the Appendix.
– Tangible book value per common share (Non-GAAP) – See reconciliation in Appendix.

# Executing on Strategic Priorities while Applying Tactical Levers

- We are focused on our strategic priorities to drive higher fee income, control expenses and create long-term value

- PNC has levers to create positive operating leverage absent rate increases
  - Digitize customer acquisition, fulfillment and payments
  - Transform retail banking
  - Enhance delivery and get paid for value
  - Accelerate lending
  - Redesign the home lending process

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# Second Quarter 2017 Highlights

- Delivered high quality results
  - Net interest income growth
  - Fee income growth
  - Loan growth
  - Well-managed expenses
  - Stable credit quality
  - Strong capital return
- Ongoing execution on our strategic priorities positions us to deliver positive operating leverage and create long-term shareholder value

**Net Income**

**$1.1 billion**

**Diluted EPS**

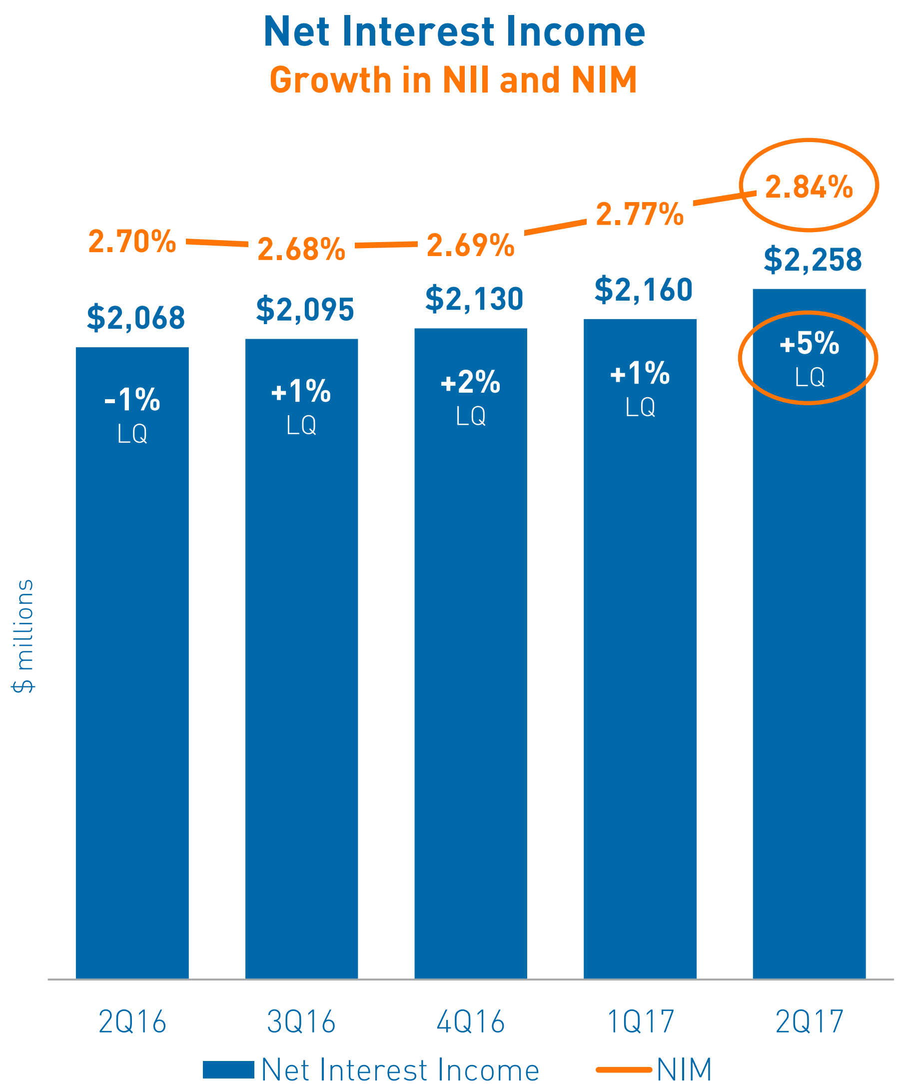
**$2.10**

**Tangible Book Value**

**$68.55 per common share**

– Tangible book value per common share (Non-GAAP) – See Reconciliation in Appendix.

