UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-09718

The PNC Financial Services Group, Inc.

(Exact name of registrant as specified in its charter)

Pennsylvania	**25-1435979**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

The Tower at PNC Plaza , 300 Fifth Avenue , Pittsburgh , Pennsylvania 15222-2401
(Address of principal executive offices, including zip code)

(888) 762-2265
(Registrant's telephone number including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value $5.00	PNC	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of July 15, 2024, there were 397,496,265 shares of the registrant's common stock ($5 par value) outstanding.

THE PNC FINANCIAL SERVICES GROUP, INC.

Cross-Reference Index to Second Quarter 2024 Form 10-Q

MD&A TABLE REFERENCE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS TABLE REFERENCE

FINANCIAL REVIEW

THE PNC FINANCIAL SERVICES GROUP, INC.

This Financial Review, including the Consolidated Financial Highlights, should be read together with our unaudited Consolidated Financial Statements and unaudited Statistical Information included elsewhere in this Quarterly Report on Form 10-Q (the "Report" or "Form 10-Q") and with Items 6, 7, 8 and 9A of our 2023 Annual Report on Form 10-K (our "2023 Form 10-K"). For information regarding certain business, regulatory and legal risks, see the following: the Risk Management section of this Financial Review and of Item 7 in our 2023 Form 10-K; Item 1A Risk Factors included in our 2023 Form 10-K; and the Commitments and Legal Proceedings Notes included in this Report and Item 8 of our 2023 Form 10-K. Also, see the Cautionary Statement Regarding Forward-Looking Information section in this Financial Review and the Critical Accounting Estimates and Judgments section in this Financial Review and in our 2023 Form 10-K for certain other factors that could cause actual results or future events to differ, perhaps materially, from historical performance and from those anticipated in the forward-looking statements included in this Report. See Note 14 Segment Reporting for a reconciliation of total business segment earnings to total PNC consolidated net income as reported on a GAAP basis. In this Report, "PNC," "we" or "us" refers to The PNC Financial Services Group, Inc. and its subsidiaries on a consolidated basis (except when referring to PNC as a public company, its common stock or other securities issued by PNC, which just refer to The PNC Financial Services Group, Inc.). References to The PNC Financial Services Group, Inc. or to any of its subsidiaries are specifically made where applicable.

See page 100 for a glossary of certain terms and acronyms used in this Report.

EXECUTIVE SUMMARY

Headquartered in Pittsburgh, Pennsylvania, we are one of the largest diversified financial institutions in the U.S. We have businesses engaged in retail banking, including residential mortgage, corporate and institutional banking and asset management, providing many of our products and services nationally. Our retail branch network is located coast-to-coast. We also have strategic international offices in four countries outside the U.S.

Key Strategic Goals

At PNC we manage our company for the long term. We are focused on the fundamentals of growing customers, loans, deposits and revenue and improving profitability, while investing for the future and managing risk, expenses and capital. We continue to invest in our products, markets and brand, and embrace our commitments to our customers, shareholders, employees and the communities where we do business.

We strive to serve our customers and expand and deepen relationships by offering a broad range of deposit, credit and fee-based products and services. We are focused on delivering those products and services to our customers with the goal of addressing their financial objectives and needs. Our business model is built on customer loyalty and engagement, understanding our customers' financial goals and offering our diverse products and services to help them achieve financial well-being. Our approach is concentrated on organically growing and deepening client relationships across our businesses that meet our risk/return measures.

We are focused on our strategic priorities, which are designed to enhance value over the long term, and consist of:

- Expanding our leading banking franchise to new markets and digital platforms,
- Deepening customer relationships by delivering a superior banking experience and financial solutions, and
- Leveraging technology to create efficiencies that help us better serve customers.

Our capital and liquidity priorities are to support customers, fund business investments and return excess capital to shareholders, while maintaining appropriate capital and liquidity in light of economic conditions, the Basel III framework and other regulatory expectations. For more detail, see the Capital and Liquidity Highlights portion of this Executive Summary, the Liquidity and Capital Management portion of the Risk Management section of this Financial Review and the Supervision and Regulation section in Item 1 Business of our 2023 Form 10-K.

Signature Bank Portfolio Acquisition

On October 2, 2023, PNC acquired a portfolio of capital commitments facilities from Signature Bridge Bank, N.A. through an agreement with the FDIC as receiver of the former Signature Bank, New York. The acquired portfolio represented approximately $16.0 billion in total commitments, including approximately $9.0 billion of funded loans, at the time of acquisition.

Workforce Reduction

During the fourth quarter of 2023, PNC implemented a workforce reduction that is expected to reduce 2024 personnel expense by approximately $325 million, on a pre-tax basis. PNC incurred expenses of $150 million in the fourth quarter of 2023 in connection with this workforce reduction.

FDIC Special Assessment

In November 2023, the FDIC approved a final rule to implement a special assessment to recover the loss to the Deposit Insurance Fund associated with protecting uninsured depositors following the closures of Silicon Valley Bank and Signature Bank. As a result, PNC incurred a pre-tax expense of $515 million during the fourth quarter of 2023. In the first quarter of 2024, PNC incurred an additional pre-tax expense of $130 million related to the increase in the FDIC's expected losses.

Selected Financial Data

The following tables include selected financial data, which should be reviewed in conjunction with the Consolidated Financial Statements and Notes included in Item 1 of this Report as well as the other disclosures in this Report concerning our historical financial performance, our future prospects and the risks associated with our business and financial performance.

Table 1: Summary of Operations, Per Common Share Data and Performance Ratios

Dollars in millions, except per share data Unaudited	Three months ended June 30 2024	 March 31 2024	 June 30 2023	Six months ended June 30 2024	 June 30 2023
Summary of Operations (a)					
Net interest income	$ 3,302	$ 3,264	$ 3,510	$ 6,566	$ 7,095
Noninterest income	2,109	1,881	1,783	3,990	3,801
Total revenue	5,411	5,145	5,293	10,556	10,896
Provision for credit losses	235	155	146	390	381
Noninterest expense	3,357	3,334	3,372	6,691	6,693
Income before income taxes and noncontrolling interests	1,819	1,656	1,775	3,475	3,822
Income taxes	342	312	275	654	628
Net income	$ 1,477	$ 1,344	$ 1,500	$ 2,821	$ 3,194
Net income attributable to common shareholders	$ 1,362	$ 1,247	$ 1,354	$ 2,609	$ 2,961
Per Common Share					
Basic	$ 3.39	$ 3.10	$ 3.36	$ 6.49	$ 7.35
Diluted	$ 3.39	$ 3.10	$ 3.36	$ 6.48	$ 7.34
Book value per common share	$ 116.70	$ 113.30	$ 105.67		
Performance Ratios					
Net interest margin (b)	2.60 %	2.57 %	2.79 %	2.58 %	2.81 %
Noninterest income to total revenue	39 %	37 %	34 %	38 %	35 %
Efficiency	62 %	65 %	64 %	63 %	61 %
Return on:					
Average common shareholders' equity	12.16 %	11.39 %	13.01 %	11.78 %	14.53 %
Average assets	1.05 %	0.97 %	1.08 %	1.01 %	1.15 %

(a) The Executive Summary and Consolidated Income Statement Review portions of this Financial Review section provide information regarding items impacting the comparability of the periods presented.

(b) See explanation and reconciliation of this non-GAAP measure in the Average Consolidated Balance Sheet and Net Interest Analysis and Reconciliation of Taxable-Equivalent Net Interest Income (non-GAAP) Statistical Information (Unaudited) section in Item 1 of this Report.

Table 2: Balance Sheet Highlights and Other Selected Ratios

Dollars in millions, except as noted Unaudited	June 30 2024	December 31 2023	June 30 2023
Balance Sheet Highlights (a)			
Assets	$ 556,519	$ 561,580	$ 558,207
Loans	$ 321,429	$ 321,508	$ 321,761
Allowance for loan and lease losses	$ 4,636	$ 4,791	$ 4,737
Interest-earning deposits with banks	$ 33,039	$ 43,804	$ 38,259
Investment securities	$ 138,645	$ 132,569	$ 135,661
Total deposits	$ 416,391	$ 421,418	$ 427,489
Borrowed funds	$ 71,391	$ 72,737	$ 65,384
Total shareholders' equity	$ 52,642	$ 51,105	$ 49,320
Common shareholders' equity	$ 46,397	$ 44,864	$ 42,083
Other Selected Ratios			
Common equity Tier 1	10.2 %	9.9 %	9.5 %
Loans to deposits	77 %	76 %	75 %
Common shareholders' equity to total assets	8.3 %	8.0 %	7.5 %

(a) The Executive Summary and Consolidated Balance Sheet Review portions of this Financial Review provide information regarding items impacting the comparability of the periods presented.

Income Statement Highlights

Net income of $1.5 billion, or $3.39 per diluted common share, for the second quarter of 2024 increased $133 million, or 10%, compared to $1.3 billion, or $3.10 per diluted common share, for the first quarter of 2024, primarily due to higher noninterest and net interest income, partially offset by a higher provision for credit losses.

- For the three months ended June 30, 2024 compared to the three months ended March 31, 2024:
  - Total revenue increased $266 million, or 5%, to $5.4 billion.
    - Net interest income of $3.3 billion increased $38 million, or 1%, reflecting higher yields on interest-earning assets.
      - Net interest margin increased 3 basis points to 2.60%.
    - Noninterest income increased $228 million, or 12%, and included the impact of a $754 million gain resulting from PNC's participation in the Visa exchange program, as well as a securities loss of $497 million related to the repositioning of the investment securities portfolio. The second quarter of 2024 also included Visa Class B derivative fair value adjustments, primarily related to the extension of anticipated litigation resolution timing, of negative $116 million. The first quarter of 2024 included negative $7 million of Visa Class B derivative fair value adjustments.
  - Provision for credit losses of $235 million in the second quarter of 2024 primarily reflected the impact of portfolio activity. The first quarter of 2024 included a provision for credit losses of $155 million.
  - Noninterest expense increased $23 million, or 1%, to $3.4 billion. The modest increase was driven by higher marketing and equipment expenses, partially offset by seasonally lower incentive compensation. Other noninterest expense included a $120 million pre-tax expense in the second quarter of 2024 related to a PNC Foundation contribution. The first quarter of 2024 included a $130 million pre-tax expense related to the increase in the FDIC's expected losses.

Net income of $2.8 billion, or $6.48 per diluted common share, for the first six months of 2024 decreased $373 million, or 12%, compared to $3.2 billion, or $7.34 per diluted common share, for the first six months of 2023 driven by lower net interest income, partially offset by higher noninterest income.

- For the six months ended June 30, 2024 compared to the six months ended June 30, 2023:
  - Total revenue decreased $340 million, or 3%, to $10.6 billion.
    - Net interest income decreased $529 million, or 7%, as the benefit of higher interest-earning asset yields was more than offset by increased funding costs.
      - Net interest margin decreased 23 basis points.
    - Noninterest income increased $189 million, or 5%, reflecting an increase in all categories. The first six months of 2024 included the impact of a $754 million gain resulting from PNC's participation in the Visa exchange program, as well as a securities loss of $497 million related to the repositioning of the investment securities portfolio.
  - Provision for credit losses of $390 million in the first six months of 2024 reflected the impact of portfolio activity and improved macroeconomic factors. The first six months of 2023 included a provision for credit losses of $381 million.

- Noninterest expense was stable compared to the first six months of 2023, and reflected PNC's continued focus on expense management. Other noninterest expense included a $120 million pre-tax expense in the second quarter of 2024 related to a PNC Foundation contribution, as well as a $130 million pre-tax expense in the first quarter of 2024 related to the increase in the FDIC's expected losses.

For additional detail, see the Consolidated Income Statement Review section of this Financial Review.

Balance Sheet Highlights

Our balance sheet was well positioned at June 30, 2024. In comparison to December 31, 2023:

- Total assets of $556.5 billion decreased primarily due to lower balances held with the Federal Reserve Bank, partially offset by higher securities balances.
- Total loans were stable at $321.4 billion.
  - Total commercial loans increased $1.3 billion to $220.8 billion, primarily due to new production.
  - Total consumer loans declined $1.4 billion to $100.6 billion, as paydowns outpaced originations and the utilization of loan commitments.
- Investment securities increased $6.1 billion, or 5%, to $138.6 billion, due to increased net purchase activity, primarily of U.S. Treasury securities, partially offset by portfolio paydowns and maturities. During the second quarter of 2024, PNC took actions to reposition the investment securities portfolio. For additional details, see Investment Securities in the Consolidated Balance Sheet Review section of this Financial Review.
- Interest-earning deposits with banks, primarily with the Federal Reserve Bank, decreased $10.8 billion, or 25%, to $33.0 billion, primarily due to higher securities balances and lower deposits.
- Total deposits decreased $5.0 billion, to $416.4 billion, reflecting lower consumer and commercial deposits. Noninterest-bearing deposit balances decreased primarily driven by a decline in commercial balances. Interest-bearing deposits increased modestly reflecting higher commercial balances, partially offset by lower consumer balances.
- Borrowed funds decreased to $71.4 billion, due to lower FHLB borrowings, partially offset by parent company senior debt issuances.

For additional detail, see the Consolidated Balance Sheet Review section of this Financial Review.

Credit Quality Highlights

The second quarter of 2024 reflected relatively stable credit quality performance.

- At June 30, 2024 compared to December 31, 2023:
  - Overall loan delinquencies of $1.3 billion decreased $112 million, or 8%, driven by lower consumer and commercial loan delinquencies.
  - The ACL related to loans, which consists of the ALLL and the allowance for unfunded lending related commitments, totaled $5.4 billion and $5.5 billion at June 30, 2024 and December 31, 2023, respectively. The decrease in the comparison was driven by improved macroeconomic factors as well as portfolio activity. ACL to total loans was 1.67% and 1.70% at June 30, 2024 and December 31, 2023, respectively.
  - Nonperforming assets increased $321 million, or 14%, to $2.5 billion, primarily due to higher commercial real estate nonperforming loans.
- Net loan charge-offs of $262 million, or 0.33% of average loans, in the second quarter of 2024 increased $19 million compared to the first quarter of 2024 primarily due to higher commercial real estate net loan charge-offs.

For additional detail see the Credit Risk Management portion of the Risk Management section of this Financial Review.

Capital and Liquidity Highlights

We maintained our strong capital and liquidity positions.

- Common shareholders' equity of $46.4 billion at June 30, 2024 increased $1.5 billion compared to December 31, 2023, due to the benefit of net income and an improvement in AOCI, partially offset by common dividends paid and common shares repurchased.
- In the second quarter of 2024, PNC returned $0.7 billion of capital to shareholders, reflecting $0.6 billion of dividends on common shares and $0.1 billion of common share repurchases, representing 0.7 million shares.
  - Consistent with the SCB framework, which allows for capital return 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 43% were still available for repurchase at June 30, 2024. In light of the Federal banking agencies' proposed rules to adjust the Basel III capital framework, third quarter 2024 share repurchase activity is expected to approximate recent quarterly average share repurchase levels. PNC continues to evaluate the potential impact of the proposed rules and may adjust share repurchase activity

- depending on market and economic conditions, as well as other factors. Based on the results of the Federal Reserve's 2024 annual stress test, PNC's SCB for the four-quarter period beginning October 1, 2024 will remain at the regulatory minimum of 2.5%.

- On July 2, 2024, the PNC Board of Directors raised the quarterly cash dividend on common stock to $1.60 per share, an increase of 5 cents per share. The dividend is payable on August 5, 2024 to shareholders of record at the close of business July 15, 2024.
- Our CET1 ratio increased to 10.2% at June 30, 2024 from 9.9% at December 31, 2023.
  - PNC elected a five-year transition provision effective March 31, 2020 to delay until December 31, 2021 the full impact of the CECL standard on regulatory capital, followed by a three-year transition period. Effective for the first quarter of 2022, PNC is now in the three-year transition period, and the full impact of the CECL standard is being phased-in to regulatory capital through December 31, 2024. The fully implemented ratios reflect the full impact of CECL and exclude the benefits of this transition provision. The estimated CET1 fully implemented ratio was 10.1% at June 30, 2024 compared to 9.8% at December 31, 2023.

See the Liquidity and Capital Management portion of the Risk Management section of this Financial Review for more detail on our liquidity and capital actions as well as our capital ratios.

PNC's ability to take certain capital actions, including returning capital to shareholders, is subject to PNC meeting or exceeding an SCB established by the Federal Reserve Board in connection with the Federal Reserve Board's CCAR process. For additional information, see Capital Management in the Risk Management section in this Financial Review, the Recent Regulatory Developments section in this Financial Review and the Supervision and Regulation section in our 2023 Form 10-K.

Business Outlook

Statements regarding our business outlook are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Our forward-looking financial statements are subject to the risk that economic and financial market conditions will be substantially different than those we are currently expecting and do not take into account potential legal and regulatory contingencies. These statements are based on our views that:

- Job and income gains will continue to support consumer spending growth this year, but PNC's baseline forecast is for slower economic growth in 2024 as higher interest rates remain a drag on the economy.
- Real GDP growth this year will trend close to 2%, and the unemployment rate will increase modestly to above 4% by the end of 2024. Inflation will continue to slow as wage pressures abate, gradually moving back to the Federal Reserve's 2% long-term objective.
- With slowing inflation PNC expects two federal funds rate cuts of 25 basis points each at the FOMC's September and December meetings, with the rate ending this year in a range between 4.75% and 5.00%. PNC expects multiple federal funds rate cuts in 2025 as inflation continues to ease.

Consistent with the forward guidance we provided on July 16, 2024, for the third quarter of 2024, compared to the second quarter of 2024, we expect:

- Average loans to be stable,
- Net interest income to be up 1% to 2%,
- Fee income to be up 1% to 2%,
- Other noninterest income, to be $150 million to $200 million,
- Noninterest expense to be down 1% to stable,
  - Core noninterest expense to be up 3% to 4%, and
- Net loan charge-offs to be $250 million to $300 million.

Consistent with the forward guidance we provided on July 16, 2024, for the full year 2024, compared to the full year of 2023, we expect:

- Average loans to be down less than 1%,
- Net interest income to be down approximately 4%,
- Noninterest income, to be up 5% to 7%,
  - Noninterest income, excluding significant items, to be up 3% to 5%,
- Revenue to be stable to down 1%,
  - Revenue, excluding significant items, to be down 1% to 2%,
- Noninterest expense to be down approximately 4%,
  - Core noninterest expense to be down approximately 1%, and
- The effective tax rate to be approximately 18.5%.

Significant items in the second quarter of 2024 are composed of a $754 million gain resulting from PNC's participation in the Visa exchange program, a $497 million securities loss related to the repositioning of the investment securities portfolio and a negative $116 million Visa Class B derivative fair value adjustment. See the Statistical Information (Unaudited) – Reconciliation of Noninterest income guidance, excluding significant items (non-GAAP) and Reconciliation of Revenue guidance, excluding significant items (non-GAAP) section of this Report. Other noninterest income, noninterest income and revenue guidance does not forecast net securities gains or losses and other Visa activity.

Core noninterest expense excludes the pre-tax impacts of the $120 million expense in the second quarter of 2024 related to a contribution to the PNC Foundation, $130 million related to the increase in the FDIC's expected losses in the first quarter of 2024, and, for the fourth quarter of 2023, $515 million pertaining to the FDIC special assessment and $150 million of workforce reduction charges. See the Statistical Information (Unaudited) – Reconciliation of Core Noninterest Expense (non-GAAP) section of this Report.

We are unable to provide a meaningful or accurate reconciliation of forward-looking non-GAAP measures, without unreasonable effort, to their most directly comparable GAAP financial measures, except for full year Noninterest income and Revenue guidance, adjusted for $141 million in significant items incurred in the second quarter of 2024, and full year Core noninterest expense guidance adjusted for $250 million in non-core expenses incurred in the first half of 2024. This is due to the inherent difficulty of forecasting the timing and amounts necessary for the reconciliation, when such amounts are subject to events that cannot be reasonably predicted, as noted in our Cautionary Statement. Accordingly, we cannot address the probable significance of unavailable information.

See the Cautionary Statement Regarding Forward-Looking Information section in this Financial Review and Item 1A Risk Factors included in our 2023 Form 10-K for other factors that could cause future events to differ, perhaps materially, from those anticipated in these forward-looking statements.

Consolidated Income Statement Review

Our Consolidated Income Statement is presented in Item 1 of this Report.

Net income of $1.5 billion, or $3.39 per diluted common share, for the second quarter of 2024 increased $133 million, or 10%, compared to $1.3 billion, or $3.10 per diluted common share, for the first quarter of 2024 primarily due to higher noninterest and net interest income, partially offset by a higher provision for credit losses. Net income of $2.8 billion, or $6.48 per diluted common share, for the first six months of 2024 decreased $373 million, or 12%, compared to $3.2 billion, or $7.34 per diluted common share, for the same period in 2023 driven by lower net interest income, partially offset by higher noninterest income.

Net Interest Income

Table 3: Summarized Average Balances and Net Interest Income (a)

Three months ended Dollars in millions	June 30, 2024 Average Balances	June 30, 2024 Average Yields/ Rates	June 30, 2024 Interest Income/ Expense	March 31, 2024 Average Balances	March 31, 2024 Average Yields/ Rates	March 31, 2024 Interest Income/ Expense
Assets						
Interest-earning assets						
Investment securities	$ 141,306	2.84 %	$ 1,006	$ 135,434	2.62 %	$ 888
Loans	319,918	6.05 %	4,871	320,609	6.01 %	4,848
Interest-earning deposits with banks	41,113	5.47 %	563	48,250	5.47 %	660
Other	9,279	6.98 %	162	8,002	6.92 %	138
Total interest-earning assets/interest income	$ 511,616	5.13 %	6,602	$ 512,295	5.08 %	6,534
Liabilities						
Interest-bearing liabilities						
Interest-bearing deposits	$ 320,949	2.61 %	2,084	$ 321,280	2.60 %	2,077
Borrowed funds	77,456	6.04 %	1,182	75,590	6.07 %	1,159
Total interest-bearing liabilities/interest expense	$ 398,405	3.26 %	3,266	$ 396,870	3.24 %	3,236
Net interest margin/income (non-GAAP)		2.60 %	3,336		2.57 %	3,298
Taxable-equivalent adjustments			(34)			(34)
Net interest income (GAAP)			$ 3,302			$ 3,264

Six months ended Dollars in millions	June 30, 2024 Average Balances	June 30, 2024 Average Yields/ Rates	June 30, 2024 Interest Income/ Expense	June 30, 2023 Average Balances	June 30, 2023 Average Yields/ Rates	June 30, 2023 Interest Income/ Expense
Assets						
Interest-earning assets						
Investment securities	$ 138,370	2.74 %	$ 1,894	$ 142,208	2.50 %	$ 1,780
Loans	320,263	6.03 %	9,719	325,027	5.43 %	8,844
Interest-earning deposits with banks	44,682	5.47 %	1,223	32,736	4.83 %	790
Other	8,641	6.95 %	300	9,012	5.86 %	264
Total interest-earning assets/interest income	$ 511,956	5.11 %	13,136	$ 508,983	4.58 %	11,678
Liabilities						
Interest-bearing liabilities						
Interest-bearing deposits	$ 321,115	2.60 %	4,161	$ 313,801	1.81 %	2,822
Borrowed funds	76,523	6.06 %	2,341	64,337	5.22 %	1,686
Total interest-bearing liabilities/interest expense	$ 397,638	3.25 %	6,502	$ 378,138	2.38 %	4,508
Net interest margin/income (non-GAAP)		2.58 %	6,634		2.81 %	7,170
Taxable-equivalent adjustments			(68)			(75)
Net interest income (GAAP)			$ 6,566			$ 7,095

(a) Interest income calculated as taxable-equivalent interest income. To provide more meaningful comparisons of interest income and yields for all interest-earning assets, as well as net interest margins, we use interest income on a taxable-equivalent basis in calculating average yields and net interest margins by increasing the interest income earned on tax-exempt assets to make it fully equivalent to interest income earned on taxable investments. This adjustment is not permitted under GAAP on the Consolidated Income Statement. For more information, see Reconciliation of Taxable-Equivalent Net Interest Income (non-GAAP) in the Statistical Information (Unaudited) section in Item 1 of this Report.

Changes in net interest income and margin result from the interaction of the volume and composition of interest-earning assets and related yields, interest-bearing liabilities and related rates paid, and noninterest-bearing sources of funding. See the Statistical Information (Unaudited) – Average Consolidated Balance Sheet And Net Interest Analysis section of this Report for additional information.

Net interest income increased $38 million, or 1%, and net interest margin increased 3 basis points compared to the first quarter of 2024, reflecting higher yields on interest-earning assets. In the year-to-date comparison, net interest income decreased $529 million, or 7%, and net interest margin decreased 23 basis points, as the benefit of higher interest-earning asset yields was more than offset by increased funding costs.

Average investment securities increased $5.9 billion, or 4%, compared to the first quarter of 2024 reflecting net purchase activity, primarily of U.S. Treasury securities, partially offset by portfolio paydowns and maturities. Average investment securities decreased $3.8 billion, or 3%, in the year-to-date comparison as net purchase activity was more than offset by portfolio paydowns and maturities. Average investment securities represented 28% of average interest-earning assets for the second quarter of 2024 compared to 26% for the first quarter of 2024, and 27% for the first six months of 2024 compared to 28% for the first six months of 2023.

