

## PNC Releases Results Of Annual Dodd-Frank Company-Run Stress Test

PITTSBURGH, June 25, 2020 /PRNewswire/ -- The PNC Financial Services Group, Inc. (NYSE: PNC) announced today the results of its biennial company-run stress test conducted in accordance with regulations of 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. These company-run stress tests are designed to help assess whether banking organizations have sufficient capital to absorb losses and support operations during hypothetical severely adverse economic conditions over a nine-quarter projection period. The projection period for the 2020 test covers January 1, 2020 to March 31, 2022.

"The results of the stress test confirm PNC's ability to withstand the challenges of a severe economic environment, while upholding our commitment to our customers, communities and employees," said PNC Chairman, President and Chief Executive Officer William S. Demchak. "Additionally, the benefit from the recent sale of our equity investment in BlackRock, which bolstered our capital position to record levels, is not reflected in our estimated stress test results. We are confident in our ability to navigate headwinds from a position of financial strength with our strong balance sheet, liquidity and capital flexibility."

Under the hypothetical severely adverse scenario provided by the agencies, PNC estimates that its ending and minimum regulatory capital ratios would be as follows:

Basel III Regulatory Capital Ratios:	Ending Q1 2022	Minimum
Common Equity Tier 1	8.2%	8.0%
Tier 1 Risk-Based Capital	9.4%	9.2%
Total Risk-Based Capital	11.8%	11.5%
Tier 1 Leverage	8.4%	8.2%
Supplementary Leverage	6.9%	6.7%

These results are the product of a forward-looking regulatory exercise using hypothetical macroeconomic assumptions and, as such, these results do not represent a forecast of PNC's future capital levels or anticipated economic conditions. In addition, these results do not reflect the benefits of PNC's recent sale of its equity investment in BlackRock, Inc. and the five-year transition period, which PNC has elected to apply for incorporating the effects of the Current Expected Credit Loss (CECL) standard into regulatory capital. Together these items provide a material benefit to PNC's regulatory capital ratios that is not included in the projections as presented.

The supervisory severely adverse scenario for the 2020 company-run stress test was released by the Federal Reserve and OCC in February 2020, before the onset of the economic and financial stress caused by the novel coronavirus pandemic. Nevertheless, the scenario includes a severe global recession that is

accompanied by both a period of heightened stress in commercial real estate and corporate debt markets, as well as a sharp drop in asset prices.

As required by applicable regulations, capital ratios are calculated (a) for the first quarter of 2020 using the actual capital actions expected to be undertaken in that quarter and (b) for the remaining eight quarters of the stress period, assuming that (i) there are no repurchases or redemptions of regulatory capital instruments; (ii) there are no issuances of common stock or preferred stock (other than equity issuances pursuant to expensed employee compensation programs); (iii) the dollar amount of quarterly common stock dividends is equal to the quarterly average dollar amount of common stock dividends paid during the second, third, and fourth quarters of 2019 and first quarter of 2020 (for PNC, the quarterly average amount of common dividends during this period was \$490 million); and (iv) payments on other regulatory capital instruments are made equal to the stated dividend, interest, or principal due.

The Basel III risk-based ratios were determined using the standardized approach for risk weights included in the Basel III rules.

Results of PNC's company-run stress test, including PNC's estimates of pre-provision net revenue, other revenue, loan and other losses, net income before taxes, and regulatory capital ratios for PNC, as well as additional information on the methodologies used in conducting the stress test, may be found at [www.pnc.com/regulatorydisclosures](http://www.pnc.com/regulatorydisclosures).

The PNC Financial Services Group, Inc. is one of the largest diversified financial services institutions in the United States, organized around its customers and communities for strong relationships and local delivery of retail and business banking including a full range of lending products; specialized services for corporations and government entities, including corporate banking, real estate finance and asset-based lending; wealth management and asset management. For information about PNC, visit [www.pnc.com](http://www.pnc.com).

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