PNC Launches Low Cash Mode(SM) To Address $17 Billion In Industry Overdraft Fees

New Virtual Wallet® Feature Gives Control to Avoid Overdraft Fees

PNC Customers Reduce Fees by 60% on Average in Recent Pilot

PNC Expects to Drive Long-Term Growth via this Significant Enhancement to the Customer Experience

PITTSBURGH, April 13, 2021 /PRNewswire/ -- Addressing the $17 billion that some studies estimate U.S. consumers pay each year in overdraft fees, The PNC Financial Services Group, Inc. (NYSE: PNC) today announced its groundbreaking new Low Cash Mode℠ digital offering that is expected to help Virtual Wallet® customers avoid overdraft fees through unprecedented account transparency and control to manage through low-cash moments or mis-timed payments.

"Low Cash Mode gives our customers the ability to avoid unnecessary overdraft fees. With this new tool, we're able to shift away from the industry's widely used overdraft approach, which we believe is unsustainable," said William S. Demchak, PNC's chairman, president and chief executive officer. "Low Cash Mode is a great example of how advances in our technology allow us to better align with a core principle of supporting our customers' financial well-being. This is the right move for our customers and the bank."

Built on patent-pending technology, Low Cash Mode℠ comes with the Spend account inside of PNC's industry-leading Virtual Wallet® and gives customers Payment Control, including the power to prioritize by determining whether certain debits (checks and ACH transactions) are processed that otherwise might result in overdrafts, rather than the common industry practice of the bank making the decision. Real-time intelligent alerts let customers know when their balance is low and – if it is negative – Low Cash Mode℠ provides at least 24 hours of "extra time," and often more, to prevent or address overdrafts before fees are charged.

With the implementation of Low Cash Mode℠, PNC expects to help its customers avoid approximately $125 million to $150 million in overdraft fees annually. PNC's full year 2021 revenue outlook anticipated this fee reduction, and as a result is not impacted by this change.

"While we expect to realize a reduction in fee revenue, we firmly believe that this innovative and differentiated approach will drive significant growth in new and existing customer relationships over time as we execute our national expansion strategy," said Demchak.

While overdraft protection offered across the industry today allows critical payments to be processed, overdraft fees are a systemic frustration that drive dissatisfaction for all customers regardless of their financial situation.

"We understand that regardless of income or level of wealth, everyone has low-cash moments," said Karen Larrimer, head of Retail Banking and chief customer officer at PNC. "Low Cash Mode℠ puts unprecedented

payment control in our customers' hands, empowering them, instead of the bank, to determine which transactions, that otherwise might result in overdrafts, are paid. Putting customers first is simply the right thing to do."

Low Cash Mode℠ has been thoroughly tested and showed impressive results during a pre-launch pilot with nearly 20,000 customers, helping them collectively reduce overdraft fees by more than 60%.

Low Cash Mode℠ launches nationwide to Virtual Wallet® customers in June and July via the PNC Mobile Banking App on Apple and Android phones. The feature is currently available to Virtual Wallet® Checking Pro users, and Virtual Wallet Student® users will have access during April. Pending regulatory approval and the anticipated close and conversion of PNC's acquisition of BBVA USA later this year, Low Cash Mode℠ will be available to BBVA customers with Virtual Wallet® accounts. For more information about Low Cash Mode℠, visit www.pnc.com/lowcashmode.

Virtual Wallet®, a best-in-class bank account and money management solution, is supported by powerful, patented digital tools that help customers plan and track spending. PNC provides these and other deposit, lending, credit card, cash management and investment services to help individuals, families and businesses achieve financial well-being.

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.

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