Average loans were stable for the second quarter of 2024 compared to the first quarter of 2024, and included a modest decline in consumer balances reflecting lower residential real estate and home equity loans. Compared to the first six months of 2023, average loans decreased $4.8 billion, or 1%, primarily due to lower average utilization of commercial loan commitments. Average loans represented 63% of average interest-earning assets for both the second and first quarters of 2024, and 63% for the first six months of 2024 compared to 64% for the first six months of 2023.

Average interest-earning deposits with banks for the second quarter of 2024 decreased $7.1 billion, or 15%, compared to the first quarter of 2024, primarily reflecting net securities purchases. In the year-to-date comparison, average interest-earning deposits with banks increased $11.9 billion, or 36%, due to higher borrowed funds and lower loan and securities balances, partially offset by lower deposits.

Average interest-bearing deposits for the second quarter of 2024 were relatively stable compared to the first quarter of 2024, and included a modest decline in commercial balances reflecting seasonal declines in corporate deposits. Average interest-bearing deposits increased $7.3 billion, or 2%, in the year-to-date comparison. In total, average interest-bearing deposits represented 81% of average interest-bearing liabilities for both the second and first quarters of 2024, and 81% for the first six months of 2024 compared to 83%, for the first six months of 2023.

Average borrowed funds increased $1.9 billion, or 2%, and $12.2 billion, or 19%, in the quarterly and year-to-date comparisons, respectively. In both comparisons, the increase reflected parent company senior debt issuances.

Further details regarding average loans and deposits are included in the Business Segments Review section of this Financial Review.

<u>Noninterest Income</u>

Table 4: Noninterest Income

	Three months ended				Six months ended			
	June 30	March 31	Change		June 30	June 30	Change	
Dollars in millions	2024	2024	$	%	2024	2023	$	%
Noninterest income								
Asset management and brokerage	$ 364	$ 364		—	$ 728	$ 704	$ 24	3 %
Capital markets and advisory	272	259	$ 13	5 %	531	475	56	12 %
Card and cash management	706	671	35	5 %	1,377	1,356	21	2 %
Lending and deposit services	304	305	(1)	—	609	604	5	1 %
Residential and commercial mortgage	131	147	(16)	(11)%	278	275	3	1 %
Other income								
Gain on Visa shares exchange program	754		754	*	754		754	*
Securities gains (losses)	(499)		(499)	*	(499)	(2)	(497)	*
Other	77	135	(58)	(43)%	212	389	(177)	(46)%
Total other income	332	135	197	146 %	467	387	80	21 %
Total noninterest income	$ 2,109	$ 1,881	$ 228	12 %	$ 3,990	$ 3,801	$ 189	5 %

*- Not Meaningful

Noninterest income as a percentage of total revenue was 39% for the second quarter of 2024 compared to 37% for the first quarter of 2024, and 38% for the first six months of 2024 compared to 35% for the same period in 2023.

Asset management and brokerage fees were stable compared to the first quarter of 2024. The increase in the year-to-date comparison reflected the impact of higher annuity sales as well as higher average equity markets. PNC's discretionary client assets under management of $196 billion at June 30, 2024 increased from $195 billion and $176 billion at March 31, 2024 and June 30, 2023, respectively. In both comparisons, the increase was driven by higher spot equity markets.

Capital markets and advisory fees increased compared to the first quarter of 2024, driven by higher merger and acquisition advisory activity and increased loan syndication revenue, partially offset by lower underwriting fees. The increase in the year-to-date comparison was primarily due to higher merger and acquisition advisory activity and increased underwriting fees, partially offset by lower trading revenue.

Card and cash management revenue increased compared to the first quarter of 2024, reflecting seasonally higher consumer transaction volumes and higher treasury management product revenue. The increase compared to the first six months of 2023 was primarily due to higher treasury management product revenue.

Lending and deposit services were relatively stable in both the quarterly and year-to-date comparisons.

Residential and commercial mortgage decreased compared to the first quarter of 2024, primarily due to lower residential mortgage activity. Residential and commercial mortgage were relatively stable compared to the first six months of 2023.

Other noninterest income increased in both the quarterly and year-to-date comparisons. The second quarter of 2024 included the impact of a $754 million gain resulting from PNC's participation in the Visa exchange program, as well as a securities loss of $497 million related to the repositioning of the investment securities portfolio. The second quarter of 2024 also included Visa Class B derivative fair value adjustments, primarily related to the extension of anticipated litigation resolution timing, of negative $116 million. The first quarter of 2024 included negative $7 million of Visa Class B derivative fair value adjustments.

Noninterest Expense

Table 5: Noninterest Expense

	Three months ended				Six months ended			
	June 30	March 31	Change		June 30	June 30	Change	
Dollars in millions	2024	2024	$	%	2024	2023	$	%
Noninterest expense								
Personnel	$ 1,782	$ 1,794	$ (12)	(1)%	$ 3,576	$ 3,672	$ (96)	(3)%
Occupancy	236	244	(8)	(3)%	480	495	(15)	(3)%
Equipment	356	341	15	4 %	697	699	(2)	—
Marketing	93	64	29	45 %	157	183	(26)	(14)%
Other	890	891	(1)	—	1,781	1,644	137	8 %
Total noninterest expense	$ 3,357	$ 3,334	$ 23	1 %	$ 6,691	$ 6,693	$ (2)	—

Noninterest expense increased 1% compared to the first quarter of 2024. The modest increase was driven by higher marketing and equipment expenses, partially offset by seasonally lower incentive compensation. Noninterest expense was stable compared to the first six months of 2023 and reflected PNC's continued focus on expense management. Other noninterest expense included a $120 million pre-tax expense in the second quarter of 2024 related to a PNC Foundation contribution as well as a $130 million pre-tax expense in the first quarter of 2024 related to the increase in the FDIC's expected losses.

Effective Income Tax Rate

The effective income tax rate was 18.8% in both the second and first quarters of 2024, and 18.8% in the first six months of 2024 compared to 16.4% for the same period in 2023.

Provision For Credit Losses

Table 6: Provision for Credit Losses

	Three months ended			Six months ended		
	June 30	March 31	Change	June 30	June 30	Change
Dollars in millions	2024	2024	$	2024	2023	$
Provision for (recapture of) credit losses						
Loans and leases	$ 204	$ 147	$ 57	$ 351	$ 418	$ (67)
Unfunded lending related commitments	45	9	36	54	(31)	85
Investment securities	(11)	1	(12)	(10)	(1)	(9)
Other financial assets	(3)	(2)	(1)	(5)	(5)	
Total provision for credit losses	$ 235	$ 155	$ 80	$ 390	$ 381	$ 9

Provision for credit losses of $235 million in the second quarter of 2024 primarily reflected the impact of portfolio activity. Provision for credit losses of $390 million for the first six months of 2024 reflected the impact of portfolio activity and improved macroeconomic factors.

Consolidated Balance Sheet Review

The summarized balance sheet data in Table 7 is based upon our Consolidated Balance Sheet in Item 1 of this Report.

Table 7: Summarized Balance Sheet Data

	June 30	December 31	Change	
Dollars in millions	2024	2023	$	%
Assets				
Interest-earning deposits with banks	$ 33,039	$ 43,804	$ (10,765)	(25)%
Loans held for sale	988	734	254	35 %
Investment securities	138,645	132,569	6,076	5 %
Loans	321,429	321,508	(79)	—
Allowance for loan and lease losses	(4,636)	(4,791)	155	3 %
Mortgage servicing rights	3,739	3,686	53	1 %
Goodwill	10,932	10,932		—
Other	52,383	53,138	(755)	(1)%
Total assets	$ 556,519	$ 561,580	$ (5,061)	(1)%
Liabilities				
Deposits	$ 416,391	$ 421,418	$ (5,027)	(1)%
Borrowed funds	71,391	72,737	(1,346)	(2)%
Allowance for unfunded lending related commitments	717	663	54	8 %
Other	15,339	15,621	(282)	(2)%
Total liabilities	503,838	510,439	(6,601)	(1)%
Equity				
Total shareholders' equity	52,642	51,105	1,537	3 %
Noncontrolling interests	39	36	3	8 %
Total equity	52,681	51,141	1,540	3 %
Total liabilities and equity	$ 556,519	$ 561,580	$ (5,061)	(1)%

Our balance sheet was well positioned at June 30, 2024. In comparison to December 31, 2023:
- Total assets decreased primarily due to lower balances held with the Federal Reserve Bank, partially offset by higher securities balances.
- Total liabilities decreased primarily due to lower deposits.
- Total equity increased due to the benefit of net income and an improvement in AOCI, partially offset by dividends paid and common shares repurchased.

The ACL related to loans totaled $5.4 billion and $5.5 billion at June 30, 2024 and December 31, 2023, respectively. The decrease in the comparison was driven by improved macroeconomic factors as well as portfolio activity. See the following for additional information regarding our ACL related to loans:
- Allowance for Credit Losses in the Credit Risk Management section of this Financial Review,
- Critical Accounting Estimates and Judgments section of this Financial Review, and
- Note 3 Loans and Related Allowance for Credit Losses.

The following discussion provides additional information about the major components of our balance sheet. Information regarding our capital and regulatory compliance is included in the Liquidity and Capital Management portion of the Risk Management section in this Financial Review and in Note 19 Regulatory Matters in our 2023 Form 10-K.

Loans

Table 8: Loans

Dollars in millions	June 30 2024	December 31 2023	Change $	Change %
Commercial				
Commercial and industrial	$ 178,789	$ 177,580	$ 1,209	1 %
Commercial real estate	35,498	35,436	62	—
Equipment lease financing	6,555	6,542	13	—
Total commercial	220,842	219,558	1,284	1 %
Consumer				
Residential real estate	47,183	47,544	(361)	(1)%
Home equity	25,917	26,150	(233)	(1)%
Automobile	14,820	14,860	(40)	—
Credit card	6,849	7,180	(331)	(5)%
Education	1,732	1,945	(213)	(11)%
Other consumer	4,086	4,271	(185)	(4)%
Total consumer	100,587	101,950	(1,363)	(1)%
Total loans	$ 321,429	$ 321,508	$ (79)	—

Commercial loans increased primarily due to new production.

Consumer loans declined as paydowns outpaced originations and utilization of loan commitments.

For additional information regarding our loan portfolio see the Credit Risk Management portion of the Risk Management section in this Financial Review and Note 3 Loans and Related Allowance for Credit Losses.

Investment Securities

Investment securities of $138.6 billion at June 30, 2024 increased $6.1 billion, or 5%, compared to December 31, 2023, due to increased net purchase activity, primarily of U.S. Treasury securities, partially offset by portfolio paydowns and maturities.

In the second quarter of 2024, we repositioned the investment securities portfolio and sold available for sale securities with a market value of $3.8 billion and a weighted average yield of approximately 1.5%. The sale of these securities resulted in a loss of $497 million. We deployed the sale proceeds into available-for-sale securities with a market value of $3.8 billion and a weighted average yield of approximately 5.5%.

The level and composition of the investment securities portfolio fluctuates over time based on many factors, including market conditions, loan and deposit growth and balance sheet management activities. We manage our investment securities portfolio to optimize returns, while providing a reliable source of liquidity for our banking and other activities, considering the LCR, NSFR and other internal and external guidelines and constraints.

Table 9: Investment Securities (a)

	June 30, 2024		December 31, 2023	
Dollars in millions	Amortized Cost (b)	Fair Value	Amortized Cost (b)	Fair Value
U.S. Treasury and government agencies	$ 52,336	$ 50,640	$ 44,125	$ 42,348
Agency residential mortgage-backed	72,099	65,169	73,329	67,925
Non-agency residential mortgage-backed	784	851	844	938
Agency commercial mortgage-backed	2,714	2,544	2,619	2,471
Non-agency commercial mortgage-backed (c)	2,013	1,971	2,286	2,217
Asset-backed (d)	6,930	6,945	6,982	6,984
Other (e)	5,477	5,323	5,952	5,850
Total investment securities (f)	$ 142,353	$ 133,443	$ 136,137	$ 128,733

(a) Of our total securities portfolio, 97% were rated AAA/AA at both June 30, 2024 and December 31, 2023.

(b) Amortized cost is presented net of the allowance for investment securities, which totaled $93 million at June 30, 2024 and primarily related to non-agency commercial mortgage-backed securities. The comparable amount at December 31, 2023 was $92 million.

(c) Collateralized primarily by multifamily housing, office buildings, retail properties, lodging properties and industrial properties.

(d) Collateralized primarily by consumer credit products, corporate debt and government guaranteed education loans.

(e) Includes state and municipal securities and corporate bonds.

(f) Includes available for sale and held to maturity securities, which are recorded on our balance sheet at fair value and amortized cost, respectively.

Table 9 presents our investment securities portfolio by amortized cost and fair value. The relationship of fair value to amortized cost at June 30, 2024 primarily reflected the impact of higher interest rates on the valuation of fixed-rate securities. We continually monitor the credit risk in our portfolio and maintain the allowance for investment securities at an appropriate level to absorb expected credit losses on our investment securities portfolio for the remaining contractual term of the securities adjusted for expected prepayments. See Note 2 Investment Securities for additional details regarding the allowance for investment securities.

The duration of investment securities was 3.6 years and 4.2 years at June 30, 2024 and December 31, 2023, respectively. We estimate that at June 30, 2024 the effective duration of investment securities was 3.5 years for an immediate 50 basis points parallel increase in interest rates and 3.6 years for an immediate 50 basis points parallel decrease in interest rates. Comparable amounts at December 31, 2023 for the effective duration of investment securities were 4.1 years and 4.2 years, respectively.

Based on expected prepayment speeds, the weighted-average expected maturity of the investment securities portfolio was 5.5 years at both June 30, 2024 and December 31, 2023.

Table 10: Weighted-Average Expected Maturities of Mortgage and Asset-Backed Debt Securities

June 30, 2024	Years
Agency residential mortgage-backed	7.4
Non-agency residential mortgage-backed	10.5
Agency commercial mortgage-backed	4.8
Non-agency commercial mortgage-backed	0.9
Asset-backed	2.2

Additional information regarding our investment securities portfolio is included in Note 2 Investment Securities and Note 11 Fair Value.

Funding Sources

Table 11: Details of Funding Sources

	June 30	December 31	Change	
Dollars in millions	2024	2023	$	%
Deposits				
Noninterest-bearing	$ 94,542	$ 101,285	$ (6,743)	(7)%
Interest-bearing				
Money market	69,119	65,594	3,525	5 %
Demand	120,207	124,848	(4,641)	(4)%
Savings	96,618	98,122	(1,504)	(2)%
Time deposits	35,905	31,569	4,336	14 %
Total interest-bearing deposits	321,849	320,133	1,716	1 %
Total deposits	416,391	421,418	(5,027)	(1)%
Borrowed funds				
Federal Home Loan Bank borrowings	35,000	38,000	(3,000)	(8)%
Senior debt	29,601	26,836	2,765	10 %
Subordinated debt	4,078	4,875	(797)	(16)%
Other	2,712	3,026	(314)	(10)%
Total borrowed funds	71,391	72,737	(1,346)	(2)%
Total funding sources	$ 487,782	$ 494,155	$ (6,373)	(1)%

Deposits are considered an attractive source of funding due to their stability and relatively low cost to fund. Compared to December 31, 2023, both deposits and borrowed funds declined.

Total deposits decreased reflecting lower consumer and commercial deposits. Noninterest-bearing deposit balances decreased primarily driven by a decline in commercial balances. Interest-bearing deposits increased modestly reflecting higher commercial balances, partially offset by lower consumer balances. This shift in deposit composition contributed to an increase in funding costs compared to the first quarter of 2024. Our total brokered deposit balances of $10.5 billion at June 30, 2024 decreased compared to $11.0 billion at December 31, 2023, and were significantly below both our internal and regulatory guidelines and limits.

Borrowed funds decreased due to lower FHLB borrowings, partially offset by parent company senior debt issuances.

The level and composition of borrowed funds fluctuates over time based on many factors, including market conditions, capital considerations, and funding needs, which are primarily driven by changes in loan, deposit and investment securities balances. While our largest source of liquidity on a consolidated basis is the customer deposit base generated by our banking businesses, we also manage our borrowed funds to provide a reliable source of liquidity for our banking and other activities, considering our LCR and NSFR requirements and other internal and external guidelines and constraints. See the Liquidity and Capital Management portion of the Risk Management section in this Financial Review for additional information regarding our liquidity and capital activities. See Note 7 Borrowed Funds in this Report and Note 9 Borrowed Funds in our 2023 Form 10-K for additional information related to our borrowings. See Average Consolidated Balance Sheet and Net Interest Analysis in the Statistical Information section of this Report for additional information on volume and related funding cost changes.

Shareholders' Equity

Total shareholders' equity was $52.6 billion at June 30, 2024, an increase of $1.5 billion compared to December 31, 2023, reflecting net income of $2.8 billion and an improvement in AOCI of $0.3 billion, partially offset by dividends paid of $1.4 billion and $0.2 billion of common share repurchases.

Business Segments Review

We have three reportable business segments:
- Retail Banking
- Corporate & Institutional Banking
- Asset Management Group

Total business segment financial results differ from total consolidated net income. The impact of these differences is reflected in Other, as shown in Table 79 in Note 14 Segment Reporting. Other includes residual activities that do not meet the criteria for disclosure as a separate reportable business, such as asset and liability management activities including net securities gains or losses, ACL for investment securities, certain trading activities, certain runoff consumer loan portfolios, private equity investments, intercompany eliminations, corporate overhead net of allocations, tax adjustments that are not allocated to business segments, exited businesses and the residual impact from FTP operations.

Certain amounts included in this Business Segments Review differ from those amounts shown in Note 14, primarily due to the presentation in this Financial Review of business net interest income on a taxable-equivalent basis.

See Note 14 Segment Reporting for additional information on our business segments, including a description of each business.

Retail Banking

Retail Banking's core strategy is to build lifelong, primary relationships by creating a sense of financial well-being and ease for our clients. Over time, we seek to deepen those relationships by meeting the broad range of our clients' financial needs across savings, liquidity, lending, payments, investment and retirement solutions. We work to deliver these solutions in the most seamless and efficient way possible, meeting our customers where they want to be met - whether in a branch, through digital channels, at an ATM or through our phone-based customer contact centers - while continuously optimizing the cost to sell and service. We believe that, over time, we can grow our customer base, enhance the breadth and depth of our client relationships and improve our efficiency through differentiated products and leading digital channels.

Table 12: Retail Banking Table

(Unaudited)			Change	
Six months ended June 30				
Dollars in millions, except as noted	2024	2023	$	%
Income Statement				
Net interest income	$ 5,326	$ 4,729	$ 597	13 %
Noninterest income	2,173	1,445	728	50 %
Total revenue	7,499	6,174	1,325	21 %
Provision for credit losses	145	224	(79)	(35)%
Noninterest expense	3,678	3,831	(153)	(4)%
Pretax earnings	3,676	2,119	1,557	73 %
Income taxes	857	497	360	72 %
Noncontrolling interests	19	21	(2)	(10)%
Earnings	$ 2,800	$ 1,601	$ 1,199	75 %
Average Balance Sheet				
Loans held for sale	$ 560	$ 578	$ (18)	(3)%
Loans				
Consumer				
Residential real estate	$ 34,372	$ 35,285	$ (913)	(3)%
Home equity	24,404	24,617	(213)	(1)%
Automobile	14,812	14,962	(150)	(1)%
Credit card	6,885	6,960	(75)	(1)%
Education	1,877	2,151	(274)	(13)%
Other consumer	1,759	1,959	(200)	(10)%
Total consumer	84,109	85,934	(1,825)	(2)%
Commercial	12,703	11,574	1,129	10 %
Total loans	$ 96,812	$ 97,508	$ (696)	(1)%
Total assets	$ 114,651	$ 115,103	$ (452)	—
Deposits				
Noninterest-bearing	$ 53,424	$ 60,129	$ (6,705)	(11)%
Interest-bearing	195,946	199,776	(3,830)	(2)%
Total deposits	$ 249,370	$ 259,905	$ (10,535)	(4)%
Performance Ratios				
Return on average assets	4.92 %	2.80 %		
Noninterest income to total revenue	29 %	23 %		
Efficiency	49 %	62 %		
Supplemental Noninterest Income Information				
Asset management and brokerage	$ 272	$ 254	$ 18	7 %
Card and cash management	$ 636	$ 668	$ (32)	(5)%
Lending and deposit services	$ 360	$ 357	$ 3	1 %
Residential and commercial mortgage	$ 167	$ 179	$ (12)	(7)%

At or for six months ended June 30				Change	
Dollars in millions, except as noted	2024	2023	$	%
Residential Mortgage Information				
Residential mortgage servicing statistics (in billions, except as noted) (a)				
Serviced portfolio balance (b)	$ 204	$ 191	$ 13	7 %
MSR asset value (b)	$ 2.7	$ 2.3	$ 0.4	17 %
Servicing income: (in millions)				
Servicing fees, net (c)	$ 149	$ 145	$ 4	3 %
Mortgage servicing rights valuation, net of economic hedge	$ (20)	$ 5	$ (25)	*
Residential mortgage loan statistics				
Loan origination volume (in billions)	$ 3.0	$ 3.8	$ (0.8)	(21)%
Loan sale margin percentage	2.21 %	2.24 %		
Other Information				
Credit-related statistics				
Nonperforming assets (b)	$ 840	$ 981	$ (141)	(14)%
Net charge-offs - loans and leases	$ 277	$ 221	$ 56	25 %
Other statistics				
Branches (b) (d)	2,247	2,361	(114)	(5)%
Brokerage account client assets (in billions) (b) (e)	$ 81	$ 75	$ 6	8 %

*- Not Meaningful

(a) Represents mortgage loan servicing balances for third parties and the related income.

(b) As of June 30.

(c) Servicing fees net of impact of decrease in MSR value due to passage of time, including the impact from regularly scheduled loan principal payments, prepayments and loans paid off during the period.

(d) Reflects all branches excluding standalone mortgage offices and satellite offices (e.g., drive-ups, electronic branches and retirement centers) that provide limited products and/or services.

(e) Includes cash and money market balances.

Retail Banking earnings for the first six months of 2024 increased $1.2 billion compared to the same period in 2023 primarily due to higher revenue and lower noninterest expense, as well as a lower provision for credit losses.

Net interest income increased in the comparison primarily due to wider interest rate spreads on the value of deposits, partially offset by declines in average deposit balances.

Noninterest income increased in the comparison, reflecting a gain resulting from PNC’s participation in the Visa exchange program, partially offset by lower card and cash management fees.

Provision for credit losses for the first six months of 2024 reflected the impact of portfolio activity and improved macroeconomic factors.

Noninterest expense decreased in the comparison, and included lower personnel expense.

Retail Banking average total loans remained relatively stable in the first six months of 2024 compared to the same period in 2023. Average consumer loans decreased driven by lower residential real estate as a result of paydowns outpacing new volume, as well as continued declines in education loans from runoff in the government guaranteed portfolio. Average commercial loans increased due to growth in automobile dealer segment balances.

Our focus on growing primary customer relationships is at the core of our deposit strategy in Retail, which is based on attracting and retaining stable, low-cost deposits as a key funding source for PNC. We have taken a disciplined approach to pricing, focused on retaining relationship-based balances and executing on targeted deposit growth and retention strategies aimed at more rate-sensitive customers. Our goal with regard to deposits is to optimize balances, economics and long-term customer growth. In the first six months of 2024, average total deposits decreased compared to the same period in 2023, and included the impact of quantitative tightening by the Federal Reserve and increased customer spending.

Retail Banking continues to enhance the customer experience with refinements to product and service offerings that drive value for consumers and small businesses.

As part of our strategic focus on growing customers and meeting their financial needs, we operate and continue to optimize a coast-to-coast network of retail branches and ATMs, which are complemented by PNC’s suite of digital capabilities. In February 2024, PNC announced it would be investing nearly $1.0 billion, through 2028, to open more than 100 new branches in key locations, including Austin, Dallas, Denver, Houston, Miami, and San Antonio, and to renovate more than 1,200 existing locations across the country to enhance the customer experience.

Corporate & Institutional Banking

Corporate & Institutional Banking's strategy is to be the leading relationship-based provider of traditional banking products and services to its customers through the economic cycles. We aim to grow our market share and drive higher returns by delivering value-added solutions that help our clients better run their organizations, all while maintaining prudent risk and expense management. We continue to focus on building client relationships where the risk-return profile is attractive. We are a coast-to-coast franchise and our full suite of commercial products and services is offered nationally.

