



\$88 BILLION

PNC COMMUNITY BENEFITS PLAN


HOME LENDING | SMALL BUSINESS | COMMUNITY FINANCING | CHARITABLE GIVING

YEAR 1 PROGRESS

\$35.1B IN STRATEGIC INVESTMENTS AND GIVING IN YEAR ONE

\$25.1B 

Supporting homeownership and affordable housing for low- to moderate-income (LMI) and minority borrowers in LMI and majority-minority communities

\$5.2B 

Loans to support small businesses in LMI communities, majority-minority census tracts, and businesses with revenues less than \$1 million

\$4.8B 

Additional impact investing and loan capital to support affordable housing, economic development, neighborhood stabilization and community service in traditionally underserved communities

\$120.9M 

Charitable giving and philanthropic grants to help drive impactful change across communities

ONE YEAR INTO CBP, PNC SEES STRONG HOMEOWNERSHIP, SMALL BIZ LENDING GAINS



As a national main street bank, PNC recognizes that our success is directly proportional to the success of those we serve. Launched on January 1, 2022, PNC's Community Benefits Plan pledges to provide \$88 billion in loans, investments and other financial support to bolster economic opportunity for low- and moderate-income (LMI) individuals, communities, and people of color.

This report provides an overview of PNC's first year (January 2022–December 2022) of performance, approach and progress in supporting affordable homeownership, small business, neighborhood revitalization and charitable giving. By leveraging PNC's national scale, we're driving patient capital into local communities and building a more inclusive financial system. One year into its four-year Plan, PNC has deployed \$35.1 billion to bring this commitment to life.

Supporting Home Lending and Affordable Homeownership

Building on our efforts to drive meaningful homeownership growth, affordability and wealth creation in the communities where our customers live, work and play, PNC is investing in down payment and closing cost assistance as well as other home-buying resources to advance homeownership and to reduce the wealth gap in low- and moderate-income (LMI) and majority-minority census tracts. Under the plan, PNC has engaged with community partners and provided community-based financial education to:

- Originate \$25.1 billion in residential mortgage and home equity loans impacting more than 20,000 LMI and minority borrowers and majority-minority census tracts
- Strengthen efforts to provide greater access to credit as a participating member of the Office of the Comptroller of the Currency's Project REACH initiatives, a national effort to remove structural barriers to financial inclusion
- Expand a dedicated team of Affordable Lending Minority Loan Officers (MLOs) to support the Plan's expansive home lending aspirations and to address some of the lending and credit needs of minority borrowers and under-resourced homebuyers. In 2022, MLOs held dozens of first-time homebuyer and community outreach events to promote affordable lending options across the PNC footprint.

Loans impacting more than

20,000

LMI and minority borrowers in
majority-minority census tracts





Expanded Access to Capital for Entrepreneurs and Small Businesses

Consistent with PNC's efforts to reduce barriers to banking and increase access to credit, we have deepened our commitment to small business by collaborating enterprisewide to help deliver financial solutions that position LMI, minority-owned and micro (less than \$1 million in annual revenues) businesses for effective growth, development and sustainability. Since the Community Benefits Plan launched, PNC's corporate, retail and small business groups have worked together to:

- Provide \$5.2 billion in loans to support small businesses and small farms operating in LMI and minority communities, with over 25% of this funding (\$1.3 billion) deployed to support businesses with revenues less than \$1 million
- Establish and expand a dedicated Minority Business Development Group to advance our ongoing commitment to empower, educate and support minority business owners and entrepreneurs across PNC's footprint. In its first year, the Minority Business Development Group engaged more than 200 external community organizations and enrolled nearly 1,000 PNC employees as PNC Certified Minority Business Advocates.
- Over the plan period, PNC committed to increase spending with diverse suppliers by at least 20%. In 2022, PNC spent \$335.7 million (or 8.5% of eligible spend) with diverse-owned suppliers (Tier 1 and Tier 2), an increase of 46.6%, which exceeded our stated goal.