# Income Statement: **Net Interest Income and Margin Growth**



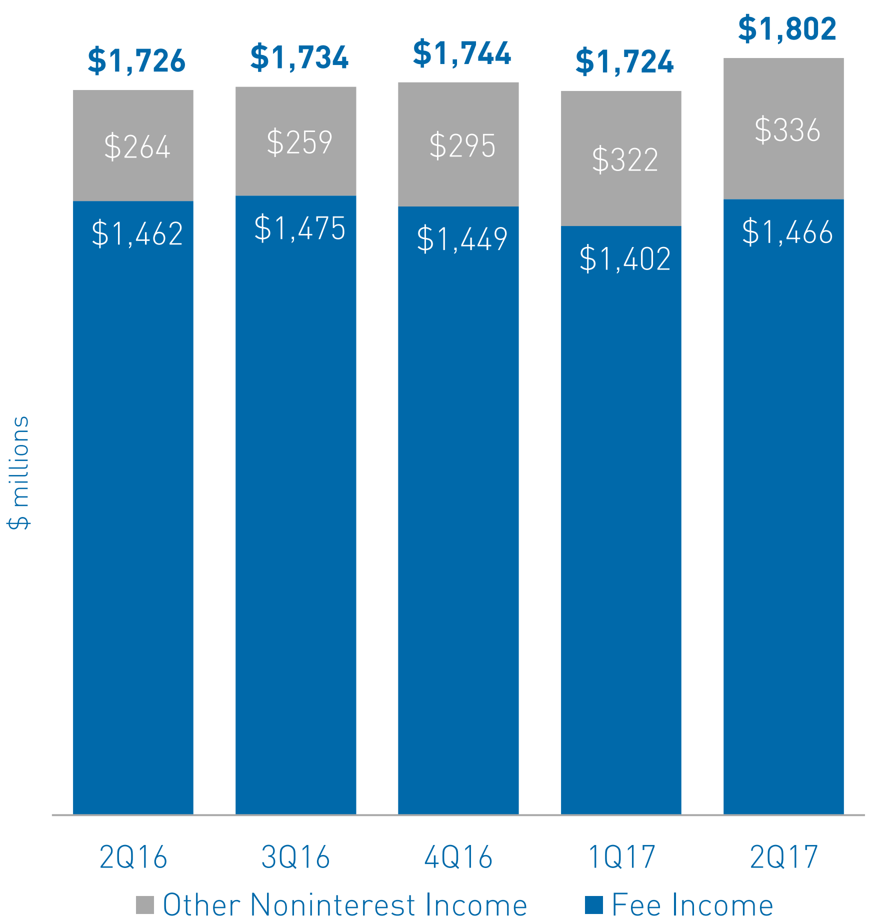

## 2Q17 Highlights

- Net interest income (NII) grew $98 million, or 5%, over 1Q17
  - Growth driven by higher loan yields and balances and an additional day in the quarter
  - Partially offset by increased funding costs
- Net interest margin (NIM) grew 7 basis points over 1Q17
  - Higher short-term rates

– LQ – Refers to a linked quarter comparison.

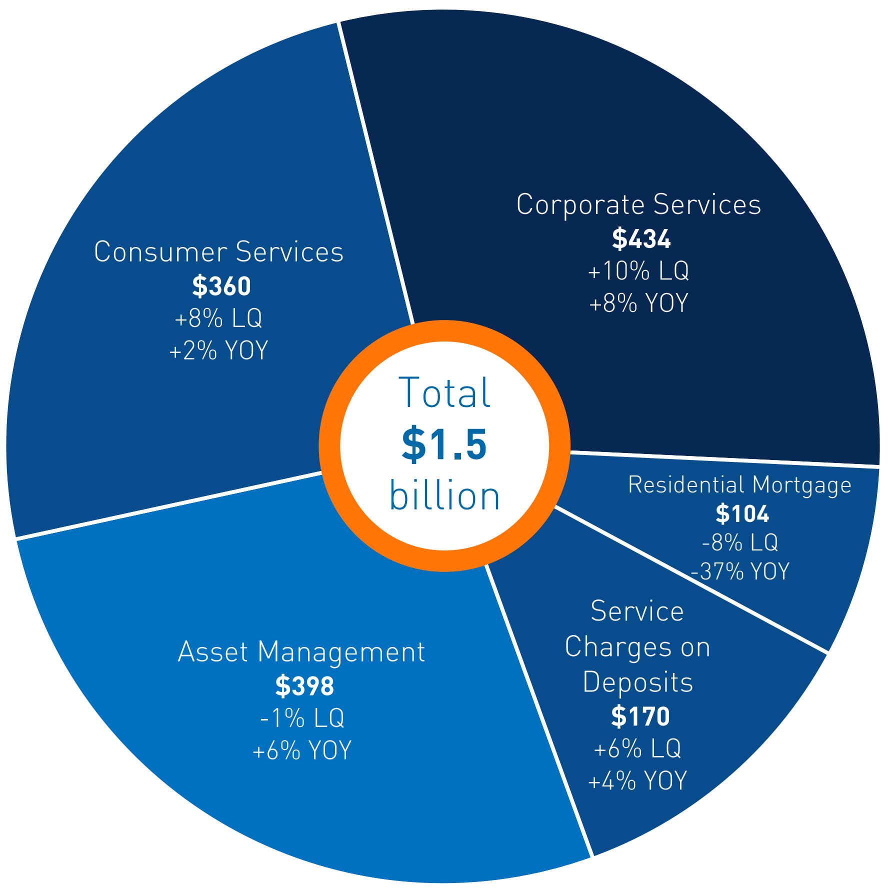
# Income Statement: **Noninterest Income Trends**