Table 13: Corporate & Institutional Banking Table

(Unaudited) Six months ended June 30 Dollars in millions, except as noted	2024	2023	Change $	Change %
Income Statement				
Net interest income	$ 3,109	$ 2,795	$ 314	11 %
Noninterest income	1,830	1,707	123	7 %
Total revenue	4,939	4,502	437	10 %
Provision for credit losses	275	181	94	52 %
Noninterest expense	1,833	1,860	(27)	(1)%
Pretax earnings	2,831	2,461	370	15 %
Income taxes	654	575	79	14 %
Noncontrolling interests	10	10		—
Earnings	$ 2,167	$ 1,876	$ 291	16 %
Average Balance Sheet				
Loans held for sale	$ 181	$ 448	$ (267)	(60)%
Loans				
Commercial				
Commercial and industrial	$ 163,205	$ 168,110	$ (4,905)	(3)%
Commercial real estate	34,430	34,507	(77)	—
Equipment lease financing	6,479	6,408	71	1 %
Total commercial	204,114	209,025	(4,911)	(2)%
Consumer	3	7	(4)	(57)%
Total loans	$ 204,117	$ 209,032	$ (4,915)	(2)%
Total assets	$ 229,151	$ 234,354	$ (5,203)	(2)%
Deposits				
Noninterest-bearing	$ 42,520	$ 55,221	$ (12,701)	(23)%
Interest-bearing	98,778	87,956	10,822	12 %
Total deposits	$ 141,298	$ 143,177	$ (1,879)	(1)%
Performance Ratios				
Return on average assets	1.91 %	1.61 %		
Noninterest income to total revenue	37 %	38 %		
Efficiency	37 %	41 %		
Other Information				
Consolidated revenue from: (a)				
Treasury Management (b)	$ 1,890	$ 1,563	$ 327	21 %
Commercial mortgage banking activities:				
Commercial mortgage loans held for sale (c)	$ 27	$ 40	$ (13)	(33)%
Commercial mortgage loan servicing income (d)	151	83	68	82 %
Commercial mortgage servicing rights valuation, net of economic hedge	76	45	31	69 %
Total	$ 254	$ 168	$ 86	51 %
Commercial mortgage servicing statistics				
Serviced portfolio balance (in billions) (e) (f)	$ 289	$ 280	$ 9	3 %
MSR asset value (e)	$ 1,082	$ 1,106	$ (24)	(2)%
Average loans by C&IB business				
Corporate Banking	$ 116,642	$ 118,424	$ (1,782)	(2)%
Real Estate	46,297	47,495	(1,198)	(3)%
Business Credit	29,291	30,398	(1,107)	(4)%
Commercial Banking	7,536	8,327	(791)	(9)%
Other	4,351	4,388	(37)	(1)%
Total average loans	$ 204,117	$ 209,032	$ (4,915)	(2)%
Credit-related statistics				
Nonperforming assets (e)	$ 1,528	$ 738	$ 790	*
Net charge-offs - loans and leases	$ 237	$ 178	$ 59	33 %

*- Not Meaningful

(a) See the additional revenue discussion regarding treasury management and commercial mortgage banking activities in the Product Revenue section of this Corporate & Institutional Banking section.
(b) Amounts are reported in net interest income and noninterest income.
(c) Represents commercial mortgage banking income for valuations on commercial mortgage loans held for sale and related commitments, derivative valuations, origination fees, gains on sale of loans held for sale and net interest income on loans held for sale.
(d) Represents net interest income and noninterest income from loan servicing, net of reduction in commercial mortgage servicing rights due to time and payoffs. Commercial mortgage servicing rights valuation, net of economic hedge is shown separately.
(e) As of June 30.
(f) Represents balances related to capitalized servicing.

Corporate & Institutional Banking earnings in the first six months of 2024 increased $291 million compared to the same period in 2023 driven by higher revenue and a decline in noninterest expense, partially offset by a higher provision for credit losses.

Net interest income increased in the comparison primarily due to wider interest rate spreads on the value of deposits, partially offset by narrower interest rate spreads on the value of loans and lower average loan and deposit balances.

Noninterest income increased in the comparison and included higher capital markets and advisory fees and growth in treasury management product revenue.

Provision for credit losses for the first six months of 2024 reflected the impact of portfolio activity and improved macroeconomic factors.

Noninterest expense decreased in the comparison, reflecting a continued focus on expense management.

Average loans decreased compared with the six months ended June 30, 2023:

- Corporate Banking provides lending, equipment finance, treasury management and capital markets products and services to mid-sized and large corporations, and government and not-for-profit entities. Average loans for this business decreased driven by lower average utilization of loan commitments and paydowns outpacing new production, partially offset by the acquisition of capital commitment facilities from Signature Bridge Bank in the fourth quarter of 2023.
- Real Estate provides banking, financing and servicing solutions for commercial real estate clients across the country. Average loans for this business declined largely due to paydowns outpacing new production, partially offset by a higher average utilization of loan commitments.
- Business Credit provides asset-based lending and equipment financing solutions. The loan and lease portfolio is mainly secured by business assets. Average loans for this business declined, reflecting a lower average utilization of loan commitments.
- Commercial Banking provides lending, treasury management and capital markets related products and services to smaller corporations and businesses. Average loans for this business declined driven by paydowns outpacing new production and a lower average utilization of loan commitments.

The deposit strategy of Corporate & Institutional Banking is to remain disciplined on pricing and focused on growing and retaining relationship-based balances over time, executing on customer and segment-specific deposit growth strategies and continuing to provide funding and liquidity to PNC. Average total deposits were relatively stable compared to the six months ended June 30, 2023. We continue to actively monitor the interest rate environment and make adjustments to our deposit strategy in response to evolving market conditions, bank funding needs and client relationship dynamics.

Product Revenue

In addition to credit and deposit products for commercial customers, Corporate & Institutional Banking offers other services, including treasury management, capital markets and advisory products and services and commercial mortgage banking activities, for customers of all business segments. On a consolidated basis, the revenue from these other services is included in net interest income and noninterest income, as appropriate. From a business perspective, the majority of the revenue and expense related to these services is reflected in the Corporate & Institutional Banking segment results, and the remainder is reflected in the results of other businesses where the customer relationships exist. The Other Information section in Table 13 includes the consolidated revenue to PNC for treasury management and commercial mortgage banking services. A discussion of the consolidated revenue from these services follows.

The Treasury Management business provides corporations with cash and investment management services, receivables and disbursement management services, funds transfer services and access to online/mobile information management and reporting services. Treasury management revenue is reported in noninterest income and net interest income. Noninterest income includes treasury management product revenue less earnings credits provided to customers on compensating deposit balances used to pay for products and services. Net interest income includes funding credit from all treasury management customer deposit balances. Compared to the first six months of 2023, treasury management revenue increased due to wider interest rate spreads on the value of deposits and higher product revenue.

Commercial mortgage banking activities include revenue derived from commercial mortgage servicing (both net interest income and noninterest income), revenue derived from commercial mortgage loans held for sale and hedges related to those activities. Total revenue from commercial mortgage banking activities increased in the comparison primarily due to higher commercial mortgage loan servicing income and a higher benefit from commercial mortgage servicing rights valuation, net of hedge, partially offset by lower revenue from commercial mortgage loans held for sale.

Capital markets and advisory includes services and activities primarily related to merger and acquisition advisory, equity capital markets advisory, asset-backed financing, loan syndication, securities underwriting and customer-related trading. The increase in capital markets and advisory fees in the comparison was mostly driven by higher merger and acquisition advisory fees, underwriting fees and loan syndication fees, partially offset by lower customer-related interest rate derivative trading revenue.

Asset Management Group

The Asset Management Group strives to be a leading relationship-based provider of investment, planning, credit and cash management solutions and fiduciary services to affluent individuals and institutions by endeavoring to proactively deliver value-added ideas and solutions, and exceptional service. The Asset Management Group's priorities are to serve our clients' financial objectives, grow and deepen customer relationships and deliver solid financial performance with prudent risk and expense management.

Table 14: Asset Management Group Table

(Unaudited)			Change	
Six months ended June 30 Dollars in millions, except as noted	2024	2023	$	%
Income Statement				
Net interest income	$ 320	$ 252	$ 68	27 %
Noninterest income	465	458	7	2 %
Total revenue	785	710	75	11 %
Provision for (recapture of) credit losses	(3)	(1)	(2)	*
Noninterest expense	526	560	(34)	(6)%
Pretax earnings	262	151	111	74 %
Income taxes	62	36	26	72 %
Earnings	$ 200	$ 115	$ 85	74 %
Average Balance Sheet				
Loans				
Consumer				
Residential real estate	$ 11,855	$ 9,517	$ 2,338	25 %
Other consumer	3,747	4,110	(363)	(9)%
Total consumer	15,602	13,627	1,975	14 %
Commercial	832	1,237	(405)	(33)%
Total loans	$ 16,434	$ 14,864	$ 1,570	11 %
Total assets	$ 16,873	$ 15,282	$ 1,591	10 %
Deposits				
Noninterest-bearing	$ 1,632	$ 1,817	$ (185)	(10)%
Interest-bearing	26,655	25,907	748	3 %
Total deposits	$ 28,287	$ 27,724	$ 563	2 %
Performance Ratios				
Return on average assets	2.39 %	1.52 %		
Noninterest income to total revenue	59 %	65 %		
Efficiency	67 %	79 %		
Supplemental Noninterest Income Information				
Asset management fees	$ 456	$ 446	$ 10	2 %
Brokerage fees		4	(4)	(100)%
Total	$ 456	$ 450	$ 6	1 %
Other Information (a)				
Nonperforming assets	$ 51	$ 41	$ 10	24 %
Net charge-offs (recoveries) - loans and leases	$	$ (2)	$ 2	*
Client Assets Under Administration (in billions) (a) (b)				
Discretionary client assets under management				
PNC Private Bank	$ 123	$ 111	$ 12	11 %
Institutional Asset Management	73	65	8	12 %
Total discretionary clients assets under management	196	176	$ 20	11 %
Nondiscretionary client assets under administration	208	168	40	24 %
Total	$ 404	$ 344	$ 60	17 %

*- Not Meaningful

(a) As of June 30.

(b) Excludes brokerage account client assets.

The Asset Management Group consists of two primary businesses: PNC Private Bank and Institutional Asset Management.

The PNC Private Bank is focused on being a premier private bank in each of the markets it serves. This business seeks to deliver high quality banking, trust and investment management services to our emerging affluent, high net worth and ultra-high net worth clients through a broad array of products and services.

Institutional Asset Management provides outsourced chief investment officer, custody, cash and fixed income client solutions, and retirement plan fiduciary investment services to institutional clients, including corporations, healthcare systems, insurance companies, municipalities and non-profits.

Asset Management Group earnings in the first six months of 2024 increased $85 million compared to the same period in 2023, primarily driven by higher net interest income and a decline in noninterest expense.

Net interest income increased in the comparison primarily due to wider interest rate spreads on the value of deposits and an increase in average loan and deposit balances, partially offset by narrower interest rate spreads on the value of loans.

Noninterest income increased in the comparison primarily driven by higher average equity markets, partially offset by the impact of client activity.

Noninterest expense decreased in the comparison, reflecting a continued focus on expense management.

Average loans increased compared with the six months ended June 30, 2023, primarily driven by growth in residential mortgage loans.

Average deposits increased in the comparison reflecting growth in CD and deposit sweep balances, partially offset by declines in savings and interest bearing deposits.

Discretionary client assets under management increased in comparison to the prior year, primarily due to higher equity markets as of June 30, 2024.

Risk Management

The Risk Management section included in Item 7 of our 2023 Form 10-K describes our enterprise risk management framework, including risk culture, enterprise strategy, risk governance and oversight framework, risk identification, risk assessments, risk controls and monitoring, and risk aggregation and reporting. Additionally, our 2023 Form 10-K provides an analysis of the firm's Capital Management and our key areas of risk, which include, but are not limited to, Credit, Market, Liquidity and Operational (including Compliance and Information Security).

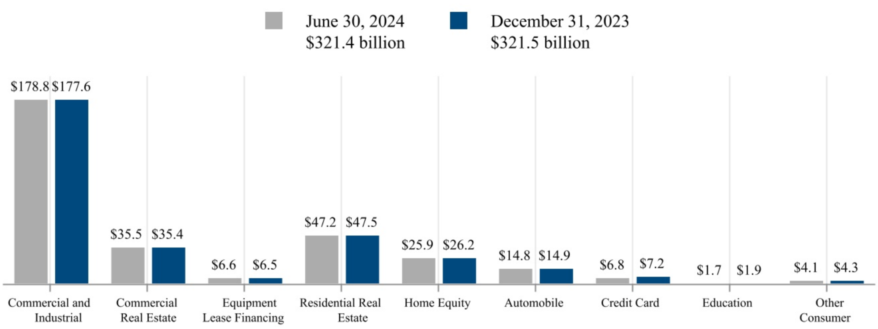
Credit Risk Management

Credit risk, including our credit risk management processes, is described in further detail in the Credit Risk Management section of our 2023 Form 10-K. The following provides additional information around our loan portfolio, which is our most significant concentration of credit risk.

Loan Portfolio Characteristics and Analysis

Table 15: Details of Loans

In billions



We use several credit quality indicators, as further detailed in Note 3 Loans and Related Allowance for Credit Losses, to monitor and measure our exposure to credit risk within our loan portfolio. The following provides additional information about the significant loan classes that comprise our Commercial and Consumer portfolio segments.

Commercial

Commercial and Industrial

Commercial and industrial loans comprised 56% and 55% of our total loan portfolio at June 30, 2024 and December 31, 2023, respectively. The majority of our commercial and industrial loans are secured by collateral that provides a secondary source of repayment should a borrower experience cash generation difficulties. Examples of this collateral include short-term assets, such as accounts receivable, inventory and securities, and long-lived assets, such as equipment, owner-occupied real estate and other business assets.

We actively manage our commercial and industrial loans to assess any changes (both positive and negative) in the level of credit risk at both the borrower and portfolio level. To evaluate the level of credit risk, we assign internal risk ratings reflecting our estimates of the borrower's PD and LGD for each related credit facility. This two-dimensional credit risk rating methodology provides granularity in the risk monitoring process and is updated on an ongoing basis through our credit risk management processes. In addition to monitoring the level of credit risk, we also monitor concentrations of credit risk pertaining to both specific industries and geographies that may exist in our portfolio. Our commercial and industrial portfolio is well-diversified across industries as shown in the following table (based on the North American Industry Classification System).

Table 16: Commercial and Industrial Loans by Industry

	June 30, 2024		December 31, 2023	
Dollars in millions	Amount	% of Total	Amount	% of Total
Commercial and industrial				
Retail/wholesale trade	$ 30,128	17 %	$ 28,198	16 %
Manufacturing	29,544	17	28,989	16
Financial services	27,986	16	28,422	16
Service providers	21,948	12	21,354	12
Real estate related (a)	15,198	9	16,235	9
Technology, media & telecommunications	9,621	5	10,249	6
Health care	9,527	5	9,808	6
Transportation and warehousing	8,036	4	7,733	4
Other industries	26,801	15	26,592	15
Total commercial and industrial loans	$ 178,789	100 %	$ 177,580	100 %

(a) Represents loans to customers in the real estate and construction industries.

Owner occupied commercial real estate loans totaled $9.5 billion at June 30, 2024 and are included in commercial and industrial loans as the credit decisioning for servicing these loans is based on the financial conditions of the owner; not the ability of the collateral to generate income. Owner occupied commercial real estate loans are well-diversified across industries. The comparable amount of owner occupied commercial real estate loans at December 31, 2023 was $9.6 billion.

Commercial Real Estate

Commercial real estate loans of $35.5 billion as of June 30, 2024 comprised $20.2 billion related to commercial mortgages on income-producing properties, $9.2 billion of intermediate-term financing loans and $6.1 billion of real estate construction project loans. At December 31, 2023, comparable amounts were $35.4 billion, $21.0 billion, $8.0 billion and $6.4 billion, respectively. Commercial real estate primarily consists of an investment in land and/or buildings held to generate income, that income serves as the primary source for the repayment of the loan. However, for all commercial real estate assets, the disposition of the assigned collateral serves as a secondary source of repayment for the loan should the borrower experience cash generation difficulties.

We monitor credit risk associated with our commercial real estate loans similar to commercial and industrial loans by analyzing PD and LGD. Additionally, risks associated with commercial real estate loans tend to be correlated to the loan structure, collateral location and quality, project progress and business environment. These attributes are also monitored and utilized in assessing credit risk. The portfolio is geographically diverse due to the nature of our business involving clients throughout the U.S.

The following table presents our commercial real estate loans by geography and property type:

Table 17: Commercial Real Estate Loans by Geography and Property Type

	June 30, 2024		December 31, 2023	
Dollars in millions	Amount	% of Total	Amount	% of Total
Geography (a)				
California	$ 5,909	17 %	$ 6,133	17 %
Texas	3,935	11	3,733	11
Florida	3,895	11	3,738	11
Virginia	1,622	5	1,590	4
Pennsylvania	1,447	4	1,515	4
Arizona	1,390	4	1,216	3
Maryland	1,246	4	1,344	4
North Carolina	1,164	3	1,142	3
Colorado	1,149	3	1,182	3
Illinois	1,146	3	1,201	3
Other	12,595	35	12,642	37
Total commercial real estate loans	$ 35,498	100 %	$ 35,436	100 %
Property Type (a)				
Multifamily	$ 16,453	46 %	$ 15,590	44 %
Office	7,498	21	8,019	23
Industrial/warehouse	4,110	12	4,089	12
Retail	2,238	6	2,490	7
Seniors housing	1,862	5	1,772	5
Hotel/motel	1,709	5	1,760	5
Mixed use	387	1	388	1
Other	1,241	4	1,328	3
Total commercial real estate loans	$ 35,498	100 %	$ 35,436	100 %

(a) Presented in descending order based on loan balances at June 30, 2024.

Commercial Real Estate: Office Portfolio

Given the foundational change in office demand driven by the acceptance of remote work, real estate performance related to the office sector continues to be an area of uncertainty. At June 30, 2024, our outstanding loan balances in the office portfolio totaled $7.5 billion, or 2.3% of total loans, while additional unfunded loan commitments totaled $0.3 billion. The portfolio is well diversified geographically across our coast-to-coast franchise. Within the office portfolio at June 30, 2024, criticized loans totaled 29.3% and nonperforming loans totaled 11.0%, while delinquencies were 0.1%. As measured at origination, the weighted average LTV for the office portfolio was 59%; however, updated appraisals have increased the weighted average LTV to 69% as of June 30, 2024. While LTV is one consideration, our risk assessment considers a number of factors in assessing the changing conditions affecting the portfolio. As of June 30, 2024, we have established reserves of 10.3% against office loans.

The greatest stress in our office portfolio is observed in multi-tenant office loans, which represents 55% of the portfolio at June 30, 2024. Within the multi-tenant classification, criticized levels were 51.9% while nonperforming loans totaled 19.7%, accounting for almost all of the nonperforming office population. The weighted average LTV for multi-tenant is 76% at June 30, 2024. Additionally, commercial real estate charge-offs since the beginning of 2023 have primarily been multi-tenant office loans. Given the higher level of stress, this segment has a proportionally higher reserve rate of 15.5%. The remaining 45% of the office portfolio is primarily comprised of single-tenant, medical and government tenant properties. This subset of the portfolio is performing considerably better, with approximately 1% of the book in the criticized and nonperforming loan categories. As of June 30, 2024, the weighted average LTV of this book is 60%.

Portfolio management efforts remain an elevated area of focus for the office portfolio, with internal risk ratings completed for each asset quarterly, accelerated reappraisal requirements and elevated approval levels for any credit action. Refreshed appraisals have updated valuations on nearly all of the criticized office exposure since the beginning of 2023. Additionally, active management efforts include ongoing performance assessments as well as the review of property, lending and capital markets. Portfolio updates are distributed to senior management weekly.

Given the ongoing change in this area, we expect additional stress in the office sector, and a portion of this stress will bear itself out as we work through maturities that will approximate 41% through June 30, 2025. Upon maturity, and where the balance is not paid in full, an extension may be granted because contractual extension terms are met; alternatively, an extension may be granted based on negotiated terms, and a portion of these extensions may involve the curtailment or charge off of principal. We continue to actively manage the portfolio, and we believe reserve levels adequately reflect the expected credit losses in the portfolio.

Commercial Real Estate: Multifamily Portfolio

As of June 30, 2024, our outstanding loan balances in the multifamily portfolio totaled $16.5 billion, or 5.1% of total loans, while additional unfunded loan commitments totaled $3.1 billion. Although inflationary pressures and higher interest rates have impacted internal risk assessments and regulatory classification in this portfolio, we have not seen a notable change in loan performance at this time with regards to nonperformance, delinquency or charge-offs. We continue to closely monitor our exposure in this sector.

Consumer

Residential Real Estate

Residential real estate loans primarily consisted of residential mortgage loans at both June 30, 2024 and December 31, 2023.

We obtain loan attributes at origination, including FICO scores and LTVs, and we update these and other credit metrics at least quarterly. We track borrower performance monthly. We also segment the mortgage portfolio into pools based on product type (*e.g.*, nonconforming or conforming). This information is used for internal reporting and risk management. As part of our overall risk analysis and monitoring, we also segment the portfolio based upon loan delinquency, nonperforming status, modification and bankruptcy status, FICO scores, LTV and geographic concentrations.

The following table presents certain key statistics related to our residential real estate portfolio:

Table 18: Residential Real Estate Loan Statistics

	June 30, 2024		December 31, 2023	
Dollars in millions	Amount	% of Total	Amount	% of Total
Geography (a)				
California	$ 20,068	43 %	$ 19,911	42 %
Texas	3,883	8	4,009	8
Washington	3,496	7	3,467	7
Florida	3,261	7	3,356	7
New Jersey	1,890	4	1,909	4
New York	1,515	3	1,551	3
Arizona	1,388	3	1,431	3
Pennsylvania	1,208	3	1,229	3
Colorado	1,161	2	1,187	2
North Carolina	976	2	989	2
Other	8,337	18	8,505	19
Total residential real estate loans	$ 47,183	100 %	$ 47,544	100 %
	June 30, 2024		December 31, 2023	
Weighted-average loan origination statistics (b)				
Loan origination FICO score		771		772
LTV of loan originations		73 %		73 %

(a) Presented in descending order based on loan balances at June 30, 2024.

(b) Weighted-averages calculated for the twelve months ended June 30, 2024 and December 31, 2023, respectively.

We originate residential mortgage loans nationwide through our national mortgage business as well as within our branch network. Residential mortgage loans underwritten to agency standards, including conforming loan amount limits, are typically sold with servicing retained by us. We also originate nonconforming residential mortgage loans that do not meet agency standards, which we retain on our balance sheet. Our portfolio of originated nonconforming residential mortgage loans totaled $42.3 billion at June 30, 2024, with 46% located in California. Comparable amounts at December 31, 2023 were $42.4 billion and 45%, respectively.

Home Equity

Home equity loans of $25.9 billion as of June 30, 2024 were comprised of $20.8 billion of home equity lines of credit and $5.1 billion of closed-end home equity installment loans. At December 31, 2023, comparable amounts were $26.2 billion, $20.6 billion and $5.6 billion, respectively. Home equity lines of credit are a variable interest rate product with fixed rate conversion options available to certain borrowers.

Similar to residential real estate loans, we track borrower performance of this portfolio on a monthly basis. We also segment the population into pools based on product type (*e.g.*, home equity loans, legacy brokered home equity loans, home equity lines of credit or legacy brokered home equity lines of credit) and track the historical performance of any related mortgage loans regardless of whether we hold such liens. This information is used for internal reporting and risk management. As part of our overall risk analysis and monitoring, we also segment the portfolio based upon loan delinquency, nonperforming status, modification and bankruptcy status, FICO scores, LTV, lien position and geographic concentration.

The credit performance of the majority of the home equity portfolio where we hold the first lien position is superior to the portion of the portfolio where we hold the second lien position but do not hold the first lien. Lien position information is generally determined at the time of origination and monitored on an ongoing basis for risk management purposes. We use a third-party service provider to obtain updated loan information, including lien and collateral data that is aggregated from public and private sources.

The following table presents certain key statistics related to our home equity portfolio:

Table 19: Home Equity Loan Statistics

	June 30, 2024		December 31, 2023	
Dollars in millions	Amount	% of Total	Amount	% of Total
Geography (a)				
Pennsylvania	$ 4,601	18 %	$ 4,745	18 %
New Jersey	3,150	12	3,184	12
Florida	2,223	9	2,230	9
Ohio	2,180	8	2,242	9
California	1,669	6	1,580	6
Texas	1,255	5	1,230	5
Maryland	1,216	5	1,237	5
Michigan	1,182	5	1,214	5
Illinois	1,036	4	1,069	4
North Carolina	1,002	4	1,001	4
Other	6,403	24	6,418	23
Total home equity loans	$ 25,917	100 %	$ 26,150	100 %
Lien type				
1st lien		51 %		52 %
2nd lien		49		48
Total		100 %		100 %
		June 30, 2024		December 31, 2023
Weighted-average loan origination statistics (b)				
Loan origination FICO score		772		772
LTV of loan originations		62 %		64 %

(a) Presented in descending order based on loan balances at June 30, 2024.

(b) Weighted-averages calculated for the twelve months ended June 30, 2024 and December 31, 2023, respectively.

Automobile

Auto loans of $14.8 billion as of June 30, 2024 comprised $13.8 billion in the indirect auto portfolio and $1.0 billion in the direct auto portfolio as of June 30, 2024. At December 31, 2023, comparable amounts were $14.9 billion, $13.8 billion and $1.1 billion, respectively. The indirect auto portfolio consists of loans originated primarily through independent franchised dealers, including dealers located in our newer markets. This business is strategically aligned with our core retail banking business.