Lending and Investing in Impactful Community Development Initiatives

Investments in affordable rental housing, workforce development, and economic revitalization in LMI neighborhoods and communities of color continues to be a priority for PNC as we work to move all forward financially. One year into the Plan, PNC has made progress toward accelerating investments in impactful community and economic development initiatives through:

\$1.3B

deployed to support businesses
with revenues less than \$1 million



20%

Target spend increase with diverse
suppliers over the plan period



- \$4.8 billion in community loans and investments to help create jobs, increase and preserve the supply of affordable housing, and improve access to healthcare and other critical services in underserved communities across PNC's footprint. This includes \$367 million provided as part of our four-year, \$1.5 billion commitment to support the economic development of LMI and minority communities.
- More than \$102.6 million provided to help Community Development Financial Institutions (CDFIs) support marginalized communities. A key strategy for bringing much-needed capital to diverse and underserved communities is to strengthen both the operational and the financial capacity of CDFIs that work to support economic advancement within LMI communities and communities of color.
- \$117 million in New Markets Tax Credits (NMTC) investments to help boost economic development and neighborhood revitalization efforts across 11 states

Purpose-Driven Philanthropy

PNC's commitment to building stronger communities goes beyond loans and investments. Through our national main street bank model, PNC employees deliver time, talent, and financial resources to support local community organizations and nonprofits dedicated to engaging and empowering people and communities in need. As part of its four-year, \$500 million pledge, PNC awarded nearly \$121 million in charitable giving — including \$10.3 million in mortgage assistance grants — to support individuals and communities in 2022.

Working with PNC's regional markets, the PNC Foundation also continues to strategically support initiatives that address systemic racism, promote social justice, and advance diversity and inclusion across the communities it serves. To help advance entrepreneurship, economic empowerment and education efforts:

- PNC employees volunteered more than 16,000 hours to support social justice and racial equity initiatives since 2021
- The PNC Foundation allocated \$51.2 million to fund racial and social justice categories within the past two years, including \$20 million in targeted grants to support entrepreneurship and educational programs both at historically Black colleges and universities (HBCU) and for the broader community

\$117M

in New Markets Tax Credits investments



\$51.2M

Funding committed to social justice and racial equity initiatives



- PNC continued its support of capacity-building efforts at HBCUs with the appointment of an inaugural executive director to lead the Howard University and PNC National Center for Entrepreneurship. The Center's goal is to provide entrepreneurial educational resources and research to the nation's network of 101 historically Black colleges and universities.
- Seeded the PNC North Carolina HBCU Initiative with a \$2 million grant to support the development and delivery of entrepreneurship resources and programming for students at five of the state's HBCUs: Elizabeth City State University, Fayetteville State University, Johnson C. Smith University, North Carolina Central University and Winston-Salem State University.

Closing Gaps in Community Wealth with Strategic Solutions

Many communities lack access to traditional banking services that often are the catalyst for financial stability and community wealth-building. PNC has continued to make significant strides in delivering responsible retail banking products to help build a more inclusive financial services system. For example:

- To help customers navigate low cash moments and avoid overdraft fees, PNC offers **Low Cash Mode®**, which addresses the \$17 billion that some studies estimate U.S. consumers pay each year in overdraft fees. Additionally in 2022, PNC **eliminated non-sufficient (NSF) fees** and **expanded customer access** to more than 60,000 surcharge-free ATMs.
- Building on efforts to better meet the needs of the unbanked and underbanked across its footprint, PNC plans to bring more branches and video banking machines, and deploy 10 mobile banking units primarily dedicated to servicing LMI communities by the end of 2023.
- PNC formed an at-large Community Advisory Council to discuss emerging areas of community need and to help support execution of the Plan.
- PNC launched an annual Community Leadership Symposium to provide capacity-building resources and industry expertise to more than 120 local and national community partners who are committed to expanding financial equity and inclusion to minority borrowers as well as to LMI clients and communities.



10

Mobile branches planned to serve LMI communities



CREATING IMPACTFUL OPPORTUNITIES IN COMMUNITIES



- To increase access to credit in communities of color, PNC continues to strengthen efforts to support Minority Deposit Institutions (MDI) through equity investments, revenue opportunities and other capacity-building resources. PNC injected \$2 million in long-term capital into CDFI Optus Financial Corp. the holding company for Optus Bank, one of 17 MDIs in the United States. PNC's investment will directly impact the Black-owned bank's ability to supply more loans to consumers and businesses, expand operations and open branches in more underserved communities while also giving Optus much-needed capital to invest in new technology and digital capabilities to modernize platforms, drive efficiencies and deliver a better customer experience. And in Mobile,

Alabama, PNC committed to donating a former BBVA retail branch to MDI Commonwealth National Bank (CNB) to better position it to grow organically in the market and help reduce the cash drain CNB faced in acquiring a new branch.

- PNC worked with Opportunity Finance Network (OFN) in the District of Columbia to provide a \$20 million equity investment into the Finance Justice Fund, which supports CDFIs nationwide that serve the unbanked and underbanked with nontraditional banking services. PNC's \$10 million equity equivalent (EQ2) investment and \$10 million debt issuance, along with additional funding, helped OFN close 42 loans totaling \$103.8 million and disburse 39 grants totaling \$7.3 million to CDFIs across the country as of April 30, 2022.



