PNC Issues Second Green Bond For $1.25 Billion

Proceeds from PNC's Green Bond issuances will be used to finance or re-finance Eligible Green Projects that promote a transition to a low-carbon economy and offer environmentally sustainable benefits.

PITTSBURGH, Jan. 25, 2023 /PRNewswire/ -- The PNC Financial Services Group, Inc. (NYSE: PNC) announced today the closing of its latest Green Bond issuance. The proceeds will fund eligible projects that promote a transition to a low-carbon economy and offer sustainability benefits across four categories aligned with the United Nations Sustainable Development Goals, including renewable energy, energy efficiency green buildings, and clean transportation. PNC issued its inaugural green bond in 2019 and its first social bond in 2021.

"We are committed to supporting the transition to a low carbon economy while balancing financial priorities and environmental considerations," said Michael P. Lyons, executive vice president and head of PNC's Corporate & Institutional Banking. "This green bond issuance builds on existing initiatives already underway, including our recently enhanced $30 billion environmental finance commitment, which we increased by 50% in response to escalating client demand. We're looking forward to building on this momentum and supporting our clients as they consider financing options for their sustainability goals."

The transaction was very well received by investors, with demand well in excess of the $1.25 billion in issued notes. The four-year bond, which is callable in three years, will pay interest semi-annually at a fixed rate of 4.758% for the first three years and quarterly at a floating rate thereafter. PNC Capital Markets, LLC was the lead green structuring agent on the deal which also included two veteran, minority or women-owned broker dealers as co-managers – Academy Securities, Inc. and Siebert Williams Shank & Co., LLC.

"We were very pleased with the reception of our latest green bond offering. Our significantly oversubscribed issuance demonstrated investor enthusiasm for this asset class and a desire to support the financing of green projects that promote a transition to a lower carbon economy, while also affirming investor confidence in PNC and its credit quality," said PNC Corporate Treasurer David Kahn.

Providing financing and underwriting debt with a sustainability focus is only one way PNC demonstrates its commitment to environmental stewardship. In addition, the company maintains risk management controls which incorporate climate change considerations, manages capital for its clients in ways that support their financial, environmental and social goals and actively manages its own internal operations.

Along with its increased environmental finance commitment, PNC also recently announced that it is planning to establish new, ambitious, science-aligned environmental targets for its operational footprint, including further reducing carbon emissions, and energy and water consumption. These new targets will use a base year of 2022 – the first full year of combined PNC and BBVA USA operations – and will be announced as part of PNC's Corporate Responsibility Report to be published this year.

More information about PNC's Sustainable Financing Bonds can be found here.

This offering has been completed and was made only by means of a prospectus supplement and an accompanying prospectus filed as part of an effective shelf registration statement filed with the Securities and Exchange Commission on Form S-3.

Copies of the prospectus supplement and the accompanying prospectus relating to this offering may be obtained for informational purposes by calling PNC Capital Markets LLC at 1-855-881-0697.

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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