The following table presents certain key statistics related to our indirect and direct auto portfolios:

Table 20: Auto Loan Statistics

	June 30, 2024	December 31, 2023
Weighted-average loan origination FICO score (a) (b)		
Indirect auto	790	788
Direct auto	786	787
Weighted-average term of loan originations - in months (a)		
Indirect auto	72	73
Direct auto	65	65

(a) Weighted-averages calculated for the twelve months ended June 30, 2024 and December 31, 2023, respectively.

(b) Calculated using the auto enhanced FICO scale.

We continue to focus on borrowers with strong credit profiles as evidenced by the weighted-average loan origination FICO scores noted in Table 20. We offer both new and used auto financing to customers through our various channels. At June 30, 2024, the portfolio balance was composed of 43% new vehicle loans and 57% used vehicle loans. Comparable amounts at December 31, 2023 were 45% and 55%, respectively.

The auto loan portfolio's performance is measured monthly, including both updated collateral values and FICO scores that are obtained at least quarterly. For internal reporting and risk management, we analyze the portfolio by product channel and product type and regularly evaluate default and delinquency experience. As part of our overall risk analysis and monitoring, we segment the portfolio by geography, channel, collateral attributes and credit metrics which include FICO score, LTV and term.

Nonperforming Assets and Loan Delinquencies

Nonperforming Assets

Nonperforming assets include nonperforming loans and leases, OREO and foreclosed assets. Nonperforming loans are those loans accounted for at amortized cost whose credit quality has deteriorated to the extent full collection of contractual principal and interest is not probable. Loans held for sale, certain government insured or guaranteed loans and loans accounted for under the fair value option are excluded from nonperforming loans. See Note 1 Accounting Policies in our 2023 Form 10-K for details on our nonaccrual policies.

The following table presents a summary of nonperforming assets by major category:

Table 21: Nonperforming Assets by Type

			Change	
Dollars in millions	June 30, 2024	December 31, 2023	$	%
Nonperforming loans				
Commercial	$ 1,646	$ 1,307	$ 339	26 %
Consumer (a)	857	873	(16)	(2)%
Total nonperforming loans	2,503	2,180	323	15 %
OREO and foreclosed assets	34	36	(2)	(6)%
Total nonperforming assets	$ 2,537	$ 2,216	$ 321	14 %
Nonperforming loans to total loans	0.78 %	0.68 %		
Nonperforming assets to total loans, OREO and foreclosed assets	0.79 %	0.69 %		
Nonperforming assets to total assets	0.46 %	0.39 %		
Allowance for loan and lease losses to nonperforming loans	185 %	220 %		
Allowance for credit losses to nonperforming loans (b)	214 %	250 %		

(a) Excludes most unsecured consumer loans and lines of credit, which are charged off after 120 to 180 days past due and are not placed on nonperforming status.

(b) Calculated excluding allowances for investment securities and other financial assets.

Increases in nonperforming assets from December 31, 2023 were primarily driven by higher commercial real estate nonperforming loans.

The following table provides details on the change in nonperforming assets for the six months ended June 30, 2024 and 2023:

Table 22: Change in Nonperforming Assets

In millions	2024	2023
January 1	$ 2,216	$ 2,019
New nonperforming assets	1,187	862
Charge-offs and valuation adjustments	(311)	(257)
Principal activity, including paydowns and payoffs	(389)	(469)
Asset sales and transfers to loans held for sale	(32)	(58)
Returned to performing status	(134)	(148)
June 30	$ 2,537	$ 1,949

As of June 30, 2024, approximately 97% of total nonperforming loans were secured by collateral.

Loan Delinquencies

We regularly monitor the level of loan delinquencies and believe these levels are a key indicator of credit quality in our loan portfolio. Measurement of delinquency status is based on the contractual terms of each loan. Loans that are 30 days or more past due are considered delinquent. Loan delinquencies include government insured or guaranteed loans, loans accounted for under the fair value option and PCD loans. Amounts exclude loans held for sale.

We manage credit risk based on the risk profile of the borrower, repayment sources, underlying collateral, and other support given current events, economic conditions and expectations. We refine our practices to meet the changing environment, such as inflation levels, industry specific risks, interest rate levels, the level of consumer savings and deposit balances, and structural and secular changes such as those arising from the pandemic. To mitigate losses and enhance customer support, we offer loan modifications and collection programs to assist our customers.

The following table presents a summary of accruing loans past due by delinquency status:

Table 23: Accruing Loans Past Due (a)

	Amount		Change		% of Total Loans Outstanding	
Dollars in millions	June 30, 2024	December 31, 2023	$	%	June 30, 2024	December 31, 2023
Early stage loan delinquencies						
Accruing loans past due 30 to 59 days	$ 645	$ 685	$ (40)	(6)%	0.20 %	0.21 %
Accruing loans past due 60 to 89 days	259	270	(11)	(4)%	0.08 %	0.08 %
Total early stage loan delinquencies	904	955	(51)	(5)%	0.28 %	0.30 %
Late stage loan delinquencies						
Accruing loans past due 90 days or more	368	429	(61)	(14)%	0.11 %	0.13 %
Total accruing loans past due	$ 1,272	$ 1,384	$ (112)	(8)%	0.40 %	0.43 %

(a) Past due loan amounts include government insured or guaranteed loans of $0.3 billion at June 30, 2024 and $0.4 billion at December 31, 2023.

Accruing loans past due 90 days or more continue to accrue interest because they are (i) well secured by collateral and are in the process of collection, (ii) managed in homogeneous portfolios with specified charge-off timeframes adhering to regulatory guidelines, or (iii) certain government insured or guaranteed loans. As such, they are excluded from nonperforming loans.

Loan Modifications

We provide relief to our customers experiencing financial hardships through a variety of solutions. Commercial loan and lease modifications are based on each individual borrower's situation, while consumer loan modifications are evaluated under our hardship relief programs. For additional information on our commercial real estate, office-related modification offerings, see the Commercial Real Estate portion of the Credit Risk Management section of this Financial Review.

See Note 3 Loans and Related Allowance for Credit Losses for additional information on loan modifications to borrowers experiencing financial difficulty.

Allowance for Credit Losses

Our determination of the ACL is based on historical loss and performance experience, current economic conditions, the reasonable and supportable forecasts of future economic conditions and other relevant factors, including current borrower and/or transaction characteristics and assessments of the remaining estimated contractual term as of the balance sheet date. We maintain the ACL at an appropriate level for expected losses on our existing investment securities, loans, equipment finance leases, other financial assets and unfunded lending related commitments.

See Note 1 Accounting Policies and the Credit Risk Management section in our 2023 Form 10-K for additional discussion of our ACL, including details of our methodologies. See also the Critical Accounting Estimates and Judgments section of this Report for further discussion of the assumptions used in the determination of the ACL as of June 30, 2024.

The following table summarizes our ACL related to loans:

Table 24: Allowance for Credit Losses by Loan Class (a)

	June 30, 2024			December 31, 2023		
Dollars in millions	Allowance Amount	Total Loans	% of Total Loans	Allowance Amount	Total Loans	% of Total Loans
Allowance for loans and lease losses						
Commercial						
Commercial and industrial	$ 1,728	$ 178,789	0.97 %	$ 1,806	$ 177,580	1.02 %
Commercial real estate	1,441	35,498	4.06 %	1,371	35,436	3.87 %
Equipment lease financing	74	6,555	1.13 %	82	6,542	1.25 %
Total commercial	3,243	220,842	1.47 %	3,259	219,558	1.48 %
Consumer						
Residential real estate	48	47,183	0.10 %	61	47,544	0.13 %
Home equity	260	25,917	1.00 %	276	26,150	1.06 %
Automobile	163	14,820	1.10 %	173	14,860	1.16 %
Credit card	698	6,849	10.19 %	766	7,180	10.67 %
Education	52	1,732	3.00 %	56	1,945	2.88 %
Other consumer	172	4,086	4.21 %	200	4,271	4.68 %
Total consumer	1,393	100,587	1.38 %	1,532	101,950	1.50 %
Total	4,636	$ 321,429	1.44 %	4,791	$ 321,508	1.49 %
Allowance for unfunded lending related commitments	717			663		
Allowance for credit losses	$ 5,353			$ 5,454		
Allowance for credit losses to total loans			1.67 %			1.70 %
Commercial			1.73 %			1.73 %
Consumer			1.52 %			1.62 %

(a) Excludes allowances for investment securities and other financial assets, which together totaled $112 million and $120 million at June 30, 2024 and December 31, 2023, respectively.

The following table summarizes our loan charge-offs and recoveries:

Table 25: Loan Charge-Offs and Recoveries

Six months ended June 30 Dollars in millions	Gross Charge-offs	Recoveries	Net Charge-offs / (Recoveries)	% of Average Loans (Annualized)
2024				
Commercial				
Commercial and industrial	$ 161	$ 58	$ 103	0.12 %
Commercial real estate	169	9	160	0.91 %
Equipment lease financing	16	8	8	0.25 %
Total commercial	346	75	271	0.25 %
Consumer				
Residential real estate	2	6	(4)	(0.02) %
Home equity	19	21	(2)	(0.02) %
Automobile	64	49	15	0.20 %
Credit card	182	27	155	4.52 %
Education	9	3	6	0.64 %
Other consumer	83	19	64	3.09 %
Total consumer	359	125	234	0.47 %
Total	$ 705	$ 200	$ 505	0.32 %
2023				
Commercial				
Commercial and industrial	$ 149	$ 53	$ 96	0.11 %
Commercial real estate	99	2	97	0.54 %
Equipment lease financing	7	6	1	0.03 %
Total commercial	255	61	194	0.17 %
Consumer				
Residential real estate	5	7	(2)	(0.01) %
Home equity	11	24	(13)	(0.10) %
Automobile	61	51	10	0.13 %
Credit card	154	22	132	3.82 %
Education	9	4	5	0.47 %
Other consumer	80	17	63	2.65 %
Total consumer	320	125	195	0.39 %
Total	$ 575	$ 186	$ 389	0.24 %

Total net charge-offs increased $116 million, or 30%, for the first six months of 2024 compared to the same period in 2023. The increase in the comparison was primarily attributable to higher commercial real estate and credit card net charge-offs.

See Note 1 Accounting Policies in our 2023 Form 10-K and Note 3 Loans and Related Allowance for Credit Losses of this Report for additional information.

Liquidity and Capital Management

Our liquidity risk framework and related monitoring measures and tools, including internal liquidity stress testing as well as compliance with internal and regulatory limits and guidelines, are described in further detail in the Liquidity and Capital Management section of our 2023 Form 10-K.

One of the ways we monitor our liquidity is by reference to the LCR, a regulatory minimum liquidity requirement designed to ensure that covered banking organizations maintain an adequate level of liquidity to meet net liquidity needs over the course of a hypothetical 30-day stress scenario. PNC and PNC Bank calculate the LCR daily and are required to maintain a regulatory minimum of 100%. The LCR for both PNC and PNC Bank exceeded the regulatory minimum requirement throughout the second quarter of 2024. Fluctuations in our average LCR result from changes to the components of the calculation, including high-quality liquid assets and net cash outflows, as a result of ongoing business activity.

The NSFR is designed to measure the stability of the maturity structure of assets and liabilities of banking organizations over a one-year time horizon. PNC and PNC Bank calculate the NSFR daily and are required to maintain a regulatory minimum of 100%. The NSFR for both PNC and PNC Bank exceeded the regulatory minimum requirement throughout the second quarter of 2024.

We provide additional information regarding regulatory liquidity requirements and their potential impact on us in the Supervision and Regulation section of Item 1 Business and Item 1A Risk Factors of our 2023 Form 10-K.

Sources of Liquidity

Our largest source of liquidity on a consolidated basis is the customer deposit base generated by our banking businesses. These deposits provide relatively stable and low-cost funding. Total deposits decreased to $416.4 billion at June 30, 2024 from $421.4 billion at December 31, 2023. Noninterest-bearing deposit balances decreased primarily driven by a decline in commercial balances. Interest-bearing deposits increased modestly reflecting higher commercial balances, partially offset by lower consumer balances. As of June 30, 2024, uninsured deposits represented approximately 42% of our total deposit base, which is estimated based on the regulatory instructions in the Consolidated Reports of Condition and Income - FFIEC 031. The majority of our uninsured deposits are related to commercial operating and relationship accounts, which we define as commercial deposit customers who utilize two or more PNC products. See the Funding Sources portion of the Consolidated Balance Sheet Review and Business Segments Review sections of this Financial Review for additional information on our deposits and related strategies.

We may also obtain liquidity through various forms of funding, including long-term debt (senior notes, subordinated debt and FHLB borrowings) and short-term borrowings (securities sold under repurchase agreements, commercial paper and other short-term borrowings). See the Funding Sources section of the Consolidated Balance Sheet Review in this Financial Review and Note 7 Borrowed Funds in this Report for additional information related to our borrowings.

Total senior and subordinated debt, on a consolidated basis, increased due to the following activity:

Table 26: Senior and Subordinated Debt

In billions	2024
January 1	$ 31.7
Issuances	4.2
Calls and maturities	(1.8)
Other	(0.4)
June 30	$ 33.7

Additionally, certain liquid assets and unused borrowing capacity from a number of sources are also available to manage our liquidity position. PNC has a contingency funding plan designed to ensure that liquidity sources are sufficient to meet ongoing obligations and commitments, particularly in the event of liquidity stress. This plan is designed to examine and quantify the organization’s liquidity under various internal liquidity stress scenarios and is periodically tested to assess the plan’s reliability. Additionally, the plan provides the strategies for addressing liquidity needs and responsive actions we would consider during liquidity stress events, which could include the issuance of incremental debt, preferred stock, or additional deposit actions, including the issuance of brokered CDs. The plan also addresses the governance, frequency of reporting and the responsibilities of key departments in the event of liquidity stress.

PNC defines our primary contingent liquidity sources as cash held at the Federal Reserve Bank, investment securities and unused borrowing capacity at the FHLB and Federal Reserve Bank. The following table summarizes our primary contingent liquidity sources at June 30, 2024 and December 31, 2023:

Table 27: Primary Contingent Liquidity Sources

In billions	June 30, 2024	December 31, 2023
Cash balance with Federal Reserve Bank	$ 32.6	$ 43.3
Available investment securities (a)	62.8	98.5
Unused borrowing capacity from FHLB (b)	37.6	35.4
Unused borrowing capacity from Federal Reserve Bank (c)	85.3	47.2
Total available contingent liquidity	$ 218.3	$ 224.4

(a) Represents the fair value of investment securities that can be used for pledging or to secure other sources of funding.

(b) At June 30, 2024, total FHLB borrowing capacity was $72.7 billion and total FHLB borrowings and letters of credit were $35.1 billion. Comparable amounts at December 31, 2023 were $73.4 billion and $38.0 billion, respectively.

(c) Total borrowing capacity with the Federal Reserve Bank was $85.3 billion at June 30, 2024 and $47.2 billion at December 31, 2023. PNC had no outstanding borrowings with the Federal Reserve Bank at June 30, 2024 and December 31, 2023.

As part of PNC’s contingency planning, we pledged a portion of our available held to maturity investment securities at the Federal Reserve Bank’s Discount Window during the first half of 2024, supporting our resilience and operational readiness.

Bank Liquidity

In addition to our primary contingent liquidity sources, under PNC Bank's 2014 bank note program, as amended, PNC Bank may from time to time offer up to $40.0 billion aggregate principal amount outstanding at any one time of its unsecured senior and subordinated notes with maturity dates more than nine months (in the case of senior notes) and five years or more (in the case of subordinated notes) from their date of issue. At June 30, 2024, PNC Bank's remaining capacity to issue under the program was $33.3 billion.

Under PNC Bank's 2013 commercial paper program, PNC Bank has the ability to offer up to $10.0 billion of its commercial paper to provide additional liquidity. At June 30, 2024, there were no issuances outstanding under this program.

Additionally, PNC Bank may also access funding from the parent company through deposits placed at the bank or issuing intercompany senior unsecured notes.

Parent Company Liquidity

In addition to managing liquidity risk at the bank level, we manage the parent company's liquidity. The parent company's contractual obligations consist primarily of debt service related to parent company borrowings and funding non-bank affiliates. Additionally, the parent company maintains liquidity to fund discretionary activities such as paying dividends to our shareholders, share repurchases and acquisitions.

At June 30, 2024, available parent company liquidity totaled $22.9 billion. Parent company liquidity is held in intercompany cash and investments. For investments with longer durations, the related maturities are aligned with scheduled cash needs, such as the maturity of parent company debt obligations.

The principal source of parent company liquidity is the dividends or other capital distributions it receives from PNC Bank, which may be impacted by the following:

- Bank-level capital needs,
- Laws, regulations and the results of supervisory activities,
- Corporate policies,
- Contractual restrictions, and
- Other factors.

There are statutory and regulatory limitations on the ability of a national bank to pay dividends or make other capital distributions or to extend credit to the parent company or its non-bank subsidiaries. The amount available for dividend payments by PNC Bank to the parent company without prior regulatory approval was $6.2 billion at June 30, 2024. See Note 19 Regulatory Matters in our 2023 Form 10-K for further discussion of these limitations.

In addition to dividends from PNC Bank, other sources of parent company liquidity include cash and investments, as well as dividends and loan repayments from other subsidiaries and dividends or distributions from equity investments. We can also generate liquidity for the parent company and PNC's non-bank subsidiaries through the issuance of debt and equity securities, including certain capital instruments, in public or private markets and commercial paper. Under the parent company's 2014 commercial paper program, the parent company has the ability to offer up to $5.0 billion of commercial paper to provide additional liquidity. At June 30, 2024, there were no issuances outstanding under this program.

The following table details parent company note issuances in the second quarter of 2024:

Table 28: Parent Company Notes Issued

Issuance Date	Amount	Description of Issuance
May 14, 2024	$1.75 billion	$1.75 billion of senior fixed-to-floating notes with a maturity date of May 14, 2030. Interest is payable semi-annually in arrears at a fixed rate of 5.492% per annum, on May 14 and November 14 of each year, beginning on November 14, 2024. Beginning on May 14, 2029, interest is payable quarterly in arrears at a floating rate per annum equal to Compounded SOFR (determined with respect to each quarterly interest period using the SOFR Index as described in the Prospectus Supplement), plus 1.198%, on August 14, 2029, November 14, 2029, February 14, 2030 and at the maturity date.

Parent company senior and subordinated debt carrying value totaled $26.0 billion and $24.0 billion at June 30, 2024 and December 31, 2023, respectively.

See Note 16 Subsequent Events for details on the parent company's issuances of $1.0 billion of its 5.102% senior fixed-to-floating rate notes that mature on July 23, 2027, and $1.5 billion of its 5.401% senior fixed-to-floating rate notes that mature on July 23, 2035.

Contractual Obligations and Commitments

We have contractual obligations representing required future payments on borrowed funds, time deposits, leases, pension and postretirement benefits and purchase obligations. See the Liquidity and Capital Management portion of the Risk Management section of our 2023 Form 10-K for more information on these future cash outflows. Additionally, in the normal course of business, we have various commitments outstanding, certain of which are not included on our Consolidated Balance Sheet. We provide information on our commitments in Note 8 Commitments.

Credit Ratings

PNC's credit ratings affect the cost and availability of short and long-term funding, collateral requirements for certain derivative instruments and the ability to offer certain products.

In general, rating agencies base their ratings on many quantitative and qualitative factors, including capital adequacy, liquidity, asset quality, business mix, level and quality of earnings, and the current legislative and regulatory environment, including implied government support. A decrease, or potential decrease, in credit ratings could impact access to the capital markets and/or increase the cost of debt, and thereby adversely affect liquidity and financial condition. For additional information on the potential impacts from a downgrade to our credit ratings, see Item 1A Risk Factors in our 2023 Form 10-K.

The following table presents credit ratings and outlook for PNC as of June 30, 2024:

Table 29: Credit Ratings and Outlook

	June 30, 2024		
	Moody's	Standard & Poor's (a)	Fitch
Parent Company			
Senior debt	A3	A-	A
Subordinated debt	A3	BBB+	A-
Preferred stock	Baa2	BBB-	BBB
PNC Bank			
Senior debt	A2	A	A+
Subordinated debt	A3	A-	A
Long-term deposits	Aa3	no rating	AA-
Short-term deposits	P-1	no rating	F1+
Short-term notes	P-1	A-1	F1
PNC			
Agency rating outlook	Negative	Stable	Stable

(a) S&P does not provide depositor ratings. PNC Bank's long term issuer rating is A and short term issuer rating is A-1.

Capital Management

Detailed information on our capital management processes and activities is included in the Supervision and Regulation section of Item 1 of our 2023 Form 10-K.

We manage our funding and capital positions by making adjustments to our balance sheet size and composition, issuing or redeeming debt, issuing equity or other capital instruments, executing treasury stock transactions and capital redemptions or repurchases, and managing dividend policies and retaining earnings.

In the second quarter of 2024, PNC returned $0.7 billion of capital to shareholders, reflecting $0.6 billion of dividends on common shares and $0.1 billion of common share repurchases, representing 0.7 million shares. Consistent with the SCB framework, which allows for capital return 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 43% were still available for repurchase at June 30, 2024. In light of the Federal banking agencies' proposed rules to adjust the Basel III capital framework, third quarter 2024 share repurchase activity is expected to approximate recent quarterly average share repurchase levels. PNC continues to evaluate the potential impact of the proposed rules and may adjust share repurchase activity depending on market and economic conditions, as well as other factors. Based on the results of the Federal Reserve's 2024 annual stress test, PNC's SCB for the four-quarter period beginning October 1, 2024 will remain at the regulatory minimum of 2.5%.

On July 2, 2024 the PNC Board of Directors raised the quarterly cash dividend on common stock to $1.60 per share, an increase of 5 cents per share. The dividend is payable on August 5, 2024 to shareholders of record at the close of business July 15, 2024.

The following table summarizes our Basel III capital balances and ratios:

Table 30: Basel III Capital

	June 30, 2024	
Dollars in millions	Basel III (a)	Fully Implemented (estimated) (b)
Common equity Tier 1 capital		
Common stock plus related surplus, net of treasury stock	$ (3,809)	$ (3,809)
Retained earnings	57,893	57,652
Goodwill, net of associated deferred tax liabilities	(10,700)	(10,700)
Other disallowed intangibles, net of deferred tax liabilities	(265)	(265)
Other adjustments/(deductions)	(102)	(104)
Common equity Tier 1 capital (c)	$ 43,017	$ 42,774
Additional Tier 1 capital		
Preferred stock plus related surplus	6,245	6,245
Tier 1 capital	$ 49,262	$ 49,019
Additional Tier 2 capital		
Qualifying subordinated debt	2,715	2,715
Eligible credit reserves includable in Tier 2 capital	4,997	5,235
Total Basel III capital	$ 56,974	$ 56,969
Risk-weighted assets		
Basel III standardized approach risk-weighted assets (d)	$ 423,503	$ 423,593
Average quarterly adjusted total assets	$ 556,811	$ 556,567
Supplementary leverage exposure (e)	$ 666,072	$ 666,070
Basel III risk-based capital and leverage ratios (f)		
Common equity Tier 1	10.2 %	10.1 %
Tier 1	11.6 %	11.6 %
Total	13.5 %	13.4 %
Leverage (g)	8.8 %	8.8 %
Supplementary leverage ratio (e)	7.4 %	7.4 %

(a) The ratios are calculated to reflect PNC's election to adopt the CECL five-year transition provisions. Effective for the first quarter 2022, PNC is now in the three-year transition period and the full impact of the CECL standard is being phased-in to regulatory capital through December 31, 2024.

(b) The ratios are calculated to reflect the full impact of CECL and exclude the benefits of the optional five-year transition.

(c) As permitted, PNC and PNC Bank have elected to exclude AOCI related to both available for sale securities and pension and other post-retirement plans from CET1 capital.

(d) Basel III standardized approach risk-weighted assets are based on the Basel III standardized approach rules and include credit and market risk-weighted assets.

(e) The Supplementary leverage ratio is calculated based on Tier 1 capital divided by Supplementary leverage exposure, which takes into account the quarterly average of both on balance sheet assets as well as certain off-balance sheet items, including loan commitments and potential future exposure under derivative contracts.

(f) All ratios are calculated using the regulatory capital methodology applicable to PNC and calculated based on the standardized approach.

(g) Leverage ratio is calculated based on Tier 1 capital divided by Average quarterly adjusted total assets.

PNC's regulatory risk-based capital ratios are calculated using the standardized approach for determining risk-weighted assets. Under the standardized approach for determining credit risk-weighted assets, exposures are generally assigned a pre-defined risk weight. Exposures to high volatility commercial real estate, nonaccruals, FDMs, past due exposures and equity exposures are generally subject to higher risk weights than other types of exposures.

The regulatory agencies have adopted a rule permitting certain banks, including PNC, to delay the estimated impact on regulatory capital stemming from implementing CECL. CECL's estimated impact on CET1 capital, as defined by the rule, is the change in retained earnings at adoption plus or minus 25% of the change in CECL ACL at the balance sheet date, excluding the allowance for PCD loans, compared to CECL ACL at adoption. Effective for the first quarter of 2022, PNC is now in the three-year transition period, and the full impact of the CECL standard is being phased-in to regulatory capital through December 31, 2024. See additional discussion of this rule in the Supervision and Regulation section of Item 1 Business and Item 1A Risk Factors of our 2023 Form 10-K.