## Noninterest Income
**5% Fee Income Growth Linked Quarter**




## Diversified Sources of Fee Income
**2Q17**

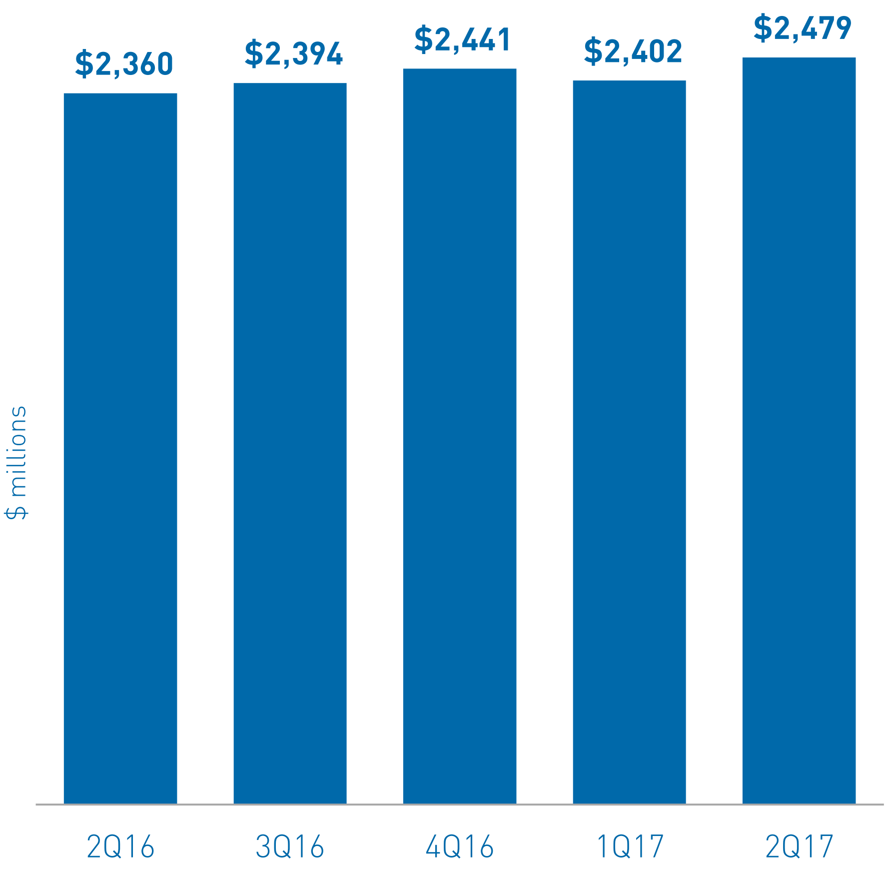
$ millions




– LQ – Refers to a comparison of linked quarter 2Q17 with 1Q17.
– YOY – Refers to a comparison of year over year quarter 2Q17 with 2Q16.

# Income Statement: **Well-Managed Expenses**

## Noninterest Expense
**Reinvesting for Growth**




## 2Q17 Highlights

- 2Q17 expenses reflected seasonally higher business activity and marketing activity
- Maintained strong expense discipline while:
  - Investing in technology and business infrastructure
  - Transforming the retail banking and home lending experience
- 2017 Continuous Improvement Program
  - On track to achieve $350 million target

# Balance Sheet: **Grew Loans and Deposits**

| Average balances $ billions | 2Q17 | Change vs. 1Q17 | Change vs. 2Q16 | Highlights |
|---|---|---|---|---|
| Commercial lending | **$144.2** | $4.4 | $8.0 | ▪ Broad growth across all businesses over 1Q17 |
| Consumer lending | **72.2** | (0.3) | 0.1 | ▪ Growth in residential mortgage, auto, and credit card; lower home equity and education loans |
| Total loans | **$216.4** | $4.1 | $8.1 | |
| Investment securities | **$75.4** | ($0.9) | $5.2 | ▪ 2Q17 portfolio runoff exceeded net purchases |
| Interest-earning deposits with banks | **$22.5** | ($1.6) | ($3.9) | ▪ Lower Fed balances reflect loan growth |
| Deposits | **$256.4** | $1.5 | $8.8 | ▪ Growth in consumer deposits |
| Common shareholders' equity | **$41.8** | $0.3 | $0.1 | ▪ 93% payout ratio for 2Q17<br>– 5.7 million shares repurchased for $0.7 billion and dividends of $0.3 billion |

| Three months ended | 6/30/17 | 3/31/17 | 6/30/16 | |
|---|---|---|---|---|
| Pro forma fully phased-in Basel III common equity Tier 1 capital ratio | **9.8%** | 10.0% | 10.2% | ▪ Maintained strong capital position |
| Tangible book value per common share | **$68.55** | $67.47 | $66.89 | ▪ 2% increase over 2Q16 |
| Return on average assets | **1.19%** | 1.19% | 1.11% | |
| Return on average common equity | **9.88%** | 9.50% | 8.87% | ▪ 38 basis point increase over 1Q17 |
| Return on tangible common equity | **12.67%** | 12.15% | 11.36% | ▪ 52 basis point increase over 1Q17 |

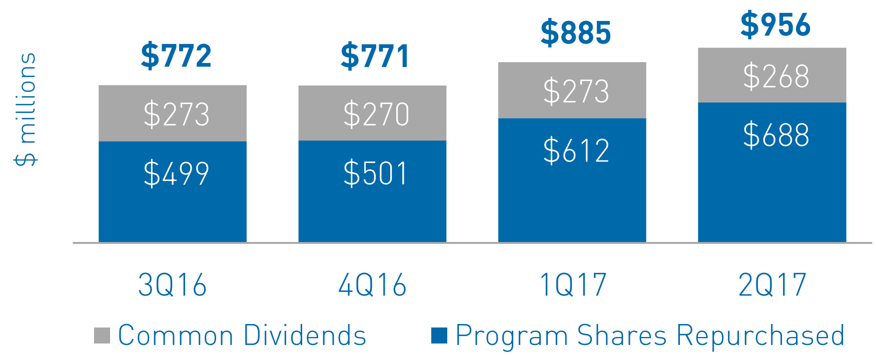
– Payout ratio – Refers to amount used to fund common stock dividends and share repurchases as a percentage of net income attributable to diluted common shares.
– Pro forma fully phased-in Basel III common equity Tier 1 capital ratio (Non-GAAP) – Estimated ratios calculated based on the standardized approach. See Appendix for additional information.
– Tangible book value per common share (Non-GAAP) – See Reconciliation in Appendix.
– Return on tangible common equity (Non-GAAP) – Annualized net income attributable to common shareholders divided by tangible common equity. See Reconciliation in Appendix.

