PNC Announces Stress Capital Buffer (SCB)

PITTSBURGH, July 3, 2023 /PRNewswire/ -- The PNC Financial Services Group, Inc. (NYSE: PNC) last week received the results of the Federal Reserve's 2023 Comprehensive Capital Analysis and Review (CCAR). The Federal Reserve's CCAR disclosure included its estimate of PNC's minimum capital ratios for the period from the first quarter of 2023 through the first quarter of 2025 under the hypothetical Supervisory Severely Adverse scenario. Based on PNC's strong results, PNC's calculated Stress Capital Buffer (SCB) for the four-quarter period beginning Oct. 1, 2023 is below the 2.5% regulatory floor and minimum SCB amount, resulting in an SCB established at the 2.5% floor. This is a decrease from the 2.9% SCB in effect through Sept. 30, 2023. PNC's Common Equity Tier 1 (CET1) ratio significantly exceeds the regulatory minimum (4.5%) plus our SCB, reflecting our strong capital levels.

PNC's board of directors approved raising the quarterly cash dividend on common stock in the third quarter of 2023 to $1.55 per share, an increase of $0.05 per share or 3%.

"The increase in our dividend reflects the continued strength of our capital and liquidity levels, and our board's confidence in our strategy and outlook," said William S. Demchak, PNC chairman, president and chief executive officer.

Consistent with the SCB framework, which allows for capital returns in amounts in excess of the SCB minimum levels, our board of directors has authorized a repurchase framework under the previously approved repurchase program of up to 100 million common shares, of which approximately 47% were still available for repurchase at March 31, 2023. Due to the expected issuance by the Federal banking agencies of proposed rules to adjust the Basel III capital framework, share repurchase activity is expected to be reduced in the third quarter of 2023 compared to recent prior quarters. PNC continues to evaluate and may adjust share repurchase activity, as actual amounts and timing are dependent on market and economic conditions as well as other factors. PNC's common share repurchases may be executed in privately negotiated transactions or through the open market, including under Rule 10b5-1 plans.

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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