At June 30, 2024, PNC and PNC Bank were considered "well capitalized" based on applicable U.S. regulatory capital ratio requirements. To qualify as "well capitalized," PNC must have Basel III capital ratios of at least 6% for Tier 1 risk-based capital and 10% for Total risk-based capital, and PNC Bank must have Basel III capital ratios of at least 6.5% for Common equity Tier 1 risk-based capital, 8% for Tier 1 risk-based capital, 10% for Total risk-based capital and a Leverage ratio of at least 5%.

Federal banking regulators have stated that they expect the largest U.S. BHCs, including PNC, to have a level of regulatory capital well in excess of the regulatory minimum and have required the largest U.S. BHCs, including PNC, to have a capital buffer sufficient to withstand losses and allow them to meet the credit needs of their customers through estimated stress scenarios. We seek to manage our capital consistent with these regulatory principles, and we believe that our June 30, 2024 capital levels were aligned with them.

We provide additional information regarding regulatory capital requirements and some of their potential impacts, including the proposed rules to adjust the Basel III framework, in the Supervision and Regulation section of Item 1 Business, Item 1A Risk Factors and Note 19 Regulatory Matters in our 2023 Form 10-K.

Market Risk Management

See the Market Risk Management portion of the Risk Management section in our 2023 Form 10-K for additional discussion regarding market risk.

Market Risk Management – Interest Rate Risk

Interest rate risk results primarily from our traditional banking activities of gathering deposits and extending loans. Many factors, including economic and financial conditions, movements in interest rates and consumer preferences, affect the difference between the interest that we earn on assets, the interest that we pay on liabilities and the level of our noninterest-bearing funding sources. Due to the repricing term mismatches and embedded options inherent in certain of these products, changes in market interest rates not only affect expected near-term earnings, but also the economic values of these assets and liabilities.

Our Asset and Liability Management group centrally manages interest rate risk as prescribed in our market risk-related risk management policies, which are approved by management's ALCO and the Risk Committee of the Board of Directors.

PNC utilizes sensitivities of NII and EVE to a set of interest rate scenarios to identify and measure its short-term and long-term structural interest rate risks.

NII Sensitivity results for the second quarters of 2024 and 2023 follow:

Table 31: Net Interest Income Sensitivity Analysis

	Second Quarter 2024	Second Quarter 2023
Net Interest Income Sensitivity Simulation		
Effect on NII in first year from shocked interest rate:		
200 basis point instantaneous increase	(0.6)%	0.9 %
200 basis point instantaneous decrease	(0.2)%	(1.3)%

When forecasting net interest income, we make certain key assumptions that can materially impact the resulting sensitivities, including the following:

Future Balance Sheet Composition: Our balance sheet composition is dynamic and based on our forecasted expectations. As of the second quarter of 2024, the projected balance sheet composition by the end of year one is generally consistent with the spot composition as of the second quarter of 2024.

Deposit Betas: Deposit pricing changes are primarily driven by changes in the Federal Funds rate, with the relationship between deposit rates and Federal Funds rate defined as deposit beta. We define cumulative deposit beta as the change in deposit rate paid on interest-bearing non-maturity deposits divided by the change in the upper level of the stated Federal Funds rate range since the first quarter of 2022, the start of the current rising rate cycle. As of June 30, 2024, PNC's cumulative deposit beta was 45%, an increase from 39% at June 30, 2023. For interest rate risk modeling, PNC uses dynamic beta models to adjust assumed repricing sensitivity depending on market rate levels as well as other factors. The dynamic beta assumptions reflect historical experience and future expectations. Our scenario assumes that deposit betas increased slightly from current levels. Actual deposit rates paid may differ from modeled projections due to variables such as competition for deposits and customer behavior.

Asset Prepayments: PNC includes prepayment assumptions for both loan and investment portfolios. Mortgage and home equity portfolios utilize an industry standard model to drive estimated prepayments that increase in lower rate environments. Commercial and consumer loan portfolios assume static constant prepayment rates that are consistent across rate scenarios, as those portfolios historically do not exhibit significantly different prepayment behaviors based upon the level of market rates.

Impact of Derivatives: PNC uses interest rate derivatives, some of which are forward starting, to hedge floating rate commercial loans. PNC had $52.8 billion in receive fix/pay float swaps as of June 30, 2024, with a weighted average duration of 2.2 years and an average fixed rate of 3.13%. As of June 30, 2024 PNC also had collars in place, reflecting $12.5 billion of caps and $12.5 billion of floors, that are used to hedge these commercial loans. Additionally, PNC utilizes receive fix/pay float swaps as a means of hedging fixed rate debt, as well as pay fix/receive float swaps as a means of hedging the investment securities portfolio. See Note 12 Financial Derivatives in this Report for additional information on how we use derivatives to hedge commercial loans, investment securities and fixed rate debt.

EVE sensitivity results for the second quarters of 2024 and 2023 follow:

Table 32: Economic Value of Equity Sensitivity Analysis

	Second Quarter 2024	Second Quarter 2023
Economic Value of Equity Sensitivity Simulation		
200 basis point instantaneous increase	(6.7)%	(5.3)%
200 basis point instantaneous decrease	0.1 %	(2.4)%

EVE measures the present value of all projected future cash flows associated with a point-in-time balance sheet and does not include projected new volume. EVE sensitivity to interest rate changes is a complementary metric to NII sensitivity analysis and represents an estimation of long-term interest rate risk. PNC calculates its EVE sensitivity by measuring the changes in the economic value of assets, liabilities and off-balance sheet instruments in response to an instantaneous +/-200 bps parallel shift in interest rates. Similar to the NII sensitivity analysis, we incorporate dynamic deposit repricing and loan prepayment assumptions. These methodologies are largely consistent between the EVE and NII sensitivity analyses. Additionally, deposit attrition is a significant contributor to EVE sensitivity. Deposit attrition is projected based on a dynamic model developed using long-term historical deposit behavior in addition to management assumptions including accelerated attrition for pandemic related excess deposits. PNC performs various sensitivity analyses to understand the impact of faster and slower deposit attrition on our risk metrics, with the results reported to ALCO.

Compared to the second quarter of 2023, there have been no material changes to our NII sensitivity and EVE sensitivity assumptions, including data sources that drive assumptions setting.

Market Risk Management – Customer-Related Trading Risk

We engage in fixed income securities, derivatives and foreign exchange transactions to support our customers' investing and hedging activities. These transactions, related hedges and the credit valuation adjustment related to our customer derivatives portfolio are marked-to-market daily and reported as customer-related trading activities. We do not engage in proprietary trading of these products.

We use VaR as the primary means to measure and monitor market risk in customer-related trading activities. VaR is used to estimate the probability of portfolio losses based on the statistical analysis of historical market risk factors. VaR is calculated for each of the portfolios that comprise our customer-related trading activities of which the majority are covered positions as defined by the Market Risk Rule. VaR is computed with positions and market risk factors updated daily to ensure each portfolio is operating within its acceptable limits. See the Market Risk Management – Customer-Related Trading Risk section of our 2023 Form 10-K for more information on our models used to calculate VaR and our backtesting process.

Customer-related trading revenue was $34 million for the six months ended June 30, 2024, compared to $107 million for the six months ended June 30, 2023. The decrease was primarily due to lower derivative client sales revenues, partially offset by higher securities client sales revenues.

Market Risk Management – Equity And Other Investment Risk

Equity investment risk is the risk of potential losses associated with investing in both private and public equity markets. In addition to extending credit, taking deposits, underwriting securities and trading financial instruments, we make and manage direct investments in a variety of transactions, including management buyouts, recapitalizations and growth financings in a variety of industries. We also have investments in affiliated and non-affiliated funds that make similar investments in private equity, consistent with regulatory limitations. The economic and/or book value of these investments and other assets are directly affected by changes in market factors.

Various PNC business units manage our equity and other investment activities. Our businesses are responsible for making investment decisions within the approved policy limits and associated guidelines.

A summary of our equity investments follows:

Table 33: Equity Investments Summary

			Change	
Dollars in millions	June 30, 2024	December 31, 2023	$	%
Tax credit investments	$ 4,547	$ 4,331	$ 216	5 %
Private equity and other	4,490	3,983	507	13 %
Total	$ 9,037	$ 8,314	$ 723	9 %

Tax Credit Investments

Included in our equity investments are direct tax credit investments and equity investments held by consolidated entities. These tax credit investment balances included unfunded commitments totaling $2.4 billion and $2.5 billion at June 30, 2024 and December 31, 2023, respectively. These unfunded commitments are included in Other liabilities on our Consolidated Balance Sheet.

Note 4 Loan Sale and Servicing Activities and Variable Interest Entities in our 2023 Form 10-K has further information on tax credit investments.

Private Equity and Other

The largest component of our other equity investments is our private equity portfolio. The private equity portfolio is an illiquid portfolio consisting of mezzanine and equity investments that vary by industry, stage and type of investment. Private equity investments carried at estimated fair value totaled $2.2 billion at both June 30, 2024 and December 31, 2023. As of June 30, 2024, $2.0 billion was invested directly in a variety of companies and $0.2 billion was invested indirectly through various private equity funds.

During the second quarter of 2024, PNC participated in the Visa exchange program, allowing PNC to convert its Visa Class B-1 common shares into 1.8 million of Visa Class B-2 common shares and 0.7 million of Visa Class C common shares. The Visa Class B-2 common shares remain subject to the same restrictions that were imposed on the Visa Class B-1 common shares. Participation in the exchange required PNC to agree to a make-whole agreement that subjects PNC to the same indemnity obligations to Visa as prior to participation in the exchange program.

In the second quarter of 2024, we recorded a $754 million gain related to the Visa Class C common shares received. Included in our other equity investments at June 30, 2024, are Visa Class B-2 common shares, which are recorded at cost, and Visa Class C common shares that are recorded at fair value. The fair value of our remaining Visa Class C common shares was approximately $0.2 billion at June 30, 2024.

Visa Class B-2 common shares that we own are transferable only under limited circumstances until the resolution of the pending interchange litigation or Visa launches another exchange program allowing PNC to convert a portion of its Visa Class B-2 common shares into freely transferable Visa Class C common shares. The estimated value of our total investment in the Visa Class B-2 common shares was approximately $0.7 billion, while our cost basis was insignificant. The estimated value does not represent fair value of the Visa Class B-2 common shares given the shares' limited transferability and the lack of observable transactions in the marketplace. See Note 14 Fair Value and Note 20 Legal Proceedings in our 2023 Form 10-K for additional information regarding our Visa agreements.

We also have certain other equity investments, the majority of which represent investments in affiliated and non-affiliated funds with both traditional and alternative investment strategies. Net gains related to these investments were $19 million for both the six months ended June 30, 2024 and June 30, 2023.

Financial Derivatives

We use a variety of financial derivatives as part of the overall asset and liability risk management process to help manage exposure to market (primarily interest rate) and credit risk inherent in our business activities. We also enter into derivatives with customers to facilitate their risk management activities.

Financial derivatives involve, to varying degrees, market and credit risk. Derivatives represent contracts between parties that usually require little or no initial net investment and result in one party delivering cash or another type of asset to the other party based on a notional and an underlying as specified in the contract. Therefore, cash requirements and exposure to credit risk are significantly less than the notional amount on these instruments.

Further information on our financial derivatives is presented in Note 1 Accounting Policies, Note 14 Fair Value and Note 15 Financial Derivatives in our 2023 Form 10-K and in Note 11 Fair Value and Note 12 Financial Derivatives in this Report.

Not all elements of market and credit risk are addressed through the use of financial derivatives, and such instruments may be ineffective for their intended purposes due to unanticipated market changes, among other reasons.

Recent Regulatory Developments

Resolution and Recovery Planning

In June 2024, the FDIC revised its rule requiring certain insured depository institutions, including PNC Bank, to periodically submit a resolution plan that, in the event of a hypothetical failure, should enable the FDIC to resolve the bank under the Federal Deposit Insurance Act. Under the final rule, most banks with $100 billion or more in assets, including PNC Bank, are required to submit full resolution plans on a three-year cycle, with interim informational supplements due in off-years. The FDIC may also engage in capabilities testing between full resolution plan submissions. The final rule significantly expands the required content elements and adds virtual data room and valuation capabilities as significant components of the resolution planning process. The final rule indicates that covered institutions will not be required to submit a resolution submission or interim informational supplement until at least 270 days from the effective date of October 1, 2024.

The OCC has proposed revisions to its recovery planning guidelines that apply to certain large insured national banks, including PNC Bank. The proposal would incorporate an annual testing requirement into recovery plans, and would require covered banks to consider both financial risks and non-financial risks – including operational and strategic risks – in their recovery plans. The proposal contemplates that PNC Bank would have 12 months from the effective date of the amendments to comply with the changes.

Capital, Capital Planning and Liquidity

In June 2024, the Federal Reserve announced the results of its supervisory stress tests conducted as part of the 2024 CCAR process. PNC remained well above its risk-based minimum capital requirements in the supervisory stress tests, and PNC's SCB for the four-quarter period beginning October 1, 2024, will remain the regulatory minimum of 2.5%. See the Liquidity and Capital Management portion of the Risk Management section in this Financial Review for a discussion of PNC's capital actions.

Critical Accounting Estimates and Judgments

Our consolidated financial statements are prepared by applying certain accounting policies. Note 1 Accounting Policies in our 2023 Form 10-K describes the most significant accounting policies that we use. Certain of these policies require us to make estimates or economic assumptions that may vary under different assumptions or conditions, and such variations may significantly affect our reported results and financial position for the period or in future periods. The policies and judgments related to residential and commercial MSRs and Level 3 fair value measurements are described in Critical Accounting Estimates and Judgments in our 2023 Form 10-K. The following details the critical estimates and judgments around the ACL.

Allowance for Credit Losses

We maintain the ACL at levels that we believe to be appropriate as of the balance sheet date to absorb expected credit losses on our existing investment securities, loans, equipment finance leases, other financial assets and unfunded lending related commitments, for the remaining estimated contractual term of the assets or exposures, taking into consideration expected prepayments and estimated recoveries. Our determination of the ACL is based on historical loss and performance experience, as well as current borrower and transaction characteristics including collateral type and quality, current economic conditions, reasonable and supportable forecasts of future economic conditions and other relevant factors. We use methods sensitive to changes in economic conditions to interpret these factors and to estimate expected credit losses. We evaluate and, when appropriate, enhance the quality of our data and models and other methods used to estimate the ACL on an ongoing basis. We incorporate qualitative factors in the ACL that reflect our best estimate of expected losses that may not be adequately represented in our quantitative methods or economic assumptions. The major drivers of ACL estimates include, but are not limited to:

- Current economic conditions: Our forecast of expected losses depends on economic conditions as of the estimation date. As current economic conditions evolve, forecasted losses could be materially affected.
- Scenario weights and design: Our loss estimates are sensitive to the shape, direction and rate of change of macroeconomic forecasts and thus vary significantly between upside and downside scenarios. Changes to the probability weights assigned to these scenarios and the timing of peak business cycles reflected by the scenarios could materially affect our loss estimates.
- Current borrower quality: Our forecast of expected losses depends on current borrower and transaction characteristics, including credit metrics and collateral type/quality. As borrower quality evolves, forecasted losses could be materially affected.
- Portfolio composition: Changes to portfolio volume and mix could materially affect our estimates, as CECL reserves would be recognized upon origination or acquisition and derecognized upon paydown, maturity or sale.

For all assets and unfunded lending related commitments within the scope of the CECL standard, the applicable ACL is composed of one or a combination of the following components: (i) collectively assessed or pooled reserves, (ii) individually assessed reserves and (iii) qualitative (judgmental) reserves. Our methodologies and key assumptions for each of these components are discussed in Note 1 Accounting Policies in our 2023 Form 10-K.

Reasonable and Supportable Economic Forecast

Pursuant to the CECL standard, we are required to consider reasonable and supportable forecasts in estimating expected credit losses. For this purpose, we have established a framework that includes a three-year forecast period and the use of four economic scenarios with associated probability weights, which in combination create a forecast of expected economic outcomes. Credit losses estimated in our reasonable and supportable forecast period are sensitive to the shape and severity of the scenarios used and weights assigned to them.

To forecast the distribution of economic outcomes over the reasonable and supportable forecast period, we generate four economic forecast scenarios using a combination of quantitative macroeconomic models, other measures of economic activity and forward-looking expert judgment. Each scenario is then given an associated probability (weight) to represent our current expectation within that distribution over the forecast period. This process is informed by current economic conditions, expected business cycle evolution and the expert judgment of PNC's RAC. This approach seeks to provide a reasonable representation of the forecast of expected economic outcomes and is used to estimate expected credit losses across a variety of loans, securities and other financial assets. Each quarter, the scenarios and their respective weights are presented to RAC for approval.

The scenarios used for the period ended June 30, 2024 consider, among other factors, ongoing inflationary pressures and the corresponding tightness of monetary policy and credit availability. Given these factors, growth is expected to slow from current levels starting in the second half of 2024. While recession risks remain elevated, our most-likely expectation at June 30, 2024 is that the U.S. economy avoids a recession in 2024.

We used a number of economic variables in our scenarios, with two of the most significant drivers being real GDP and the U.S. unemployment rate. The following table presents a comparison of these two economic variables based on the weighted-average scenario forecasts used in determining our ACL at June 30, 2024 and December 31, 2023.

Table 34: Key Macroeconomic Variables in CECL Weighted-Average Scenarios

	Assumptions as of June 30, 2024		
	2024	2025	2026
U.S. real GDP (a)	1.1%	1.2%	2.2%
U.S. unemployment rate (b)	4.3%	4.9%	4.4%
	Assumptions as of December 31, 2023		
	2024	2025	2026
U.S. real GDP (a)	0.1%	1.5%	2.0%
U.S. unemployment rate (b)	4.5%	4.6%	4.2%

(a) Represents year-over-year growth rates.

(b) Represents quarterly average rate at December 31, 2024, 2025 and 2026, respectively.

Real GDP growth is expected to end 2024 at 1.1% on a weighted average basis, up from the 0.1% assumed at December 31, 2023, primarily due to stronger economic activity in 2024 than what was expected at the end of 2023. Growth then rises to 1.2% in 2025, before jumping to 2.2% in 2026. The weighted-average unemployment rate is expected to end 2024 at 4.3%, down from the 4.5% assumed at December 31, 2023. The weighted-average unemployment rate is then expected to increase through 2025, peaking at 4.9% during the second half of the year, before gradually improving to 4.4% by the fourth quarter of 2026.

The current state of the economy continues to reflect uncertainty due to the foundational change in office demand from the acceptance of remote work, combined with inflationary pressures, interest rate movements and declining consumer savings and deposit balances. As such, for both our commercial and consumer loan portfolios, PNC identified and performed significant analyses around segments impacted by such uncertainties to ensure our reserves are adequate, given our current macroeconomic expectations.

We believe the economic scenarios effectively reflect the distribution of potential economic outcomes. Additionally, through in-depth and granular analysis we have addressed reserve requirements for the specific populations most affected in the current environment. Through this approach, we believe the reserve levels appropriately reflect the expected credit losses in the portfolio as of the balance sheet date.

See the following for additional information related to our ACL:

- Allowance for Credit Losses in the Credit Risk Management section of this Financial Review,
- Note 2 Investment Securities and Note 3 Loans and Related Allowance for Credit Losses in this Report, and
- Note 1 Accounting Policies in our 2023 Form 10-K.

Recently Issued Accounting Standards

Accounting Standards Update	Description	Financial Statement Impact
Improvements to Reportable Segment Disclosures - ASU 2023-07 Issued November 2023	• Required with issuance of 2024 Form 10-K; early adoption is permitted. • Requires that a public entity disclose significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included within each reported measure of segment profit or loss. • Requires that a public entity disclose an amount for other segment items by reportable segment and a description of its composition. • Requires that a public entity provide all annual disclosures about a reportable segment's profit or loss and assets currently required by ASC 280 in interim periods. • Clarifies that if the CODM uses more than one measure of a segment's profit or loss in assessing segment performance and deciding how to allocate resources, a public entity may report one or more of those additional measures of segment profit. • Requires that a public entity disclose the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. • Requires a retrospective transition approach for all prior periods presented in the financial statements.	• We are currently evaluating the disclosure requirements within this ASU and do not plan to early adopt. • This ASU will not impact our Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity or Consolidated Statement of Cash Flows. • We expect to provide enhanced disclosures of significant segment level noninterest expenses as a result of this ASU.
Accounting Standards Update	**Description**	**Financial Statement Impact**
Improvements to Income Tax Disclosures - ASU 2023-09 Issued December 2023	• Required effective date of January 1, 2025; early adoption is permitted. • Requires public business entities to, on an annual basis, (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold. • Requires that all entities disclose, on an annual basis, (1) the amount of income taxes paid (net of refunds received), disaggregated by federal (national), state and foreign taxes, and (2) the amount of income taxes paid (net of refunds received), disaggregated by individual jurisdictions in which income taxes paid (net of refunds received) is equal to or greater than 5 percent of total income taxes paid (net of refunds received). • Requires a prospective transition approach, with an optional retrospective transition approach.	• We are currently evaluating the disclosure requirements within this ASU and do not plan to early adopt. • This ASU will not impact our Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity or Consolidated Statement of Cash Flows. • We expect to provide additional disaggregated income tax disclosures in accordance with this ASU.

Recently Adopted Accounting Pronouncements

See Note 1 Accounting Policies in our 2023 Form 10-K for recently adopted accounting standards. We did not adopt any new accounting standards during the first six months of 2024 that impacted our financial statements.

Internal Controls And Disclosure Controls And Procedures

As of June 30, 2024, we performed an evaluation under the supervision of and with the participation of our management, including the Chairman and Chief Executive Officer and the Executive Vice President and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures and of changes in our internal control over financial reporting.

Based on that evaluation, our Chairman and Chief Executive Officer and our Executive Vice President and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) were effective as of June 30, 2024, and that there has been no change in PNC's internal control over financial reporting that occurred during the second quarter of 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Cautionary Statement Regarding Forward-Looking Information

We make statements in this Report, and we may from time to time make other statements, regarding our outlook for financial performance, such as earnings, revenues, expenses, tax rates, capital and liquidity levels and ratios, asset levels, asset quality, financial position, and other matters regarding or affecting us and our future business and operations, including our sustainability strategy, that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are typically identified by words such as "believe," "plan," "expect," "anticipate," "see," "look," "intend," "outlook," "project," "forecast," "estimate," "goal," "will," "should" and other similar words and expressions.

Forward-looking statements are necessarily subject to numerous assumptions, risks and uncertainties, which change over time. Future events or circumstances may change our outlook and may also affect the nature of the assumptions, risks and uncertainties to which our forward-looking statements are subject. Forward-looking statements speak only as of the date made. We do not assume any duty and do not undertake any obligation to update forward-looking statements. Actual results or future events could differ, possibly materially, from those anticipated in forward-looking statements, as well as from historical performance. As a result, we caution against placing undue reliance on any forward-looking statements.

Our forward-looking statements are subject to the following principal risks and uncertainties.

- Our businesses, financial results and balance sheet values are affected by business and economic conditions, including:
  - Changes in interest rates and valuations in debt, equity and other financial markets,
  - Disruptions in the U.S. and global financial markets,
  - Actions by the Federal Reserve Board, U.S. Treasury and other government agencies, including those that impact money supply, market interest rates and inflation,
  - Changes in customer behavior due to changing business and economic conditions or legislative or regulatory initiatives,
  - Changes in customers', suppliers' and other counterparties' performance and creditworthiness,
  - Impacts of sanctions, tariffs and other trade policies of the U.S. and its global trading partners,
  - Impacts of changes in federal, state and local governmental policy, including on the regulatory landscape, capital markets, taxes, infrastructure spending and social programs,
  - Our ability to attract, recruit and retain skilled employees, and
  - Commodity price volatility.
- Our forward-looking financial statements are subject to the risk that economic and financial market conditions will be substantially different than those we are currently expecting. These statements are based on our views that:
  - Job and income gains will continue to support consumer spending growth this year, but PNC's baseline forecast is for slower economic growth in 2024 as higher interest rates remain a drag on the economy.
  - Real GDP growth this year will trend close to 2%, and the unemployment rate will increase modestly to above 4% by the end of 2024. Inflation will continue to slow as wage pressures abate, gradually moving back to the Federal Reserve's 2% long-term objective.
  - With slowing inflation PNC expects two federal funds rate cuts of 25 basis points each at the FOMC's September and December meetings, with the rate ending this year in a range between 4.75% and 5.00%. PNC expects multiple federal funds rate cuts in 2025 as inflation continues to ease.
- PNC's ability to take certain capital actions, including returning capital to shareholders, is subject to PNC meeting or exceeding minimum capital levels, including a stress capital buffer established by the Federal Reserve Board in connection with the Federal Reserve Board's CCAR process.
- PNC's regulatory capital ratios in the future will depend on, among other things, PNC's financial performance, the scope and terms of final capital regulations then in effect and management actions affecting the composition of PNC's balance sheet. In addition, PNC's ability to determine, evaluate and forecast regulatory capital ratios, and to take actions (such as capital distributions) based on actual or forecasted capital ratios, will be dependent at least in part on the development, validation and regulatory review of related models and the reliability of and risks resulting from extensive use of such models.
- Legal and regulatory developments could have an impact on our ability to operate our businesses, financial condition, results of operations, competitive position, reputation, or pursuit of attractive acquisition opportunities. Reputational impacts could affect matters such as business generation and retention, liquidity, funding and ability to attract and retain employees. These developments could include:
  - Changes to laws and regulations, including changes affecting oversight of the financial services industry, changes in the enforcement and interpretation of such laws and regulations and changes in accounting and reporting standards.
  - Unfavorable resolution of legal proceedings or other claims and regulatory and other governmental investigations or other inquiries resulting in monetary losses, costs, or alterations in our business practices and potentially causing reputational harm to PNC.