## Balance Sheet: **Substantial Capital Returned to Shareholders**

PNC

### Total Return to Shareholders

**Returned $3.4 billion 3Q16-2Q17**




### Quarterly Common Dividend Declared

**All-Time High Effective 3Q17**


### Highlights

- Returned $3.4 billion to shareholders during the four quarter period that ended in 2Q17:
  - Repurchased $2.3 billion of shares, completing our share repurchase programs
  - Paid $1.1 billion in dividends on common shares
- In June announced plans to repurchase up to $2.7 billion of shares over four quarter period beginning in 3Q17, an increase of 17% compared to our recently completed share repurchase programs
- In July announced dividend increase of 36%, or $0.20, to an all-time high of $0.75 per share, effective with the August 2017 dividend

– Share repurchase programs – PNC's ability to purchase full amount is subject to factors such as market and general economic conditions, economic capital and regulatory capital conditions, alternative uses of capital, regulatory and contractual limitations, issuances related to employee benefit plans and the potential impact on credit ratings.

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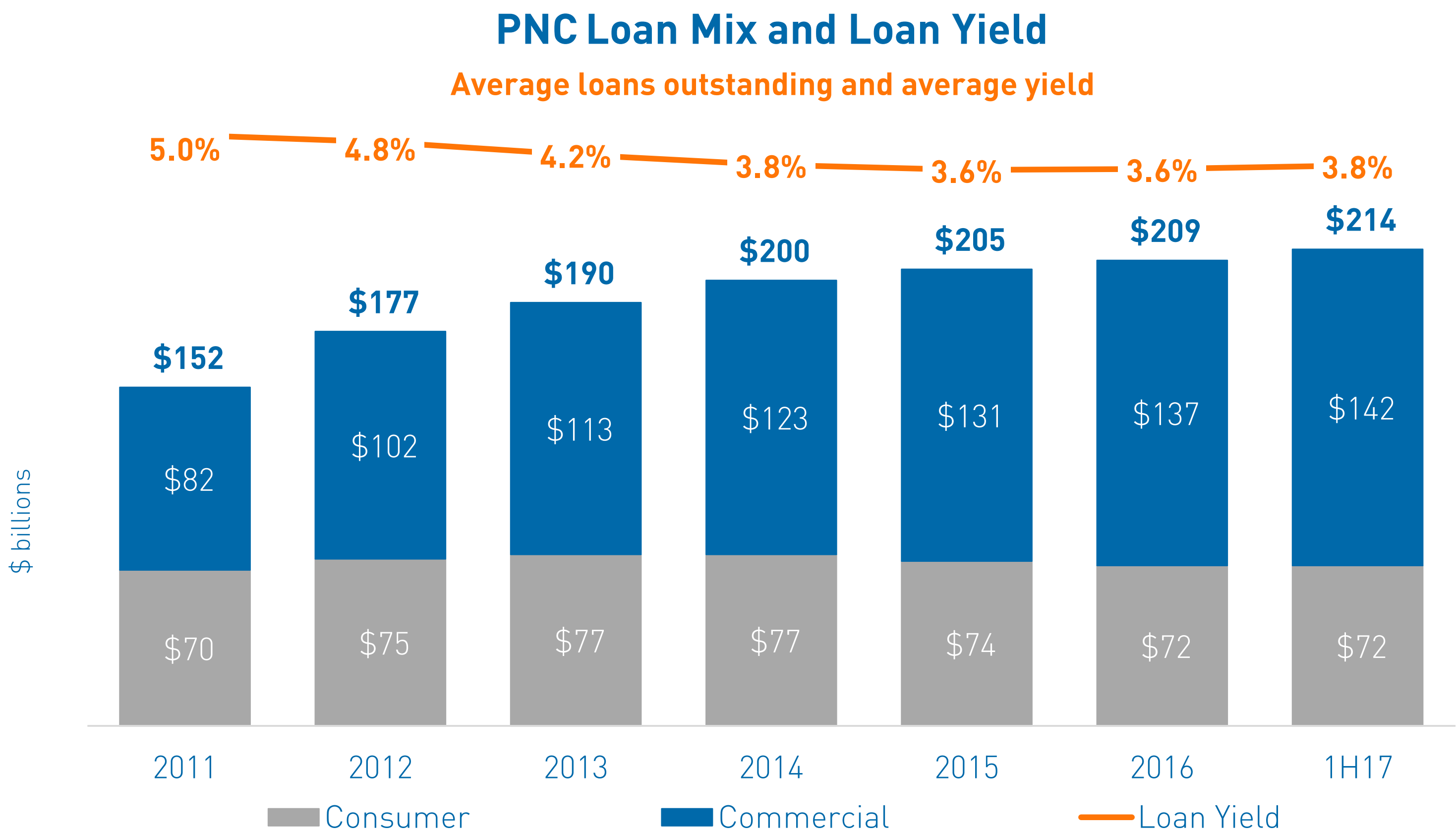
# Retail Distribution Network Transformation

| | Transaction Migration | Universal Branches | Branch Consolidations |
|---|---|---|---|
| **Progress** | ▪ 52% of total retail deposit transactions via ATM and mobile channels in 2Q17, compared to 48% in 2Q16<br>▪ Approximately 62% of consumer customers used non-teller channels for the majority of their transactions during 2Q17, compared to 57% in 2Q16 | ▪ Approximately 21% of network under the "Universal" model<br>▪ Sales and transaction migration outpace traditional branches | 1Q13 – 2Q17:<br>▪ Closed > 400 branches<br>▪ Reduced branch headcount by approximately 20%<br>▪ Decreased channel and branch costs |
| **Long-Term Potential** | ▪ Expand scope of transaction migration to business customers<br>▪ 70% target for alternative channel deposit transactions by 2020 | ▪ Expect to convert over half of the network to Universal branch format by 2020<br>▪ Transform employees vs physical branches | ▪ Additional consolidation possibilities (10-15% of existing network), while continuing to meet the needs of our customers |

