PNC Releases Results of Dodd-Frank Company-Run Stress Test

PITTSBURGH, June 28, 2024 /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 2024 test covers Jan. 1, 2024 to March 31, 2026.

"The results of the stress test reflect PNC's continued financial strength and flexibility," said PNC Chairman and Chief Executive Officer William S. Demchak. "Our balance sheet is well-positioned to meet the needs of our customers—and all of our stakeholders—through the cycle and across a range of challenging economic conditions, including the hypothetical stresses of a severe economic recession."

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 2026	Minimum
Common Equity Tier 1	9.1%	8.0%
Tier 1 Risk-Based Capital	10.6%	9.4%
Total Risk-Based Capital	12.0%	11.3%
Tier 1 Leverage	8.7%	7.3%
Supplementary Leverage	7.0%	6.1%

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.

The supervisory severely adverse scenario for the 2024 company-run stress test was released by the Federal Reserve and OCC Feb.15, 2024. The scenario is characterized by a severe global recession with heightened stress in both commercial and residential real estate markets, as well as in corporate debt markets.

PNC has assumed that its capital actions during the projection period are consistent with the requirements of the Federal Reserve's current Dodd-Frank Act company-run stress test regulations (12 C.F.R. § 252.56). These assumptions are designed to assist the public in comparing disclosed results across the bank holding companies subject to the tests and reduce the effect of company-specific assumptions related to capital

distributions on disclosed results. As a result, PNC's financial information and capital ratios for the 2024 stress test are calculated for the nine quarters based on the following assumptions:

- There are no repurchases or redemptions of regulatory capital instruments;
- There are no issuances of common stock or preferred stock;
- No dividends are paid on PNC's common stock; and
- Payments on outstanding Tier 1 and Tier 2 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, risk-weighted assets, and regulatory capital ratios for PNC, as well as additional information on the methodologies used in conducting the stress test, may be found at 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.

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