- Results of the regulatory examination and supervision process, including our failure to satisfy requirements of agreements with governmental agencies.
- Costs associated with obtaining rights in intellectual property claimed by others and of adequacy of our intellectual property protection in general.

- Business and operating results are affected by our ability to identify and effectively manage risks inherent in our businesses, including, where appropriate, through effective use of systems and controls, third-party insurance, derivatives, and capital management techniques and to meet evolving regulatory capital and liquidity standards.
- Our reputation and business and operating results may be affected by our ability to appropriately meet or address environmental, social or governance targets, goals, commitments or concerns that may arise.
- We grow our business in part through acquisitions and new strategic initiatives. Risks and uncertainties include those presented by the nature of the business acquired and strategic initiative, including in some cases those associated with our entry into new businesses or new geographic or other markets and risks resulting from our inexperience in those new areas, as well as risks and uncertainties related to the acquisition transactions themselves, regulatory issues, the integration of the acquired businesses into PNC after closing or any failure to execute strategic or operational plans.
- Competition can have an impact on customer acquisition, growth and retention and on credit spreads and product pricing, which can affect market share, deposits and revenues. Our ability to anticipate and respond to technological changes can also impact our ability to respond to customer needs and meet competitive demands.
- Business and operating results can also be affected by widespread manmade, natural and other disasters (including severe weather events), health emergencies, dislocations, geopolitical instabilities or events, terrorist activities, system failures or disruptions, security breaches, cyberattacks, international hostilities, or other extraordinary events beyond PNC's control through impacts on the economy and financial markets generally or on us or our counterparties, customers or third-party vendors and service providers specifically.

We provide greater detail regarding these as well as other factors in our 2023 Form 10-K and subsequent Form 10-Qs and elsewhere in this Report, including in the Risk Factors and Risk Management sections and the Legal Proceedings and Commitments Notes of the Notes To Consolidated Financial Statements in these reports. Our forward-looking statements may also be subject to other risks and uncertainties, including those discussed elsewhere in this Report or in our other filings with the SEC.

CONSOLIDATED INCOME STATEMENT

THE PNC FINANCIAL SERVICES GROUP, INC.

Unaudited	Three months ended June 30		Six months ended June 30	
In millions, except per share data	2024	2023	2024	2023
Interest Income				
Loans	$ 4,842	$ 4,523	$ 9,661	$ 8,781
Investment securities	1,001	883	1,884	1,768
Other	725	538	1,523	1,054
Total interest income	6,568	5,944	13,068	11,603
Interest Expense				
Deposits	2,084	1,531	4,161	2,822
Borrowed funds	1,182	903	2,341	1,686
Total interest expense	3,266	2,434	6,502	4,508
Net interest income	3,302	3,510	6,566	7,095
Noninterest Income				
Asset management and brokerage	364	348	728	704
Capital markets and advisory	272	213	531	475
Card and cash management	706	697	1,377	1,356
Lending and deposit services	304	298	609	604
Residential and commercial mortgage	131	98	278	275
Other income				
Gain on Visa shares exchange program	754		754	
Securities gains (losses)	(499)	(2)	(499)	(2)
Other	77	131	212	389
Total other income	332	129	467	387
Total noninterest income	2,109	1,783	3,990	3,801
Total revenue	5,411	5,293	10,556	10,896
Provision For Credit Losses	235	146	390	381
Noninterest Expense				
Personnel	1,782	1,846	3,576	3,672
Occupancy	236	244	480	495
Equipment	356	349	697	699
Marketing	93	109	157	183
Other	890	824	1,781	1,644
Total noninterest expense	3,357	3,372	6,691	6,693
Income before income taxes and noncontrolling interests	1,819	1,775	3,475	3,822
Income taxes	342	275	654	628
Net income	1,477	1,500	2,821	3,194
Less: Net income attributable to noncontrolling interests	18	17	32	34
Preferred stock dividends	95	127	176	195
Preferred stock discount accretion and redemptions	2	2	4	4
Net income attributable to common shareholders	$ 1,362	$ 1,354	$ 2,609	$ 2,961
Earnings Per Common Share				
Basic	$ 3.39	$ 3.36	$ 6.49	$ 7.35
Diluted	$ 3.39	$ 3.36	$ 6.48	$ 7.34
Average Common Shares Outstanding				
Basic	400	401	400	401
Diluted	400	401	400	401

See accompanying Notes To Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

THE PNC FINANCIAL SERVICES GROUP, INC.

Unaudited In millions	Three months ended June 30 2024	Three months ended June 30 2023	Six months ended June 30 2024	Six months ended June 30 2023
Net income	$ 1,477	$ 1,500	$ 2,821	$ 3,194
Other comprehensive income (loss), before tax and net of reclassifications into Net income				
Net change in debt securities	475	(241)	296	628
Net change in cash flow hedge derivatives	308	(316)	58	211
Pension and other postretirement benefit plan adjustments	1	6	(1)	(4)
Net change in Other		3	(2)	7
Other comprehensive income (loss), before tax and net of reclassifications into Net income	784	(548)	351	842
Income tax benefit (expense) related to items of other comprehensive income	(188)	131	(85)	(195)
Other comprehensive income (loss), after tax and net of reclassifications into Net income	596	(417)	266	647
Comprehensive income	2,073	1,083	3,087	3,841
Less: Comprehensive income attributable to noncontrolling interests	18	17	32	34
Comprehensive income attributable to PNC	$ 2,055	$ 1,066	$ 3,055	$ 3,807

See accompanying Notes To Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET

THE PNC FINANCIAL SERVICES GROUP, INC.

Unaudited In millions, except par value	June 30 2024	December 31 2023
Assets		
Cash and due from banks	$ 6,242	$ 6,921
Interest-earning deposits with banks	33,039	43,804
Loans held for sale (a)	988	734
Investment securities – available for sale	51,188	41,785
Investment securities – held to maturity	87,457	90,784
Loans (a)	321,429	321,508
Allowance for loan and lease losses	(4,636)	(4,791)
Net loans	316,793	316,717
Equity investments	9,037	8,314
Mortgage servicing rights	3,739	3,686
Goodwill	10,932	10,932
Other (a)	37,104	37,903
Total assets	$ 556,519	$ 561,580
Liabilities		
Deposits		
Noninterest-bearing	$ 94,542	$ 101,285
Interest-bearing	321,849	320,133
Total deposits	416,391	421,418
Borrowed funds		
Federal Home Loan Bank borrowings	35,000	38,000
Senior debt	29,601	26,836
Subordinated debt	4,078	4,875
Other (b)	2,712	3,026
Total borrowed funds	71,391	72,737
Allowance for unfunded lending related commitments	717	663
Accrued expenses and other liabilities (b)	15,339	15,621
Total liabilities	503,838	510,439
Equity		
Preferred stock (c)		
Common stock ($ 5 par value, Authorized 800 ,000,000 shares, issued 543,225,979 and 543,116,271 shares)	2,716	2,716
Capital surplus	19,098	19,020
Retained earnings	57,652	56,290
Accumulated other comprehensive income (loss)	(7,446)	(7,712)
Common stock held in treasury at cost: 145,667,981 and 145,087,054 shares	(19,378)	(19,209)
Total shareholders' equity	52,642	51,105
Noncontrolling interests	39	36
Total equity	52,681	51,141
Total liabilities and equity	$ 556,519	$ 561,580

(a) Our consolidated assets included the following for which we have elected the fair value option: Loans held for sale of $ 0.9 billion, Loans held for investment of $ 1.2 billion and Other assets of $ 0.1 billion at June 30, 2024. Comparable amounts at December 31, 2023 were $ 0.7 billion, $ 1.2 billion and $ 0.1 billion, respectively.

(b) Our consolidated liabilities included the following for which we have elected the fair value option: Other borrowed funds of less than $ 0.1 billion and Other liabilities of $ 0.1 billion at June 30, 2024. Comparable amounts at December 31, 2023 were less than $ 0.1 billion and $ 0.1 billion, respectively.

(c) Par value less than $ 0.5 million at each date.

See accompanying Notes To Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

THE PNC FINANCIAL SERVICES GROUP, INC.

Unaudited In millions	Six months ended June 30 2024	2023
Operating Activities		
Net income	$ 2,821	$ 3,194
Adjustments to reconcile net income to net cash provided (used) by operating activities		
Provision for credit losses	390	381
Depreciation, amortization and accretion	74	125
Deferred income taxes (benefit)	(21)	(75)
Net losses on sales of securities	499	2
Changes in fair value of mortgage servicing rights	23	136
Gain on Visa shares exchange program	(754)	
Net change in		
Trading securities and other short-term investments	416	(601)
Loans held for sale and related securitization activity	(238)	522
Other assets	(142)	1,410
Accrued expenses and other liabilities	(934)	(494)
Other operating activities, net	659	532
Net cash provided (used) by operating activities	$ 2,793	$ 5,132
Investing Activities		
Sales		
Securities available for sale	$ 3,745	$ (70)
Loans	237	605
Repayments/maturities		
Securities available for sale	2,747	4,038
Securities held to maturity	4,714	3,076
Purchases		
Securities available for sale	(16,246)	(1,272)
Securities held to maturity	(933)	(1,513)
Loans	(865)	(416)
Net change in		
Federal funds sold and resale agreements	167	229
Loans	206	3,305
Other investing activities, net	(357)	(445)
Net cash provided (used) by investing activities	$ (6,585)	$ 7,537

CONSOLIDATED STATEMENT OF CASH FLOWS

THE PNC FINANCIAL SERVICES GROUP, INC.

(Continued from previous page)

Unaudited In millions	Six months ended June 30 2024	2023
Financing Activities		
Net change in		
Noninterest-bearing deposits	$ (6,755)	$ (13,982)
Interest-bearing deposits	1,716	5,166
Federal funds purchased and repurchase agreements	(178)	94
Other borrowed funds	(129)	(35)
Sales/issuances		
Federal Home Loan Bank borrowings		2,000
Senior debt	4,236	6,235
Other borrowed funds	338	486
Preferred stock		1,484
Common and treasury stock	33	36
Repayments/maturities		
Federal Home Loan Bank borrowings	(3,000)	(75)
Senior debt	(1,050)	(750)
Subordinated debt	(750)	(750)
Other borrowed funds	(354)	(495)
Acquisition of treasury stock	(336)	(588)
Preferred stock cash dividends paid	(176)	(195)
Common stock cash dividends paid	(1,247)	(1,213)
Net cash provided (used) by financing activities	$ (7,652)	$ (2,582)
Net Increase (Decrease) In Cash, Cash Equivalents And Restricted Cash (a)	$ (11,444)	$ 10,087
Cash, cash equivalents and restricted cash at beginning of period	50,725	34,363
Cash, cash equivalents and restricted cash at end of period	$ 39,281	$ 44,450
Cash, Cash Equivalents And Restricted Cash		
Cash and cash equivalents at end of period (unrestricted cash)	$ 38,407	$ 43,863
Restricted cash	874	587
Cash, cash equivalents and restricted cash at end of period	$ 39,281	$ 44,450
Supplemental Disclosures		
Interest paid	$ 6,314	$ 2,586
Income taxes paid	$ 288	$ 719
Income taxes refunded	$ 44	$ 824
Leased assets obtained in exchange for new operating lease liabilities	$ 129	$ 113
Non-cash Investing And Financing Items		
Transfer from loans to loans held for sale, net	$ 58	$ 712
Transfer from loans to foreclosed assets	$ 24	$ 32

(a) In the second quarter of 2024, we updated our policy for cash and cash equivalents to include interest-earning deposits with banks. See Note 1 Accounting Policies for additional information regarding this change to our cash and cash equivalents policy.

See accompanying Notes To Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

THE PNC FINANCIAL SERVICES GROUP, INC.
Unaudited

See page 100 for a glossary of certain terms and acronyms used in this Report.

BUSINESS

PNC is one of the largest diversified financial services companies in the U.S. and is headquartered in Pittsburgh, Pennsylvania.

We have businesses engaged in retail banking, including residential mortgage, corporate and institutional banking and asset management, providing many of our products and services nationally. Our retail branch network is located coast-to-coast. We also have strategic international offices in four countries outside the U.S.

NOTE 1 ACCOUNTING POLICIES

Basis of Financial Statement Presentation

Our consolidated financial statements include the accounts of the parent company and its subsidiaries, most of which are wholly-owned, certain partnership interests and VIEs.

We prepared these consolidated financial statements in accordance with GAAP. We have eliminated intercompany accounts and transactions. We have also reclassified certain prior-year amounts to conform to the current period presentation, which did not have a material impact on our consolidated financial condition or results of operations. Effective for the second quarter of 2024, we updated our policy to classify Interest-earning deposits with banks as Cash and cash equivalents on the Consolidated Statement of Cash Flows when reconciling Cash and due from banks and restricted cash.

In our opinion, the unaudited interim consolidated financial statements reflect all normal, recurring adjustments needed to state fairly our results for the interim periods. The results of operations for interim periods are not necessarily indicative of the results that may be expected for the full year or any other interim period.

We have also considered the impact of subsequent events on these consolidated financial statements through the date of issuance of the consolidated financials.

When preparing these unaudited interim consolidated financial statements, we have assumed that you have read the audited consolidated financial statements included in our 2023 Form 10-K. Reference is made to Note 1 Accounting Policies in our 2023 Form 10-K for a detailed description of significant accounting policies. These interim consolidated financial statements serve to update our 2023 Form 10-K and may not include all information and Notes necessary to constitute a complete set of financial statements.

Use of Estimates

We prepared these consolidated financial statements using financial information available at the time of preparation, which requires us to make estimates and assumptions that affect the amounts reported. Our most significant estimates pertain to the ACL and our fair value measurements. Actual results may differ from the estimates, and the differences may be material to the consolidated financial statements.

Cash, Cash Equivalents and Restricted Cash

Cash and due from banks are considered cash and cash equivalents for financial reporting purposes because they represent a source of liquidity. Certain cash balances within Cash and due from banks on our Consolidated Balance Sheet are restricted as to withdrawal or usage by legally binding contractual agreements or regulatory requirements.

Effective for the second quarter of 2024, we updated our policy to classify Interest-earning deposits with banks as Cash and cash equivalents on the Consolidated Statement of Cash Flows when reconciling Cash and due from banks and restricted cash. We believe this presentation enhances the usefulness of financial reporting because management views these funds as a source of liquidity for future transactions, while enhancing comparability to align with industry practice. There is no impact to our Consolidated Income Statement (including EPS), Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, or Consolidated Statement of Changes in Equity. All periods presented herein reflect this change.

To reflect the change in accounting policy, we adjusted the Consolidated Statement of Cash Flows for the six months ended June 30, 2023. This included an adjustment of $ 10.9 billion from Net cash provided (used) by investing activities to Net increase (decrease) in cash, cash equivalents and restricted cash at end of period. The $ 10.9 billion was comprised of $ 10.8 billion reported in Net change in Interest-earning deposits with banks and $ 0.1 billion reported in Other investing activities, net. Additionally, we included $ 27.3 billion of Interest-earning deposits with banks in Cash, cash equivalents and restricted cash at beginning of period, and $ 38.2 billion of Interest-earning deposits with banks in Cash, cash equivalents and restricted cash at end of period.

Recently Adopted Accounting Standards

See Note 1 Accounting Policies in our 2023 Form 10-K for recently adopted accounting standards. We did not adopt any new accounting standards during the first six months of 2024 that impacted our financial statements.

NOTE 2 INVESTMENT SECURITIES

The following table summarizes our available for sale and held to maturity portfolios by major security type:

Table 35: Investment Securities Summary (a)(b)

	June 30, 2024				December 31, 2023			
	Amortized	Unrealized		Fair	Amortized	Unrealized		Fair
In millions	Cost (c)	Gains	Losses	Value	Cost (c)	Gains	Losses	Value
Securities Available for Sale								
U.S. Treasury and government agencies	$ 16,868	$ 19	$ (413)	$ 16,474	$ 7,596	$ 22	$ (667)	$ 6,951
Residential mortgage-backed								
Agency	30,234	15	(3,153)	27,096	30,643	46	(2,809)	27,880
Non-agency	534	99	(9)	624	585	118	(7)	696
Commercial mortgage-backed								
Agency	1,758		(141)	1,617	1,680	1	(135)	1,546
Non-agency	824	1	(28)	797	913	1	(45)	869
Asset-backed	2,097	27	(4)	2,120	1,092	25	(1)	1,116
Other	2,581	41	(162)	2,460	2,844	44	(161)	2,727
Total securities available for sale	$ 54,896	$ 202	$ (3,910)	$ 51,188	$ 45,353	$ 257	$ (3,825)	$ 41,785
Securities Held to Maturity								
U.S. Treasury and government agencies	$ 35,468		$ (1,302)	$ 34,166	$ 36,529	$ 9	$ (1,141)	$ 35,397
Residential mortgage-backed								
Agency	41,865	$ 13	(3,805)	38,073	42,686	92	(2,733)	40,045
Non-agency	250		(23)	227	259		(17)	242
Commercial mortgage-backed								
Agency	956	2	(31)	927	939	9	(23)	925
Non-agency	1,189	2	(17)	1,174	1,373	2	(27)	1,348
Asset-backed	4,833	22	(30)	4,825	5,890	17	(39)	5,868
Other	2,896	23	(56)	2,863	3,108	50	(35)	3,123
Total securities held to maturity (d)	$ 87,457	$ 62	$ (5,264)	$ 82,255	$ 90,784	$ 179	$ (4,015)	$ 86,948

(a) At June 30, 2024, the accrued interest associated with our held to maturity and available for sale portfolios totaled $ 268 million and $ 252 million, respectively. The comparable amounts at December 31, 2023 were $ 281 million and $ 144 million, respectively. These amounts are included in Other assets on the Consolidated Balance Sheet.

(b) Credit ratings represent a primary credit quality indicator used to monitor and manage credit risk. Of our total securities portfolio, 97 % were rated AAA/AA at both June 30, 2024 and December 31, 2023.

(c) Amortized cost is presented net of allowance of $ 88 million for securities available for sale, primarily related to non-agency commercial mortgage-backed securities, and $ 5 million for securities held to maturity at June 30, 2024. The comparable amounts at December 31, 2023 were $ 86 million and $ 6 million, respectively.

(d) Held to maturity securities transferred from available for sale are included in held to maturity at fair value at the time of the transfer. The amortized cost of held to maturity securities included net unrealized losses of $ 3.8 billion at June 30, 2024 related to securities transferred, which are offset in AOCI, net of tax. The comparable amount at December 31, 2023 was $ 4.2 billion.

The fair value of investment securities is impacted by interest rates, credit spreads, market volatility and liquidity conditions. Securities available for sale are carried at fair value with net unrealized gains and losses included in Total shareholders' equity as AOCI, unless credit-related. Net unrealized gains and losses are determined by taking the difference between the fair value of a security and its amortized cost, net of any allowance. Securities held to maturity are carried at amortized cost, net of any allowance. Investment securities at June 30, 2024 included $ 151 million of net unsettled purchases that represent non-cash investing activity, and accordingly, are not reflected on the Consolidated Statement of Cash Flows. The comparable amount for June 30, 2023 was $ 197 million of net unsettled purchases.

We maintain the allowance for investment securities at levels that we believe to be appropriate as of the balance sheet date to absorb expected credit losses on our portfolio. At June 30, 2024, the allowance for investment securities was $ 93 million and primarily related to non-agency commercial mortgage-backed securities in the available for sale portfolio. The comparable amount at December 31, 2023 was $ 92 million. See Note 1 Accounting Policies in our 2023 Form 10-K for a discussion of the methodologies used to determine the allowance for investment securities.

At June 30, 2024, AOCI included pretax losses of $ 285 million from derivatives that hedged the purchase of investment securities classified as held to maturity. The losses will be accreted to interest income as an adjustment of yield on the securities.

Table 36 presents the gross unrealized losses and fair value of securities available for sale that do not have an associated allowance for investment securities at June 30, 2024 and December 31, 2023. These securities are segregated between investments that had been in a continuous unrealized loss position for less than twelve months and twelve months or more, based on the point in time that the fair value declined below the amortized cost basis. All securities included in the table have been evaluated to determine if a credit loss exists. As part of that assessment, as of June 30, 2024, we concluded that we do not intend to sell and believe we will not be required to sell these securities prior to recovery of the amortized cost basis.

Table 36: Gross Unrealized Loss and Fair Value of Securities Available for Sale Without an Allowance for Credit Losses

	Unrealized loss position less than 12 months		Unrealized loss position 12 months or more		Total	
In millions	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value
June 30, 2024						
U.S. Treasury and government agencies	$ (30)	$ 10,966	$ (383)	$ 2,960	$ (413)	$ 13,926
Residential mortgage-backed						
Agency	(22)	2,576	(3,131)	21,752	(3,153)	24,328
Non-agency			(6)	87	(6)	87
Commercial mortgage-backed						
Agency	(2)	189	(139)	1,397	(141)	1,586
Non-agency			(28)	654	(28)	654
Asset-backed	(3)	694	(1)	93	(4)	787
Other	(1)	105	(139)	1,932	(140)	2,037
Total securities available for sale	$ (58)	$ 14,530	$ (3,827)	$ 28,875	$ (3,885)	$ 43,405
December 31, 2023						
U.S. Treasury and government agencies			$ (666)	$ 6,035	$ (666)	$ 6,035
Residential mortgage-backed						
Agency	$ (4)	$ 1,015	(2,805)	24,306	(2,809)	25,321
Non-agency	(1)	15	(4)	84	(5)	99
Commercial mortgage-backed						
Agency			(135)	1,495	(135)	1,495
Non-agency			(45)	731	(45)	731
Asset-backed			(1)	9	(1)	9
Other	(3)	78	(136)	2,106	(139)	2,184
Total securities available for sale	$ (8)	$ 1,108	$ (3,792)	$ 34,766	$ (3,800)	$ 35,874

Table 37: Gains (Losses) on Sales of Securities Available for Sale

Six months ended June 30 In millions	Gross Gains	Gross Losses	Net Gains (Losses)	Tax Expense (Benefit)
2024	$ 2	$ (501)	$ (499)	$ (105)
2023		$ (2)	$ (2)	

In the second quarter of 2024, we sold available for sale securities with a market value of $ 3.8 billion, resulting in a loss of $ 497 million.

The following table presents, by remaining contractual maturity, the amortized cost, fair value and weighted-average yield of debt securities at June 30, 2024:

Table 38: Contractual Maturity of Debt Securities

June 30, 2024 Dollars in millions	1 Year or Less	After 1 Year through 5 Years	After 5 Years through 10 Years	After 10 Years	Total
Securities Available for Sale					
U.S. Treasury and government agencies	$ 1,202	$ 2,470	$ 10,854	$ 2,342	$ 16,868
Residential mortgage-backed					
Agency	1	222	3,472	26,539	30,234
Non-agency			11	523	534
Commercial mortgage-backed					
Agency	6	664	751	337	1,758
Non-agency	1	105	73	645	824
Asset-backed		667	318	1,112	2,097
Other	280	1,866	291	144	2,581
Total securities available for sale at amortized cost	$ 1,490	$ 5,994	$ 15,770	$ 31,642	$ 54,896
Fair value	$ 1,480	$ 5,808	$ 15,422	$ 28,478	$ 51,188
Weighted-average yield, GAAP basis (a)	1.43 %	3.57 %	4.13 %	3.50 %	3.63 %
Securities Held to Maturity					
U.S. Treasury and government agencies	$ 10,363	$ 22,586	$ 1,635	$ 884	$ 35,468
Residential mortgage-backed					
Agency		9	309	41,547	41,865
Non-agency				250	250
Commercial mortgage-backed					
Agency		158	587	211	956
Non-agency		49		1,140	1,189
Asset-backed	20	1,329	2,228	1,256	4,833
Other	202	968	433	1,293	2,896
Total securities held to maturity at amortized cost	$ 10,585	$ 25,099	$ 5,192	$ 46,581	$ 87,457
Fair value	$ 10,461	$ 24,133	$ 4,989	$ 42,672	$ 82,255
Weighted-average yield, GAAP basis (a)	0.96 %	1.60 %	3.79 %	2.97 %	2.38 %

(a) Weighted-average yields are based on amortized cost with effective yields weighted for the contractual maturity of each security. Actual maturities and yields may differ as certain securities may be prepaid.

At June 30, 2024, there were no securities of a single issuer, other than FNMA and FHLMC, that exceeded 10% of total shareholders' equity. The FNMA and FHLMC investments had a total amortized cost of $ 35.9 billion and $ 31.4 billion, and fair value of $ 32.4 billion and $ 28.7 billion, respectively.

The following table presents the fair value of securities that have been either pledged to or accepted from others to collateralize outstanding borrowings:

Table 39: Fair Value of Securities Pledged and Accepted as Collateral

nillions	June 30, 2024	December 31, 2023
edged to others	$ 70,186	29,878
cepted from others:		
ermitted by contract or custom to sell or repledge	$ 681	755
ermitted amount repledged to others	$ 681	755

The securities pledged to others include positions held in our portfolio of investment securities, trading securities and securities accepted as collateral from others that we are permitted by contract or custom to sell or repledge, and were used to secure public and trust deposits, repurchase agreements and for other purposes. See Note 12 Financial Derivatives for information related to securities pledged and accepted as collateral for derivatives.