# Opportunity to Accelerate Lending

- Commercial loan growth has been strong through our relationship-based lending approach
- Consumer loan growth has been challenged by runoff and execution
- There is opportunity to grow risk adjusted return through consumer and commercial loan growth

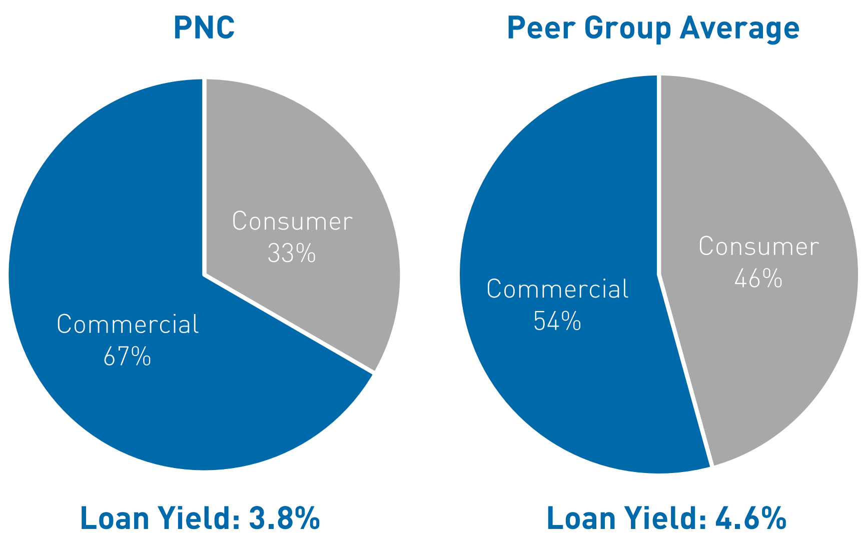


# Accelerate Consumer Loan Growth through Improved Execution

- Change the trajectory of consumer lending through product capability, fulfillment and speed of delivery
- Enhance customer acquisition, distribution and product capabilities primarily in the following categories:
  - Credit card
  - Home equity
  - Direct auto

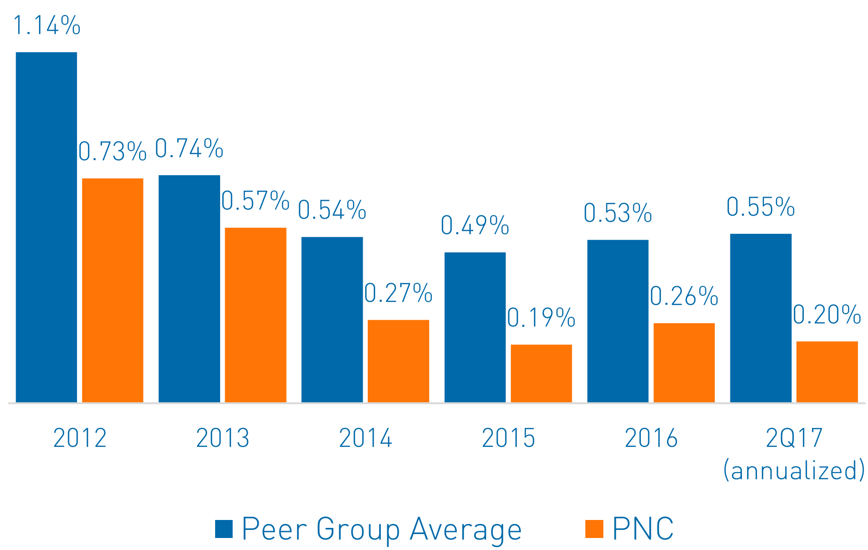
## Loan Portfolio Mix

**Mix as of 6/30/17**
**Average yield for three months ended 6/30/17**




## Net Charge-Offs to Average Total Loans

**PNC significantly better than peers**




– Source – SNL and company filings
– Peer group – See list of Peer Group Banks in Appendix

# Expansion of Middle Market and Corporate Finance

**New markets in 2017: Dallas, Kansas City and Minneapolis**
**New markets in 2018: Denver, Houston and Nashville**

## Additional Opportunity in Top Markets

Underpenetrated in 15 of the top-25 largest U.S. metropolitan markets

Historically pursued middle market banking in markets with retail branch presence

Undersized in middle market relative to competitors

Growing middle market loans more slowly than competitors

## Action Plan

- Expand metro market coverage organically over time
- Run Southeast game plan
- Deliver full suite of products and services
- Leverage Regional President model
- Combine internal talent and local hires

# Home Lending Transformation

**Integrating residential mortgage and home equity**

## Drivers of Efficiency & Growth

- Shift to lower cost channels
- Eliminate redundant functions
- Manage capacity and improve capabilities
- Optimize consumer loan and mortgage operation service centers
- Simplify vendor network and obtain volume discounts

## Expected Results

Revenue enhancement and cost reduction

Enhance customer experience

Optimize geographic locations

Enhance management of related regulatory requirements & risk reduction

Improve fulfillment and booking rates

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# PNC remains Well Positioned for Future Growth

- Continuing to focus on what is within our power to control
- Executing on our strategic priorities and levers
  - Expect positive operating leverage even absent interest rate hikes
- Maintaining expense management discipline
  - Expect low-single-digit expense growth
  - CIP savings continue to fund infrastructure investments
- Managing risk
- Sustaining consistency

# Appendix: Cautionary Statement Regarding Forward-Looking Information

This presentation includes “snapshot” information about PNC used by way of illustration and is not intended as a full business or financial review. It should not be viewed in isolation but rather in the context of all of the information made available by PNC in its SEC filings.