- PNC provided a \$15 million debenture investment to support the launch of The Momentum Capital family of companies' Impact Investments line of business, which is designed to jumpstart growth-stage, for-profit businesses that are creating social impact. Momentum's Impact Investments will focus on companies with diverse leadership and/or are operating in communities of color. This is another innovative approach to providing a continuum of financial, knowledge and social capital to advance community solutions.
- A \$10 million investment with the FVLCRUM Investment Fund focuses on closing the U.S. racial wealth gap through targeted investments in African American startup/first-stage businesses. FVLCRUM Fund LP invests in lower middle market, minority-owned companies principally in the government contracting, healthcare and franchising sectors. The goal of the fund is to create the next generation of market-leading minority businesses and create generational wealth for minority executives, while intentionally driving economic opportunity for minority communities. The investments will create new

jobs and incremental wealth and income for minority as well as LMI individuals.

- In Cleveland, Ohio, PNC provided a \$9 million Opportunity Zone investment for Fairfax Innovation Square, an 80-unit multifamily complex including affordable homes and community services for LMI families. PNC also provided a \$6 million construction and bridge loan as well as \$4 million in New Markets Tax Credits investments for MAGNET Workforce and Innovation Center, a new 20,000-square-foot facility to be used by MAGNET and Cleveland Metropolitan Schools for offices and vocational education space for advanced manufacturing and startup companies.
- PNC provided a \$7.5 million investment to SoLa Impact's Black Impact, non-Opportunity Zone Fund as part of its commitment to the work SoLa is doing to address housing inequality in underserved communities in California. PNC's equity investment in Los Angeles' leading, Black-led housing developer will help fund more than 3,500 new workforce and affordable housing units for residents earning well below the Area Median Income (AMI) in Black and brown communities in Southern California through SoLa's Black Impact Fund, its fourth fund.
- In Dallas, Texas PNC Tax Credit Solutions provided Palladium with a \$26.7 million Low Income Housing Tax Credit (LIHTC) equity investment to develop East Foster Crossing, a new 239-unit multifamily community set to open by the summer of 2023.

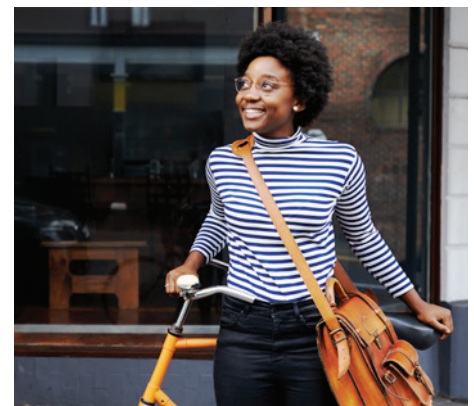


And in Broward, Florida, PNC provided a \$78.2 million construction loan to develop Maylo Pompano — two, eight-story apartment buildings containing 355 units (302 market, 53 workforce) in a moderate-income census tract.

- To provide students with transformative learning experiences and to help develop a more skilled future workforce, the PNC Foundation awarded a \$3 million grant to Carnegie Mellon University (CMU) to enhance and expand the university's pre-college, summer programs. CMU's STEM, arts, humanities and social science programs serve rising high school seniors and provide them with a learning experience that is often not available at their schools.
- In Louisville, Kentucky, the PNC Foundation awarded a \$500,000 grant to help develop the PNC Soft Skills Training Room at Goodwill Industries of Kentucky's campus. Grant funding will also support the nonprofit's Soft Skills program, an eight-hour course that prepares individuals for successful employment.
- To support a growing small minority business owner in Chicago, Illinois, PNC's business banking team helped

former financial advisor Julius Thomas transform his passion for food into a thriving restaurant chain with four locations with plans to expand to new markets.

- In Newark, New Jersey, the PNC Foundation awarded the Newark Public Library a \$50,000 grant to establish its Made@NPL Creative Entrepreneurs MakerSpace to support the city's effort to create a technology corridor for Black microentrepreneurs or small-



business owners who often are unable to access affordable technology resources. In 2021, the PNC Foundation also awarded the Louisville Urban League a \$1 million, three-year grant to create the PNC Entrepreneur Plaza, a dedicated indoor and outdoor space for pop-up marketplaces at the nonprofit organization's Norton Healthcare Sports and Learning Campus.