NOTE 3 LOANS AND RELATED ALLOWANCE FOR CREDIT LOSSES

Loan Portfolio

Our loan portfolio consists of two portfolio segments – Commercial and Consumer. Each of these segments comprises multiple loan classes. Classes are characterized by similarities in risk attributes and the manner in which we monitor and assess credit risk.

Commercial	Consumer
• Commercial and industrial	• Residential real estate
• Commercial real estate	• Home equity
• Equipment lease financing	• Automobile
	• Credit card
	• Education
	• Other consumer

See Note 1 Accounting Policies in our 2023 Form 10-K for additional information on our loan related policies.

Credit Quality

We closely monitor economic conditions and loan performance trends to manage and evaluate our exposure to credit risk within the loan portfolio based on our defined loan classes. In doing so, we use several credit quality indicators, including, but not limited to, trends in delinquency rates, nonperforming status, analyses of PD and LGD ratings, updated credit scores and originated and updated LTV ratios.

We manage credit risk based on the risk profile of the borrower, repayment sources, underlying collateral and other support given current events, economic conditions and expectations. We refine our practices to meet the changing environment such as inflation levels, industry specific risks, interest rate levels, the level of consumer savings and deposit balances, and structural and secular changes such as those arising from the pandemic. To mitigate losses and enhance customer support, we offer loan modifications and collection programs to assist our customers.

Table 40 presents the composition and delinquency status of our loan portfolio at June 30, 2024 and December 31, 2023. Loan delinquencies include government insured or guaranteed loans and loans accounted for under the fair value option.

Table 40: Analysis of Loan Portfolio (a) (b)

Dollars in millions	Accruing: Current or Less Than 30 Days Past Due	Accruing: 30-59 Days Past Due	Accruing: 60-89 Days Past Due	Accruing: 90 Days or More Past Due	Accruing: Total Past Due (c)	Nonperforming Loans	Fair Value Option Nonaccrual Loans (d)	Total Loans (e)(f)
June 30, 2024								
Commercial								
Commercial and industrial	$ 177,853	$ 95	$ 53	$ 86	$ 234	$ 702		$ 178,789
Commercial real estate	34,559	8	2	1	11	928		35,498
Equipment lease financing	6,514	19	6		25	16		6,555
Total commercial	218,926	122	61	87	270	1,646		220,842
Consumer								
Residential real estate	45,984	278	91	155	524 (c)	275	$ 400	47,183
Home equity	25,296	64	24		88	468	65	25,917
Automobile	14,607	92	22	6	120	93		14,820
Credit card	6,673	50	37	76	163	13		6,849
Education	1,654	27	15	36	78 (c)			1,732
Other consumer	4,049	12	9	8	29	8		4,086
Total consumer	98,263	523	198	281	1,002	857	465	100,587
Total	$ 317,189	$ 645	$ 259	$ 368	$ 1,272	$ 2,503	$ 465	$ 321,429
Percentage of total loans	98.68 %	0.20 %	0.08 %	0.11 %	0.40 %	0.78 %	0.14 %	100.00 %
December 31, 2023								
Commercial								
Commercial and industrial	$ 176,796	$ 104	$ 45	$ 76	$ 225	$ 559		$ 177,580
Commercial real estate	34,685	7		9	16	735		35,436
Equipment lease financing	6,480	41	8		49	13		6,542
Total commercial	217,961	152	53	85	290	1,307		219,558
Consumer								
Residential real estate	46,159	282	101	192	575 (c)	294	$ 516	47,544
Home equity	25,533	63	27		90	458	69	26,150
Automobile	14,638	91	20	7	118	104		14,860
Credit card	6,991	54	39	86	179	10		7,180
Education	1,850	27	19	49	95 (c)			1,945
Other consumer	4,227	16	11	10	37	7		4,271
Total consumer	99,398	533	217	344	1,094	873	585	101,950
Total	$ 317,359	$ 685	$ 270	$ 429	$ 1,384	$ 2,180	$ 585	$ 321,508
Percentage of total loans	98.71 %	0.21 %	0.08 %	0.13 %	0.43 %	0.68 %	0.18 %	100.00 %

(a) Amounts in table represent loans held for investment and do not include any associated ALLL.

(b) The accrued interest associated with our loan portfolio totaled $ 1.5 billion at both June 30, 2024 and December 31, 2023. These amounts are included in Other assets on the Consolidated Balance Sheet.

(c) Past due loan amounts include government insured or guaranteed residential real estate loans and education loans totaling $ 0.2 billion and $ 0.1 billion at June 30, 2024. Comparable amounts at December 31, 2023 were $ 0.3 billion and $ 0.1 billion, respectively.

(d) Consumer loans accounted for under the fair value option for which we do not expect to collect substantially all principal and interest are subject to nonaccrual accounting and classification upon meeting any of our nonaccrual policy criteria. Given that these loans are not accounted for at amortized cost, they have been excluded from the nonperforming loan population.

(e) Includes unearned income, unamortized deferred fees and costs on originated loans and premiums or discounts on purchased loans totaling $ 0.9 billion and $ 1.0 billion at June 30, 2024 and December 31, 2023, respectively.

(f) Collateral dependent loans totaled $ 1.6 billion and $ 1.4 billion at June 30, 2024 and December 31, 2023, respectively.

At June 30, 2024, we pledged $ 49.8 billion of commercial and other loans to the Federal Reserve Bank and $ 88.8 billion of residential real estate and other loans to the FHLB as collateral for the ability to borrow, if necessary. The comparable amounts at December 31, 2023 were $ 51.3 billion and $ 89.5 billion, respectively. Amounts pledged reflect the unpaid principal balances.

Nonperforming Assets

Nonperforming assets include nonperforming loans and leases, OREO and foreclosed assets. Nonperforming loans are those loans accounted for at amortized cost whose credit quality has deteriorated to the extent that full collection of contractual principal and interest is not probable. Interest income is not recognized on these loans. Loans accounted for under the fair value option are reported as performing loans; however, when nonaccrual criteria is met, interest income is not recognized on these loans. Additionally, certain government insured or guaranteed loans for which we expect to collect substantially all principal and interest are not reported as nonperforming loans and continue to accrue interest. See Note 1 Accounting Policies in our 2023 Form 10-K for additional information on our nonperforming loan and lease policies.

The following table presents our nonperforming assets as of June 30, 2024 and December 31, 2023:

Table 41: Nonperforming Assets

Dollars in millions	June 30, 2024	December 31, 2023
Nonperforming loans		
Commercial	$ 1,646	$ 1,307
Consumer (a)	857	873
Total nonperforming loans (b)	2,503	2,180
OREO and foreclosed assets	34	36
Total nonperforming assets	$ 2,537	$ 2,216
Nonperforming loans to total loans	0.78 %	0.68 %
Nonperforming assets to total loans, OREO and foreclosed assets	0.79 %	0.69 %
Nonperforming assets to total assets	0.46 %	0.39 %

(a) Excludes most unsecured consumer loans and lines of credit, which are charged off after 120 to 180 days past due and are not placed on nonperforming status.

(b) Nonperforming loans for which there is no related ALLL totaled $ 0.5 billion at both June 30, 2024 and December 31, 2023. This primarily includes loans with a fair value of collateral that exceeds the amortized cost basis.

Additional Credit Quality Indicators by Loan Class

Commercial Loan Classes

See Note 3 Loans and Related Allowance for Credit Losses in our 2023 Form 10-K for additional information related to these loan classes, including discussion around the credit quality indicators that we use to monitor and manage the credit risk associated with each loan class.

The following table presents credit quality indicators for our commercial loan classes:

Table 42: Commercial Credit Quality Indicators (a)

June 30, 2024 In millions	Term Loans by Origination Year 2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans Converted to Term	Total
Commercial and industrial									
Pass Rated	$ 11,419	$ 18,080	$ 19,842	$ 6,104	$ 5,190	$ 14,021	$ 92,363	$ 695	$ 167,714
Criticized	298	1,094	2,448	803	189	803	5,361	79	11,075
Total commercial and industrial loans	11,717	19,174	22,290	6,907	5,379	14,824	97,724	774	178,789
Gross charge-offs (b)	11 (c)	14	21	18	3	4	42	48	161
Commercial real estate									
Pass Rated	1,113	5,125	8,166	2,759	1,761	10,946	420		30,290
Criticized	91	190	1,632	461	477	2,286	20	51	5,208
Total commercial real estate loans	1,204	5,315	9,798	3,220	2,238	13,232	440	51	35,498
Gross charge-offs (b)		5		2	1	161			169
Equipment lease financing									
Pass Rated	746	1,392	1,281	591	580	1,590			6,180
Criticized	24	107	85	72	42	45			375
Total equipment lease financing loans	770	1,499	1,366	663	622	1,635			6,555
Gross charge-offs (b)		5	6	2	2	1			16
Total commercial loans	$ 13,691	$ 25,988	$ 33,454	$ 10,790	$ 8,239	$ 29,691	$ 98,164	$ 825	$ 220,842
Total commercial gross charge-offs	$ 11	$ 24	$ 27	$ 22	$ 6	$ 166	$ 42	$ 48	$ 346

December 31, 2023 In millions	Term Loans by Origination Year 2023	2022	2021	2020	2019	Prior	Revolving Loans	Revolving Loans Converted to Term	Total
Commercial and industrial									
Pass Rated	$ 23,019	$ 26,657	$ 7,562	$ 5,783	$ 4,110	$ 11,982	$ 88,467	$ 573	$ 168,153
Criticized	838	1,781	739	331	281	698	4,708	51	9,427
Total commercial and industrial loans	23,857	28,438	8,301	6,114	4,391	12,680	93,175	624	177,580
Gross charge-offs (b)	25 (c)	32	33	8	3	26	105	12	244
Commercial real estate									
Pass Rated	4,182	8,571	2,986	2,190	4,887	7,411	383		30,610
Criticized	155	1,300	455	490	622	1,753	51		4,826
Total commercial real estate loans	4,337	9,871	3,441	2,680	5,509	9,164	434		35,436
Gross charge-offs (b)				12	31	137			180
Equipment lease financing									
Pass Rated	1,522	1,424	689	690	452	1,378			6,155
Criticized	90	81	81	51	35	49			387
Total equipment lease financing loans	1,612	1,505	770	741	487	1,427			6,542
Gross charge-offs (b)	4	4	4	4	1	1			18
Total commercial loans	$ 29,806	$ 39,814	$ 12,512	$ 9,535	$ 10,387	$ 23,271	$ 93,609	$ 624	$ 219,558
Total commercial gross charge-offs	$ 29	$ 36	$ 37	$ 24	$ 35	$ 164	$ 105	$ 12	$ 442

(a) Loans in our commercial portfolio are classified as Pass Rated or Criticized based on the regulatory definitions, which are driven by the PD and LGD ratings that we assign. The Criticized classification includes loans that were rated special mention, substandard or doubtful as of June 30, 2024 and December 31, 2023.

(b) Gross charge-offs are presented on a year-to-date basis, as of the period end date.

(c) Includes charge-offs of deposit overdrafts.

Consumer Loan Classes

See Note 3 Loans and Related Allowance for Credit Losses in our 2023 Form 10-K for additional information related to these loan classes, including discussion around the credit quality indicators that we use to monitor and manage the credit risk associated with each loan class.

Residential Real Estate and Home Equity

The following table presents credit quality indicators for our residential real estate and home equity loan classes:

Table 43: Credit Quality Indicators for Residential Real Estate and Home Equity Loan Classes

June 30, 2024 In millions	Term Loans by Origination Year 2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans Converted to Term	Total
Residential real estate									
Current estimated LTV ratios									
Greater than 100%	$ 5	$ 39	$ 133	$ 68	$ 30	$ 33			$ 308
Greater than or equal to 80% to 100%	507	838	1,256	740	199	147			3,687
Less than 80%	976	4,054	8,374	14,236	6,315	8,554			42,509
No LTV available		41		11		3			55
Government insured or guaranteed loans		14	21	15	64	510			624
Total residential real estate loans	$ 1,488	$ 4,986	$ 9,784	$ 15,070	$ 6,608	$ 9,247			$ 47,183
Updated FICO scores									
Greater than or equal to 780	$ 813	$ 3,411	$ 7,691	$ 12,061	$ 4,889	$ 5,190			$ 34,055
720 to 779	601	1,030	1,581	2,160	1,042	1,684			8,098
660 to 719	71	286	399	594	346	827			2,523
Less than 660	2	111	84	150	110	733			1,190
No FICO score available	1	134	8	90	157	303			693
Government insured or guaranteed loans		14	21	15	64	510			624
Total residential real estate loans	$ 1,488	$ 4,986	$ 9,784	$ 15,070	$ 6,608	$ 9,247			$ 47,183
Gross charge-offs (a)						$ 2			$ 2
Home equity (b)									
Current estimated LTV ratios									
Greater than 100%				$ 2	$ 12	$ 17	$ 336	$ 356	$ 723
Greater than or equal to 80% to 100%				5	34	32	1,068	1,631	2,770
Less than 80%				149	1,773	3,106	6,733	10,663	22,424
Total home equity loans				$ 156	$ 1,819	$ 3,155	$ 8,137	$ 12,650	$ 25,917
Updated FICO scores									
Greater than or equal to 780				$ 100	$ 1,209	$ 1,930	$ 4,597	$ 6,203	$ 14,039
720 to 779				36	383	643	2,179	3,243	6,484
660 to 719				15	166	320	1,155	1,967	3,623
Less than 660				5	59	255	199	1,188	1,706
No FICO score available					2	7	7	49	65
Total home equity loans				$ 156	$ 1,819	$ 3,155	$ 8,137	$ 12,650	$ 25,917
Gross charge-offs (a)						$ 1	$ 9	$ 9	$ 19

(Continued from previous page)

December 31, 2023 In millions	Term Loans by Origination Year 2023	2022	2021	2020	2019	Prior	Revolving Loans	Revolving Loans Converted to Term	Total
Residential real estate									
Current estimated LTV ratios									
Greater than 100%	$ 15	$ 139	$ 79	$ 31	$ 10	$ 28			$ 302
Greater than or equal to 80% to 100%	1,665	1,928	955	221	69	92			4,930
Less than 80%	3,585	7,977	14,421	6,514	2,154	6,935			41,586
No LTV available	56		13			4			73
Government insured or guaranteed loans	14	20	16	66	37	500			653
Total residential real estate loans	$ 5,335	$ 10,064	$ 15,484	$ 6,832	$ 2,270	$ 7,559			$ 47,544
Updated FICO scores									
Greater than or equal to 780	$ 3,206	$ 7,797	$ 12,197	$ 5,035	$ 1,492	$ 4,004			$ 33,731
720 to 779	1,482	1,659	2,389	1,107	432	1,388			8,457
660 to 719	400	508	657	334	171	721			2,791
Less than 660	93	71	133	122	82	680			1,181
No FICO score available	140	9	92	168	56	266			731
Government insured or guaranteed loans	14	20	16	66	37	500			653
Total residential real estate loans	$ 5,335	$ 10,064	$ 15,484	$ 6,832	$ 2,270	$ 7,559			$ 47,544
Gross charge-offs (a)		$ 2	$ 1	$ 1		$ 4			$ 8
Home equity (b)									
Current estimated LTV ratios									
Greater than 100%			$ 1	$ 12	$ 6	$ 14	$ 306	$ 309	$ 648
Greater than or equal to 80% to 100%			4	40	17	22	1,116	1,743	2,942
Less than 80%			157	1,866	845	2,556	6,843	10,293	22,560
Total home equity loans			$ 162	$ 1,918	$ 868	$ 2,592	$ 8,265	$ 12,345	$ 26,150
Updated FICO scores									
Greater than or equal to 780			$ 102	$ 1,254	$ 489	$ 1,605	$ 4,604	$ 6,083	$ 14,137
720 to 779			38	423	216	488	2,222	3,225	6,612
660 to 719			17	174	110	271	1,207	1,894	3,673
Less than 660			5	65	52	220	223	1,089	1,654
No FICO score available				2	1	8	9	54	74
Total home equity loans			$ 162	$ 1,918	$ 868	$ 2,592	$ 8,265	$ 12,345	$ 26,150
Gross charge-offs (a)						$ 4	$ 7	$ 10	$ 21

(a) Gross charge-offs are presented on a year-to-date basis, as of the period end date.

(b) Beginning January 1, 2022, new originations consist of revolving Home Equity Lines of Credit.

Automobile, Credit Card, Education and Other Consumer

The following table presents credit quality indicators for our automobile, credit card, education and other consumer loan classes:

Table 44: Credit Quality Indicators for Automobile, Credit Card, Education and Other Consumer Loan Classes

June 30, 2024 In millions	Term Loans by Origination Year 2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans Converted to Term	Total
Automobile									
Updated FICO scores									
Greater than or equal to 780	$ 1,663	$ 2,086	$ 1,387	$ 1,171	$ 377	$ 259			$ 6,943
720 to 779	1,000	1,496	842	578	202	184			4,302
660 to 719	469	860	473	307	129	144			2,382
Less than 660	67	352	252	209	119	194			1,193
Total automobile loans	$ 3,199	$ 4,794	$ 2,954	$ 2,265	$ 827	$ 781			$ 14,820
Gross charge-offs (a)		$ 23	$ 13	$ 9	$ 6	$ 13			$ 64
Credit card									
Updated FICO scores									
Greater than or equal to 780							$ 1,975	$ 1	$ 1,976
720 to 779							1,885	4	1,889
660 to 719							1,857	14	1,871
Less than 660							952	53	1,005
No FICO score available or required (b)							105	3	108
Total credit card loans							$ 6,774	$ 75	$ 6,849
Gross charge-offs (a)							$ 164	$ 18	$ 182
Education									
Updated FICO scores									
Greater than or equal to 780	$ 7	$ 65	$ 87	$ 42	$ 37	$ 347			$ 585
720 to 779	7	41	41	22	16	131			258
660 to 719	4	14	15	7	5	55			100
Less than 660	1	3	3	1	1	22			31
No FICO score available or required (b)	3	6	4	3	1	1			18
Total loans using FICO credit metric	22	129	150	75	60	556			992
Other internal credit metrics						740			740
Total education loans	$ 22	$ 129	$ 150	$ 75	$ 60	$ 1,296			$ 1,732
Gross charge-offs (a)			$ 1		$ 1	$ 7			$ 9
Other consumer									
Updated FICO scores									
Greater than or equal to 780	$ 123	$ 190	$ 90	$ 30	$ 11	$ 12	$ 37	$ 1	$ 494
720 to 779	156	205	109	36	14	13	75	1	609
660 to 719	101	114	104	37	16	14	82	1	469
Less than 660	2	30	45	22	11	10	41	1	162
Total loans using FICO credit metric	382	539	348	125	52	49	235	4	1,734
Other internal credit metrics	7	10	95	18	13	94	2,105	10	2,352
Total other consumer loans	$ 389	$ 549	$ 443	$ 143	$ 65	$ 143	$ 2,340	$ 14	$ 4,086
Gross charge-offs (a)	$ 34 (c)	$ 12	$ 13	$ 8	$ 4	$ 6	$ 6		$ 83

(Continued from previous page)

December 31, 2023 In millions	Term Loans by Origination Year 2023	2022	2021	2020	2019	Prior	Revolving Loans	Revolving Loans Converted to Term	Total
Automobile									
Updated FICO Scores									
Greater than or equal to 780	$ 2,722	$ 1,650	$ 1,483	$ 535	$ 368	$ 88			$ 6,846
720 to 779	1,797	1,104	778	301	250	80			4,310
660 to 719	1,014	604	408	186	186	70			2,468
Less than 660	264	272	243	152	200	105			1,236
Total automobile loans	$ 5,797	$ 3,630	$ 2,912	$ 1,174	$ 1,004	$ 343			$ 14,860
Gross charge-offs (a)	$ 8	$ 24	$ 22	$ 17	$ 30	$ 20			$ 121
Credit card									
Updated FICO scores									
Greater than or equal to 780							$ 2,017	$ 1	$ 2,018
720 to 779							1,976	4	1,980
660 to 719							1,979	13	1,992
Less than 660							1,036	48	1,084
No FICO score available or required (b)							103	3	106
Total credit card loans							$ 7,111	$ 69	$ 7,180
Gross charge-offs (a)							$ 290	$ 29	$ 319
Education									
Updated FICO scores									
Greater than or equal to 780	$ 35	$ 88	$ 45	$ 40	$ 51	$ 331			$ 590
720 to 779	32	47	24	19	24	131			277
660 to 719	20	17	8	6	8	54			113
Less than 660	4	3	2	1	2	21			33
No FICO score available or required (b)	15	5	4	2		1			27
Total loans using FICO credit metric	106	160	83	68	85	538			1,040
Other internal credit metrics						905			905
Total education loans	$ 106	$ 160	$ 83	$ 68	$ 85	$ 1,443			$ 1,945
Gross charge-offs (a)			$ 1	$ 1	$ 2	$ 13			$ 17
Other consumer									
Updated FICO scores									
Greater than or equal to 780	$ 241	$ 127	$ 47	$ 21	$ 14	$ 11	$ 39	$ 1	$ 501
720 to 779	286	157	54	26	17	11	80	1	632
660 to 719	147	140	57	27	21	11	87	2	492
Less than 660	19	52	31	17	14	8	43	1	185
Total loans using FICO credit metric	693	476	189	91	66	41	249	5	1,810
Other internal credit metrics	19	97	33	48	71	34	2,149	10	2,461
Total other consumer loans	$ 712	$ 573	$ 222	$ 139	$ 137	$ 75	$ 2,398	$ 15	$ 4,271
Gross charge-offs (a)	$ 75 (c)	$ 23	$ 18	$ 14	$ 14	$ 8	$ 11	$ 1	$ 164

(a) Gross charge-offs are presented on a year-to-date basis, as of the period end date.

(b) Loans where FICO scores are not available or required generally refers to new accounts issued to borrowers with limited credit history, accounts for which we cannot obtain an updated FICO score (*e.g.*, recent profile changes), cards issued with a business name and/or cards secured by collateral. Management proactively assesses the risk and size of this loan category and, when necessary, takes actions to mitigate the credit risk.

(c) Includes charge-offs of deposit overdrafts.

Loan Modifications to Borrowers Experiencing Financial Difficulty

Loan modifications to borrowers experiencing financial difficulty (FDMs) result from our loss mitigation activities and include principal forgiveness, interest rate reductions, term extensions, payment delays, repayment plans or combinations thereof. See Note 1 Accounting Policies in our 2023 Form 10-K for additional information on FDMs.

The following table presents the amortized cost basis, as of the period end date, of FDMs granted during the three and six months ended June 30, 2024 and 2023:

Table 45: Loan Modifications Granted to Borrowers Experiencing Financial Difficulty (a) (b)

Three months ended June 30, 2024 Dollars in millions	Interest Rate Reduction	Term Extension	Payment Delay	Repayment Plan	Payment Delay and Term Extension	Interest Rate Reduction and Term Extension	Other (c)	Total	% of Loan Class
Commercial									
Commercial and industrial	$ 18	$ 372	$ 94		$ 65	$ 102	$ 67	$ 718	0.40 %
Commercial real estate		454			84			538	1.52 %
Total commercial	18	826	94		149	102	67	1,256	0.57 %
Consumer									
Residential real estate			30			1	5	36	0.08 %
Home equity			5	$ 1			6	12	0.05 %
Credit card				21				21	0.31 %
Education		1						1	0.06 %
Total consumer		1	35	22		1	11	70	0.07 %
Total	$ 18	$ 827	$ 129	$ 22	$ 149	$ 103	$ 78	$ 1,326	0.41 %
Three months ended June 30, 2023 Dollars in millions									
Commercial									
Commercial and industrial		$ 366	$ 59				$ 87	$ 512	0.29 %
Commercial real estate		228					60	288	0.80 %
Total commercial		594	59				147	800	0.36 %
Consumer									
Residential real estate	$ 1		35			$ 1	2	39	0.08 %
Home equity			3	$ 2			5	10	0.04 %
Credit card				18				18	0.25 %
Education		1						1	0.05 %
Other consumer				1				1	0.02 %
Total consumer	1	1	38	21		1	7	69	0.07 %
Total	$ 1	$ 595	$ 97	$ 21		$ 1	$ 154	$ 869	0.27 %

Six months ended June 30, 2024 Dollars in millions	Principal Forgiveness	Interest Rate Reduction	Term Extension	Payment Delay	Repayment Plan	Payment Delay and Term Extension	Interest Rate Reduction and Term Extension	Interest Rate Reduction and Payment Delay	Other (c)	Total	% of Loan Class
Commercial											
Commercial and industrial		$ 18	$ 720	$ 83		$ 109	$ 112	$ 15	$ 97	$ 1,154	0.65 %
Commercial real estate			779	25		148				952	2.68 %
Total commercial		18	1,499	108		257	112	15	97	2,106	0.95 %
Consumer											
Residential real estate				55			1		8	64	0.14 %
Home equity				8	$ 2				10	20	0.08 %
Credit card					39					39	0.57 %
Education			3							3	0.17 %
Other consumer					1					1	0.02 %
Total consumer			3	63	42		1		18	127	0.13 %
Total		$ 18	$ 1,502	$ 171	$ 42	$ 257	$ 113	$ 15	$ 115	$ 2,233	0.69 %
Six months ended June 30, 2023 Dollars in millions											
Commercial											
Commercial and industrial	$ 1		$ 432	$ 72					$ 91	$ 596	0.34 %
Commercial real estate			493						60	553	1.54 %
Total commercial	1		925	72					151	1,149	0.52 %
Consumer											
Residential real estate		$ 1		72			$ 2		3	78	0.17 %
Home equity				4	$ 5				6	15	0.06 %
Credit card					30					30	0.42 %
Education			2							2	0.10 %
Other consumer					1					1	0.02 %
Total consumer		1	2	76	36		2		9	126	0.12 %
Total	$ 1	$ 1	$ 927	$ 148	$ 36		$ 2		$ 160	$ 1,275	0.40 %

(a) The unfunded lending related commitments on FDMs granted during the six months ended June 30, 2024 and 2023 were $ 0.3 billion and $ 0.1 billion, respectively.