We also make statements in this presentation, and we may from time to time make other statements, regarding our outlook for earnings, revenues, expenses, capital and liquidity levels and ratios, asset levels, asset quality, financial position, and other matters regarding or affecting PNC and its future business and operations that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are typically identified by words such as “believe,” “plan,” “expect,” “anticipate,” “see,” “look,” “intend,” “outlook,” “project,” “forecast,” “estimate,” “goal,” “will,” “should” and other similar words and expressions.

Forward-looking statements 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.

Our forward-looking statements are subject to the following principal risks and uncertainties.

- Our businesses, financial results and balance sheet values are affected by business and economic conditions, including the following:
  - Changes in interest rates and valuations in debt, equity and other financial markets.
  - Disruptions in the U.S. and global financial markets.
  - Actions by the Federal Reserve Board, U.S. Treasury and other government agencies, including those that impact money supply and market interest rates.
  - Changes in law and policy accompanying the new presidential administration and uncertainty or speculation pending the enactment of such changes.
  - Changes in customers’, suppliers’ and other counterparties’ performance and creditworthiness.
  - Slowing or reversal of the current U.S. economic expansion.
  - Continued residual effects of recessionary conditions and uneven spread of positive impacts of recovery on the economy and our counterparties, including adverse impacts on levels of unemployment, loan utilization rates, delinquencies, defaults and counterparty ability to meet credit and other obligations.
  - Commodity price volatility.
  - Changes in customer preferences and behavior, whether due to changing business and economic conditions, legislative and regulatory initiatives, or other factors.

# Appendix: **Cautionary Statement Regarding Forward-Looking Information**

- Our forward-looking financial statements are subject to the risk that economic and financial market conditions will be substantially different than those we are currently expecting. These statements are based on our current view that the U.S. economy and the labor market will grow moderately in 2017, boosted by stable oil/energy prices, improving consumer spending and housing activity, and some federal fiscal policy stimulus as a result of the 2016 elections. Short-term interest rates and bond yields are expected to continue rising in 2017; inflation has slowed in the first half of 2017, but should gradually accelerate into 2018. Specifically, our business outlook reflects our expectation of continued steady growth in GDP, one 25 basis point increase in short-term interest rates by the Federal Reserve in December of 2017, and an announcement from the Federal Reserve that it will begin to reduce the size of its balance sheet in the fall of 2017. We are also assuming that long-term rates rise at a slower pace than short-term rates. These forward-looking statements also do not, unless otherwise indicated, take into account the impact of potential legal and regulatory contingencies.
- PNC's ability to take certain capital actions, including paying dividends and any plans to increase common stock dividends, repurchase common stock under current or future programs, or issue or redeem preferred stock or other regulatory capital instruments, is subject to the review of such proposed actions by the Federal Reserve Board as part of PNC's comprehensive capital plan for the applicable period in connection with the Federal Reserve Board's Comprehensive Capital Analysis and Review (CCAR) process and to the acceptance of such capital plan and non-objection to such capital actions by the Federal Reserve Board.
- PNC's regulatory capital ratios in the future will depend on, among other things, the company's financial performance, the scope and terms of final capital regulations then in effect (particularly those implementing the international regulatory capital framework developed by the Basel Committee on Banking Supervision (Basel Committee), the international body responsible for developing global regulatory standards for banking organizations for consideration and adoption by national jurisdictions), and management actions affecting the composition of PNC's balance sheet. In addition, PNC's ability to determine, evaluate and forecast regulatory capital ratios, and to take actions (such as capital distributions) based on actual or forecasted capital ratios, will be dependent at least in part on the development, validation and regulatory approval of related models.
- Legal and regulatory developments could have an impact on our ability to operate our businesses, financial condition, results of operations, competitive position, reputation, or pursuit of attractive acquisition opportunities. Reputational impacts could affect matters such as business generation and retention, liquidity, funding, and ability to attract and retain management. These developments could include:
  - Changes resulting from legislative and regulatory reforms, including changes affecting oversight of the financial services industry, consumer protection, bank capital and liquidity standards, tax, pension, bankruptcy and other industry aspects, and changes in accounting policies and principles.
  - Unfavorable resolution of legal proceedings or other claims and regulatory and other governmental investigations or other inquiries. These matters may result in monetary judgments or settlements or other remedies, including fines, penalties, restitution or alterations in our business practices, and in additional expenses and collateral costs, and may cause reputational harm to PNC.
  - Results of the regulatory examination and supervision process, including our failure to satisfy requirements of agreements with governmental agencies.
  - Impact on business and operating results of any costs associated with obtaining rights in intellectual property claimed by others and of adequacy of our intellectual property protection in general.

# Appendix: **Cautionary Statement Regarding Forward-Looking Information**

- Business and operating results are affected by our ability to identify and effectively manage risks inherent in our businesses, including, where appropriate, through effective use of systems and controls, third-party insurance, derivatives, and capital management techniques, and to meet evolving regulatory capital and liquidity standards.
- Business and operating results also include impacts relating to our equity interest in BlackRock, Inc. and rely to a significant extent on information provided to us by BlackRock. Risks and uncertainties that could affect BlackRock are discussed in more detail by BlackRock in its SEC filings.
- We grow our business in part by acquiring from time to time other financial services companies, financial services assets and related deposits and other liabilities. Acquisition risks and uncertainties include those presented by the nature of the business acquired, including in some cases those associated with our entry into new businesses or new geographic or other markets and risks resulting from our inexperience in those new areas, as well as risks and uncertainties related to the acquisition transactions themselves, regulatory issues, and the integration of the acquired businesses into PNC after closing.
- Competition can have an impact on customer acquisition, growth and retention and on credit spreads and product pricing, which can affect market share, deposits and revenues. Our ability to anticipate and respond to technological changes can also impact our ability to respond to customer needs and meet competitive demands.
- Business and operating results can also be affected by widespread natural and other disasters, pandemics, dislocations, terrorist activities, system failures, security breaches, cyberattacks or international hostilities through impacts on the economy and financial markets generally or on us or our counterparties specifically.

We provide greater detail regarding these as well as other factors in our 2016 Form 10-K and our 2017 Form 10-Qs, including in the Risk Factors and Risk Management sections and the Legal Proceedings and Commitments Notes of the Notes To Consolidated Financial Statements in those reports, and in our subsequent SEC filings. Our forward-looking statements may also be subject to other risks and uncertainties, including those we may discuss elsewhere in this presentation or in our SEC filings, accessible on the SEC's website at www.sec.gov and on our corporate website at www.pnc.com/secfilings. We have included these web addresses as inactive textual references only. Information on these websites is not part of this document.

Any annualized, pro forma, estimated, third party or consensus numbers in this presentation are used for illustrative or comparative purposes only and may not reflect actual results. Any consensus earnings estimates are calculated based on the earnings projections made by analysts who cover that company. The analysts' opinions, estimates or forecasts (and therefore the consensus earnings estimates) are theirs alone, are not those of PNC or its management, and may not reflect PNC's or other company's actual or anticipated results.

# Appendix: **Basel III Regulatory Capital Ratios**

As a result of the phase-in periods included in the final U.S. Basel III regulatory capital rules (Basel III rules), as well as the fact that PNC remains in the parallel run qualification phase for the advanced approaches, PNC's regulatory risk-based capital ratios in 2017 and 2016 are calculated using the standardized approach for determining risk-weighted assets, and the definitions of, and deductions from, regulatory capital under the Basel III rules (as such definitions and deductions are phased-in for 2017 and 2016, respectively). We refer to the capital ratios calculated using the phased-in Basel III provisions in effect for each year and, for the risk-based ratios, standardized approach risk-weighted assets, as Transitional Basel III ratios. Under the standardized approach for determining credit risk-weighted assets, exposures are generally assigned a pre-defined risk weight. Exposures to high volatility commercial real estate, past due exposures, equity exposures and securitization exposures are generally subject to higher risk weights than other types of exposures.

We provide information below regarding PNC's June 30, 2017, March 31, 2017 and June 30, 2016 Transitional Basel III common equity Tier 1 ratios and PNC's estimated pro forma fully phased-in Basel III common equity Tier 1 ratio. Under the Basel III rules adopted by the U.S. banking agencies, significant common stock investments in unconsolidated financial institutions, mortgage servicing rights and deferred tax assets must be deducted from capital (subject to a phase-in schedule and net of associated deferred tax liabilities) to the extent they individually exceed 10%, or in the aggregate exceed 15%, of the institution's adjusted common equity Tier 1 capital. Also, Basel III regulatory capital includes (subject to a phase-in schedule) accumulated other comprehensive income related to securities currently and previously held as available for sale, as well as pension and other postretirement plans.

# Appendix: **Non-GAAP Basel III Regulatory Capital Ratios**

## Transitional Basel III and Pro forma Fully Phased-In Basel III Common Equity Tier 1 Capital Ratios

| | 2017 Transitional Basel III | | 2016 Transitional Basel III | Pro forma Fully Phased-In Basel III (Non-GAAP) (estimated) | | |
|---|---|---|---|---|---|---|
| *$ in millions* | **Jun. 30, 2017** | **Mar. 31, 2017** | **Jun. 30, 2016** | **Jun. 30, 2017** | **Mar. 31, 2017** | **Jun. 30, 2016** |
| Common stock, related surplus, and retained earnings, net of treasury stock | $42,200 | $42,053 | $41,367 | $42,200 | $42,053 | $41,367 |
| Less regulatory capital adjustments: | | | | | | |
| Goodwill and disallowed intangibles, net of deferred tax liabilities | (9,156) | (9,007) | (9,008) | (9,225) | (9,052) | (9,124) |
| Basel III total threshold deductions | (1,144) | (1,064) | (710) | (1,702) | (1,585) | (1,185) |
| Accumulated other comprehensive income [(a)] | (167) | (295) | 172 | (209) | (369) | 286 |
| All other adjustments | (179) | (183) | (158) | (181) | (180) | (165) |
| Basel III Common equity Tier 1 capital | $31,554 | $31,504 | $31,663 | $30,883 | $30,867 | $31,179 |
| Basel III standardized approach risk-weighted assets [(b)] | $306,379 | $300,233 | 297,724 | $314,389 | $308,392 | $305,918 |
| Basel III advanced approaches risk-weighted assets [(c)] | N/A | N/A | N/A | $282,472 | $278,938 | $278,863 |
| Basel III Common equity Tier 1 capital ratio | 10.3% | 10.5% | 10.6% | 9.8% | 10.0% | 10.2% |
| Risk-weight and associated rules utilized | Standardized (with 2017 transition adjustments) | | Standardized (with 2016 transition adjustments) | Standardized | | |

(a) Represents net adjustments related to accumulated other comprehensive income for securities currently and previously held as available for sale, as well as pension and other postretirement plans.

(b) Basel III standardized approach risk-weighted assets are based on the Basel III standardized approach rules and include credit and market risk-weighted assets.

(c) Basel III advanced approaches risk-weighted assets are based on the Basel III advanced approaches rules, and include credit, market and operational risk-weighted assets. During the parallel run qualification phase, PNC has refined the data, models and internal processes used as part of the advanced approaches for determining risk-weighted assets. We anticipate additional refinements through the parallel run qualification phase.

PNC utilizes the pro forma fully phased-in Basel III capital ratios to assess its capital position (without the benefit of phase-ins), as these ratios represent the regulatory capital standards that will be ultimately applicable to PNC under the final Basel III rules. Our Basel III capital ratios and estimates may be impacted by additional regulatory guidance or analysis, and, in the case of those ratios calculated using the advanced approaches, may be subject to variability based on the ongoing evolution, validation and regulatory approval of PNC's models that are integral to the calculation of advanced approaches risk-weighted assets as PNC moves through the parallel run approval process

# Appendix: **Non-GAAP to GAAP Reconciliation**

## Fee Income

| | For the three months ended | | | % Change | |
|---|---|---|---|---|---|
| *$ in millions* | **2Q17** | **1Q17** | **2Q16** | **2Q17 vs 1Q17** | **2Q17 vs 2Q16** |
| Asset management | $398 | $403 | $377 | (1%) | 6% |
| Consumer services | 360 | 332 | 354 | 8% | 2% |
| Corporate services | 434 | 393 | 403 | 10% | 8% |
| Residential mortgage | 104 | 113 | 165 | (8%) | (37%) |
| Service charges on deposits | 170 | 161 | 163 | 6% | 4% |
| Total fee income | $1,466 | $1,402 | $1,462 | 5% | - |
| Other, including net securities gains | 336 | 322 | 264 | 4% | 27% |
| Total noninterest income, as reported | $1,802 | $1,724 | $1,726 | 5% | 4% |

# Appendix: Non-GAAP to GAAP Reconciliation

## Tangible Book Value per Common Share Ratio

| *$ in millions, except per share data* | Jun. 30, 2017 | Dec. 31, 2007 [1] | % Change 6/30/17 vs. 12/31/07 | Jun. 30, 2017 | Mar. 31, 2017 | Jun. 30, 2016 | % Change 6/30/17 vs. 6/30/16 |
|---|---|---|---|---|---|---|---|
| Book value per common share | $87.78 | $43.60 | 101% | $87.78 | $86.14 | $85.33 | 3% |
| Tangible book value per common share | | | | | | | |
| Common shareholders' equity | $42,103 | $14,847 | | $42,103 | $41,774 | $42,103 | |
| Goodwill and Other intangible assets | (9,527) | (8,850) | | (9,527) | (9,356) | (9,432) | |
| Deferred tax liabilities on Goodwill and Other intangible assets | 302 | 119 | | 302 | 303 | 307 | |
| Tangible common shareholders' equity | $32,878 | $6,116 | | $32,878 | $32,721 | $32,978 | |
| Period-end common shares outstanding (in millions) | 480 | 341 | | 480 | 485 | 493 | |
| Tangible book value per common share (Non-GAAP) | $68.55 | $17.96 | 282% | $68.55 | $67.47 | $66.89 | 2% |

[1] Amounts for the 2007 period have not been updated to reflect the first quarter 2014 adoption of Accounting Standards Update (ASU) 2014-01 related to investments in low income housing tax credits.

Tangible book value per common share is a non-GAAP measure and is calculated based on tangible common shareholders' equity divided by period end common shares outstanding. We believe this non-GAAP measure serves as a useful tool to help evaluate the strength and discipline of a company's capital management strategies and as an additional, conservative measure of total company value.

Appendix: **Non-GAAP to GAAP Reconciliation**

### Return on Tangible Common Equity

| *$ in millions* | For the three months ended Jun. 30, 2017 | Mar. 31, 2017 | Jun. 30, 2016 |
|---|---|---|---|
| Return on average common shareholders' equity | 9.88% | 9.50% | 8.87% |
| Average common shareholders' equity | $41,827 | $41,532 | $41,717 |
| Average Goodwill and Other intangible assets | (9,526) | (9,364) | (9,441) |
| Average deferred tax liabilities on Goodwill and Other intangible assets | 303 | 304 | 308 |
| Average tangible common equity | $32,604 | $32,472 | $32,584 |
| Net income attributable to common shareholders | $ 1,030 | $ 973 | $ 923 |
| Net income attributable to common shareholders, if annualized | $ 4,131 | $ 3,946 | $ 3,702 |
| Return on average tangible common equity | 12.67% | 12.15% | 11.36% |

Return on average tangible common equity is a non-GAAP measure and is calculated based on annualized net income attributable to common shareholders divided by tangible common equity. We believe that return on average tangible common equity is useful as a tool to help measure and assess a company's use of common equity.

# Appendix: **Peer Group of Banks**

| | |
|---|---|
| The PNC Financial Services Group, Inc. | PNC |
| BB&T Corporation | BBT |
| Bank of America Corporation | BAC |
| Capital One Financial, Inc. | COF |
| Fifth Third Bancorp | FITB |
| JPMorgan Chase & Co. | JPM |
| KeyCorp | KEY |
| M&T Bank Corporation | MTB |
| Regions Financial Corporation | RF |
| SunTrust Banks, Inc. | STI |
| U.S. Bancorp | USB |
| Wells Fargo & Co. | WFC |