(b) Excludes the amortized cost basis of modified loans that were paid off, charged off or otherwise liquidated as of the period end date.

(c) Represents all other modifications, and includes trial modifications and loans where we have received notification that a borrower has filed for Chapter 7 bankruptcy relief, but specific instructions as to the terms of the relief have not been formally ruled upon by the court.

Table 46 presents the weighted average financial effect of FDMs granted during the three and six months ended June 30, 2024 and 2023.

Table 46: Financial Effect of FDMs (a)

Three months ended June 30, 2024 Dollars in millions	Amortized cost basis (b)	Financial Effect
Term Extension		
Commercial and industrial	$ 539	Extended contractual term by 15 months.
Commercial real estate	$ 538	Extended contractual term by 14 months.
Residential real estate	$ 1	Extended contractual term by 105 months.
Education	$ 1	Extended contractual term by 16 months.
Interest Rate Reduction		
Commercial and industrial	$ 120	Reduced contractual interest rate by 1.12 %.
Residential real estate	$ 1	Reduced contractual interest rate by 1.30 %.
Payment Delay		
Commercial and industrial	$ 159	Provided 5 months of payment deferral.
Commercial real estate	$ 84	Provided 23 months of payment deferral.
Residential real estate	$ 30	Provided 10 months of payment deferral.
Home equity	$ 5	Provided 5 months of payment deferral.

Three months ended June 30, 2023 Dollars in millions	Amortized cost basis (b)	Financial Effect
Term Extension		
Commercial and industrial	$ 366	Extended contractual term by 9 months.
Commercial real estate	$ 228	Extended contractual term by 20 months.
Residential real estate	$ 1	Extended contractual term by 123 months.
Education	$ 1	Extended contractual term by 19 months.
Interest Rate Reduction		
Residential real estate	$ 2	Reduced contractual interest rate by 1.17 %.
Payment Delay		
Commercial and industrial	$ 59	Provided 10 months of payment deferral.
Residential real estate	$ 35	Provided 8 months of payment deferral.
Home equity	$ 3	Provided 3 months of payment deferral.

Six months ended June 30, 2024 Dollars in millions	Amortized cost basis (b)		Financial Effect
Term Extension			
Commercial and industrial	$ 941		Extended contractual term by 14 months.
Commercial real estate	$ 927		Extended contractual term by 14 months.
Residential real estate	$ 1		Extended contractual term by 98 months.
Education	$ 3		Extended contractual term by 12 months.
Interest Rate Reduction			
Commercial and industrial	$ 145		Reduced contractual interest rate by 1.64 %.
Residential real estate	$ 1		Reduced contractual interest rate by 1.15 %.
Payment Delay			
Commercial and industrial	$ 207		Provided 7 months of payment deferral.
Commercial real estate	$ 173		Provided 9 months of payment deferral.
Residential real estate	$ 55		Provided 9 months of payment deferral.
Home equity	$ 8		Provided 4 months of payment deferral.

Six months ended June 30, 2023 Dollars in millions	Amortized cost basis (b)		Financial Effect
Principal Forgiveness			
Commercial and industrial	$ 1	(c)	Forgave $ 2 million of principal balances.
Term Extension			
Commercial and industrial	$ 432		Extended contractual term by 10 months.
Commercial real estate	$ 493		Extended contractual term by 17 months.
Residential real estate	$ 2		Extended contractual term by 111 months.
Education	$ 2		Extended contractual term by 17 months.
Interest Rate Reduction			
Residential real estate	$ 3		Reduced contractual interest rate by 1.34 %.
Payment Delay			
Commercial and industrial	$ 72		Provided 6 months of payment deferral.
Residential real estate	$ 72		Provided 8 months of payment deferral.
Home equity	$ 4		Provided 4 months of payment deferral.

(a) Excludes the financial effects of modifications for loans that were paid off, charged off or otherwise liquidated as of the period end date.

(b) The amortized cost basis presented in Table 46 includes combination modification categories in addition to the standalone modification categories presented in Table 45. Primarily due to this reason, the amortized cost basis presented in Table 46 may not agree to the amortized cost basis presented alongside the standalone modification categories in Table 45. Amortized cost basis is as of the period end date.

(c) Amounts are recorded as charge-offs.

Repayment plans are excluded from Table 46. The terms of these programs, which are offered for certain consumer products, are as follows:

- Credit card and unsecured lines of credit
  - Short-term programs are granted for periods of 6 and 12 months. These programs are structurally similar such that the interest rate is reduced to a standard rate of 4.99 % and the minimum payment percentage is adjusted to 1.90 % of the outstanding balance. At the end of the 6 or 12 months, the borrower is returned to the original contractual interest rate and minimum payment amount specified in the original lending agreement.
  - Fully-amortized repayment plans are also granted, the most common of which being a 60 month program. In this program, we convert the borrower's drawn and unpaid balances into a fully-amortized repayment plan consisting of an interest rate of 4.99 % and an adjusted minimum payment percentage of 1.90 % of the outstanding balance. This fully-amortized program is designed in a manner that allows the drawn and unpaid amounts to be recaptured at the end of the 60 months.
- Home equity loans and lines of credit
  - Fixed payment plan programs establish a modified monthly payment that is informed by the borrower's financial situation and the current market environment at the time of modification, among other factors. As such, we may change the borrower's interest rate, modify the term of the loan, and/or defer payment to arrive at the modified monthly payment. Each of the aforementioned terms may increase or decrease, and may vary from loan to loan, based on the individual loan and borrower characteristics.

After we modify a loan, we continue to track its performance under its most recent modified terms. The following table presents the performance, as of the period end date, of FDMs granted during the twelve months preceding June 30, 2024.

Table 47: Payment Performance of FDMs Modified in the Last 12 Months (a) (b)

Twelve months ended June 30, 2024 Dollars in millions	Current or Less Than 30 Days Past Due	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due	Nonperforming Loans	Total
Commercial						
Commercial and industrial	$ 1,318	$ 1	$ 8		$ 235	$ 1,562
Commercial real estate	978				433	1,411
Total commercial	2,296	1	8		668	2,973
Consumer						
Residential real estate	9	1		$ 1	86	97
Home equity	3				29	32
Credit card	45	4	4	7	1	61
Education	6					6
Other consumer	1				1	2
Total consumer	64	5	4	8	117	198
Total	$ 2,360	$ 6	$ 12	$ 8	$ 785	$ 3,171

(a) Represents amortized cost basis.

(b) Loans in our Payment Delay category are reported as past due in accordance with their contractual terms. Once contractually modified, these loans are reported as past due in accordance with their restructured terms.

The following table presents the performance as of June 30, 2023 for FDMs granted since January 1, 2023:

Table 48: Payment Performance of FDMs (a) (b)

Six months ended June 30, 2023 Dollars in millions	Current or Less Than 30 Days Past Due	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due	Nonperforming Loans	Total
Commercial						
Commercial and industrial	$ 494		$ 4	$ 1	$ 97	$ 596
Commercial real estate	520				33	553
Total commercial	1,014		4	1	130	1,149
Consumer						
Residential real estate	1				77	78
Home equity					15	15
Credit card	20	$ 3	3	4		30
Education	2					2
Other consumer					1	1
Total consumer	23	3	3	4	93	126
Total	$ 1,037	$ 3	$ 7	$ 5	$ 223	$ 1,275

(a) Represents amortized cost basis.

(b) Loans in our Payment Delay category are reported as past due in accordance with their contractual terms. Once contractually modified, these loans are reported as past due in accordance with their restructured terms.

We generally consider FDMs to have subsequently defaulted when they become 60 days past due after the most recent date the loan was modified. The following table presents loans that were both (i) classified as FDMs, and (ii) subsequently defaulted during the period.

Table 49: Subsequently Defaulted FDMs (a)

Three months ended June 30, 2024 Dollars in millions	Term Extension	Payment Delay	Repayment Plan	Payment Delay/Term Extension	All Other Modifications (b)	Total
Commercial						
Commercial and industrial	$ 14	$ 1				$ 15
Commercial real estate		32		$ 37		69
Total commercial	14	33		37		84
Consumer						
Residential real estate		6			$ 1	7
Home equity		1			3	4
Credit card			$ 7			7
Total consumer		7	7		4	18
Total	$ 14	$ 40	$ 7	$ 37	$ 4	$ 102

Six months ended June 30, 2024 Dollars in millions	Term Extension	Payment Delay	Repayment Plan	Payment Delay/Term Extension	All Other Modifications (b)	Total
Commercial						
Commercial and industrial	$ 26	$ 9				$ 35
Commercial real estate	1	33		$ 37		71
Total commercial	27	42		37		106
Consumer						
Residential real estate		19			$ 2	21
Home equity		1	$ 1		5	7
Credit card			16			16
Total consumer		20	17		7	44
Total	$ 27	$ 62	$ 17	$ 37	$ 7	$ 150

(a) Represents amortized cost basis.

(b) Includes the following modification categories: interest rate reduction, combinations of interest rate reduction/payment delay and interest rate reduction/term extension and other.

Subsequently defaulted loans during the three and six months ended June 30, 2023 were $ 46 million and $ 48 million, respectively.

Allowance for Credit Losses

We maintain the ACL related to loans at levels that we believe to be appropriate to absorb expected credit losses in the portfolios as of the balance sheet date. See Note 1 Accounting Policies in our 2023 Form 10-K for a discussion of the methodologies used to determine this allowance. A rollforward of the ACL related to loans follows:

Table 50: Rollforward of Allowance for Credit Losses

	Three months ended June 30						Six months ended June 30					
	2024			2023			2024			2023		
In millions	Commercial	Consumer	Total	Commercial	Consumer	Total	Commercial	Consumer	Total	Commercial	Consumer	Total
Allowance for loan and lease losses												
Beginning balance	$ 3,217	$ 1,476	$ 4,693	$ 3,046	$ 1,695	$ 4,741	$ 3,259	$ 1,532	$ 4,791	$ 3,114	$ 1,627	$ 4,741
Adoption of ASU 2022-02 (a)											(35)	(35)
Beginning balance, adjusted	3,217	1,476	4,693	3,046	1,695	4,741	3,259	1,532	4,791	3,114	1,592	4,706
Charge-offs	(198)	(177)	(375)	(135)	(158)	(293)	(346)	(359)	(705)	(255)	(320)	(575)
Recoveries	52	61	113	36	63	99	75	125	200	61	125	186
Net (charge-offs)	(146)	(116)	(262)	(99)	(95)	(194)	(271)	(234)	(505)	(194)	(195)	(389)
Provision for (recapture of) credit losses	172	32	204	195	(6)	189	257	94	351	220	198	418
Other		1	1		1	1	(2)	1	(1)	2		2
Ending balance	$ 3,243	$ 1,393	$ 4,636	$ 3,142	$ 1,595	$ 4,737	$ 3,243	$ 1,393	$ 4,636	$ 3,142	$ 1,595	$ 4,737
Allowance for unfunded lending related commitments (b)												
Beginning balance	$ 528	$ 144	$ 672	$ 560	$ 112	$ 672	$ 545	$ 118	$ 663	$ 613	$ 81	$ 694
Provision for (recapture of) credit losses	53	(8)	45	(5)	(4)	(9)	36	18	54	(58)	27	(31)
Ending balance	$ 581	$ 136	$ 717	$ 555	$ 108	$ 663	$ 581	$ 136	$ 717	$ 555	$ 108	$ 663
Allowance for credit losses at June 30 (c)	$ 3,824	$ 1,529	$ 5,353	$ 3,697	$ 1,703	$ 5,400	$ 3,824	$ 1,529	$ 5,353	$ 3,697	$ 1,703	$ 5,400

(a) Represents the impact of adopting ASU 2022-02 *Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures* on January 1, 2023. As a result of adoption, we eliminated the accounting guidance for TDRs, including the use of a discounted cash flow approach to measure the allowance for TDRs.

(b) See Note 8 Commitments for additional information about the underlying commitments related to this allowance.

(c) Represents the ALLL plus allowance for unfunded lending related commitments and excludes allowances for investment securities and other financial assets, which together totaled $ 112 million and $ 171 million at June 30, 2024 and 2023, respectively.

The ACL related to loans totaled $ 5.4 billion at June 30, 2024 and $ 5.5 billion at December 31, 2023. The reserve change was driven by improved macroeconomic factors as well as portfolio activity.

Note 4 Loan Sale and Servicing Activities and Variable Interest Entities

Loan Sale and Servicing Activities

As more fully described in Note 4 Loan Sale and Servicing Activities and Variable Interest Entities in our 2023 Form 10-K, we have transferred residential and commercial mortgage loans in securitization or sales transactions in which we have continuing involvement. Our continuing involvement in the FNMA, FHLMC and GNMA securitizations, Non-agency securitizations and loan sale transactions generally consists of servicing, repurchasing previously transferred loans under certain conditions and loss share arrangements, and, in limited circumstances, holding of mortgage-backed securities issued by the securitization SPEs.

We earn servicing and other ancillary fees for our role as servicer and, depending on the contractual terms of the servicing arrangement, we can be terminated as servicer with or without cause. At the consummation date of each type of loan transfer where we retain the servicing, we recognize a servicing right at fair value. See Note 8 Commitments and Note 11 Fair Value for information on our servicing rights, including the carrying value of servicing assets.

The following table provides our loan sale and servicing activities:

Table 51: Loan Sale and Servicing Activities

In millions	Residential Mortgages	Commercial Mortgages (a)
Cash Flows - Three months ended June 30, 2024		
Sales of loans and related securitization activity (b)	$ 703	$ 344
Repurchases of previously transferred loans (c)	$ 18	
Servicing fees (d)	$ 138	$ 52
Servicing advances recovered/(funded), net	$ 17	$ (41)
Cash flows on mortgage-backed securities held (e)	$ 978	$ 27
Cash Flows - Three months ended June 30, 2023		
Sales of loans and related securitization activity (b)	$ 655	$ 1,202
Repurchases of previously transferred loans (c)	$ 22	
Servicing fees (d)	$ 127	$ 49
Servicing advances recovered/(funded), net	$ 11	$ (15)
Cash flows on mortgage-backed securities held (e)	$ 695	$ 18
Cash Flows - Six months ended June 30, 2024		
Sales of loans and related securitization activity (b)	$ 1,228	$ 667
Repurchases of previously transferred loans (c)	$ 41	$ 9
Servicing fees (d)	$ 277	$ 99
Servicing advances recovered/(funded), net	$ 40	$ (17)
Cash flows on mortgage-backed securities held (e)	$ 1,820	$ 101
Cash Flows - Six months ended June 30, 2023		
Sales of loans and related securitization activity (b)	$ 1,171	$ 2,156
Repurchases of previously transferred loans (c)	$ 51	$ 9
Servicing fees (d)	$ 255	$ 95
Servicing advances recovered/(funded), net	$ 39	$ (64)
Cash flows on mortgage-backed securities held (e)	$ 1,298	$ 30

(a) Represents both commercial mortgage loan transfer and servicing activities.
(b) Gains/losses recognized on sales of loans were insignificant for the periods presented.
(c) Includes both residential and commercial mortgage government insured or guaranteed loans eligible for repurchase through the exercise of our ROAP option, as well as residential mortgage loans repurchased due to alleged breaches of origination covenants or representations and warranties made to purchasers.
(d) Includes contractually specified servicing fees, late charges and ancillary fees.
(e) Represents cash flows on securities where we transferred to and/or service loans for a securitization SPE and we hold securities issued by that SPE. The carrying values of such securities held were $ 18.9 billion, $ 20.4 billion and $ 21.2 billion in residential mortgage-backed securities at June 30, 2024, December 31, 2023 and June 30, 2023, respectively. The carrying values of commercial mortgage-backed securities were $ 0.7 billion at each June 30, 2024, December 31, 2023 and June 30, 2023.

Table 52 presents information about the principal balances of transferred loans that we service and are not recorded on our Consolidated Balance Sheet. We would only experience a loss on these transferred loans if we were required to repurchase a loan, where the repurchase price exceeded the loan's fair value, due to a breach in representations and warranties or a loss sharing arrangement associated with our continuing involvement with these loans. The estimate of losses related to breaches in representations and warranties was insignificant at June 30, 2024 and December 31, 2023.

Table 52: Principal Balance, Delinquent Loans and Net Charge-offs Related to Serviced Loans For Others

In millions	Residential Mortgages	Commercial Mortgages (a)
June 30, 2024		
Total principal balance	$ 38,132	$ 55,099
Delinquent loans (b)	$ 281	$ 107
December 31, 2023		
Total principal balance	$ 39,016	$ 57,492
Delinquent loans (b)	$ 329	$ 89
Six months ended June 30, 2024 (c)		
Net charge-offs (d)	$ 1	$ 61
Six months ended June 30, 2023 (c)		
Net charge-offs (d)	$ 2	$ 4

(a) Represents information at the securitization level in which we have sold loans and we are the servicer for the securitization.
(b) Serviced delinquent loans are 90 days or more past due or are in process of foreclosure.
(c) There were no net charge-offs for Residential or Commercial mortgages for the three months ended June 30, 2024 and June 30, 2023.

(d) Net charge-offs for Residential mortgages represent credit losses less recoveries distributed and as reported to investors during the period. Net charge-offs for commercial mortgages represent credit losses less recoveries distributed and as reported by the trustee for commercial mortgage-backed securitizations. Realized losses for Agency securitizations are not reflected as we do not manage the underlying real estate upon foreclosure and, as such, do not have access to loss information.

Variable Interest Entities (VIEs)

As discussed in Note 4 Loan Sale and Servicing Activities and Variable Interest Entities included in our 2023 Form 10-K, we are involved with various entities in the normal course of business that are deemed to be VIEs.

The following table provides a summary of non-consolidated VIEs with which we have significant continuing involvement but are not the primary beneficiary. We have excluded certain transactions with non-consolidated VIEs from the balances presented in Table 53 where we have determined that our continuing involvement is insignificant. We do not consider our continuing involvement to be significant when it relates to a VIE where we only invest in securities issued by the VIE and were not involved in the design of the VIE or where no transfers have occurred between us and the VIE. In addition, where we only have lending arrangements in the normal course of business with entities that could be VIEs, we have excluded these transactions with non-consolidated entities from the balances presented in Table 53. These loans are included as part of the credit quality disclosures that we make in Note 3 Loans and Related Allowance for Credit Losses.

Table 53: Non-Consolidated VIEs

In millions	PNC Risk of Loss (a)	Carrying Value of Assets	Carrying Value of Liabilities
June 30, 2024			
Mortgage-backed securitizations (b)	$ 20,081	$ 20,085 (c)	
Tax credit investments and other	5,037	4,926 (d) (e)	$ 2,072 (f) (g)
Total	$ 25,118	$ 25,011	$ 2,072
December 31, 2023			
Mortgage-backed securitizations (b)	$ 21,451	$ 21,453 (c)	
Tax credit investments and other	4,709	4,631 (d) (e)	$ 2,119 (f) (g)
Total	$ 26,160	$ 26,084	$ 2,119

(a) Represents loans, investments and other assets related to non-consolidated VIEs, net of collateral (if applicable). The risk of loss excludes any potential tax recapture associated with tax credit investments.

(b) Amounts reflect involvement with securitization SPEs where we transferred to and/or service loans for an SPE and we hold securities issued by that SPE. Values disclosed in the PNC Risk of Loss column represent our maximum exposure to loss for those securities' holdings.

(c) Included in Investment securities, Mortgage servicing rights and Other assets on our Consolidated Balance Sheet.

(d) Included in Investment securities, Loans, Equity investments and Other assets on our Consolidated Balance Sheet.

(e) Amount includes $ 3.3 billion of LIHTCs and $ 0.2 billion of NMTCs at June 30, 2024, which are included in Equity investments on our Consolidated Balance Sheet. Comparable amounts at December 31, 2023 were $ 3.0 billion and $ 0.2 billion, respectively.

(f) Included in Deposits and Other liabilities on our Consolidated Balance Sheet.

(g) Amount includes $ 1.8 billion of LIHTCs and less than $ 0.1 billion of NMTCs at June 30, 2024, which are included in Other liabilities on our Consolidated Balance Sheet. Comparable amounts at December 31, 2023 were $ 1.6 billion and $ 0.2 billion, respectively.

We make certain equity investments in various tax credit limited partnerships or LLCs. The purpose of these investments is to achieve a satisfactory return on capital and to assist us in achieving goals associated with the Community Reinvestment Act. Within Income taxes, during the six months ended June 30, 2024, we recognized $ 0.2 billion of amortization, $ 0.2 billion of tax credits and less than $ 0.1 billion of other tax benefits associated with qualified investments in LIHTCs and NMTCs. During the six months ended June 30, 2023, we recognized $ 0.2 billion of amortization, $ 0.2 billion of tax credits and less than $ 0.1 billion of other tax benefits associated with qualified investments in LIHTCs.

NOTE 5 GOODWILL AND MORTGAGE SERVICING RIGHTS

Goodwill

See Note 5 Goodwill and Mortgage Servicing Rights in our 2023 Form 10-K for more information regarding our goodwill.

Mortgage Servicing Rights

We recognize the right to service mortgage loans for others as an intangible asset when the benefits of servicing are expected to be more than adequate compensation to a servicer for performing the servicing. MSRs are recognized either when purchased or when originated loans are sold with servicing retained. MSRs totaled $ 3.7 billion at both June 30, 2024 and December 31, 2023, and consisted of loan servicing contracts for commercial and residential mortgages which are measured at fair value.

We recognize gains (losses) on changes in the fair value of MSRs. MSRs are subject to changes in value from actual or expected prepayment of the underlying loans and defaults, as well as market driven changes in interest rates. We manage this risk by economically hedging the fair value of MSRs with securities, derivative instruments and resale agreements, which are expected to increase (or decrease) in value when the value of MSRs decreases (or increases).

See the Sensitivity Analysis section of this Note 5 for more detail on our fair value measurement of MSRs. See Note 5 Goodwill and Mortgage Servicing Rights and Note 14 Fair Value in our 2023 Form 10-K for more detail on our fair value measurement and our accounting of MSRs.

Changes in the commercial and residential MSRs follow:

Table 54: Mortgage Servicing Rights

	Commercial MSRs		Residential MSRs	
In millions	2024	2023	2024	2023
January 1	$ 1,032	$ 1,113	$ 2,654	$ 2,310
Additions:				
From loans sold with servicing retained	11	32	12	10
Purchases	24	17	29	109
Changes in fair value due to:				
Time and payoffs (a)	(157)	(164)	(126)	(113)
Other (b)	172	108	88	33
June 30	$ 1,082	$ 1,106	$ 2,657	$ 2,349
Related unpaid principal balance of loans serviced at June 30	$ 288,746	$ 280,023	$ 203,543	$ 191,274
Servicing advances at June 30	$ 578	$ 485	$ 132	$ 126

(a) Represents decrease in MSR value due to passage of time, including the impact from regularly scheduled loan principal payments, prepayments and loans that were paid off during the period.

(b) Includes MSR value changes resulting from changes in interest rates and other market-driven conditions.

Sensitivity Analysis

The fair value of commercial and residential MSRs and significant inputs to the valuation models as of June 30, 2024 and December 31, 2023 are shown in Tables 55 and 56. The expected and actual rates of mortgage loan prepayments are significant factors driving the fair value. Management uses both internal proprietary models and a third-party model to estimate future commercial mortgage loan prepayments and a third-party model to estimate future residential mortgage loan prepayments. These models have been refined based on current market conditions and management judgment. Future interest rates are another important factor in the valuation of MSRs. Management utilizes market implied forward interest rates to estimate the future direction of mortgage and discount rates. The forward rates utilized are derived from the current yield curve for U.S. dollar interest rate swaps and are consistent with pricing of capital markets instruments. Changes in the shape and slope of the forward curve in future periods may result in volatility in the fair value estimate.

A sensitivity analysis of the hypothetical effect on the fair value of MSRs to adverse changes in key assumptions is presented in Tables 55 and 56. These sensitivities do not include the impact of the related hedging activities. Changes in fair value generally cannot be extrapolated because the relationship of the change in the assumption to the change in fair value may not be linear. Also, the effect of a variation in a particular assumption on the fair value of the MSRs is calculated independently without changing any other assumption. Changes in one factor may result in changes in another (*e.g.*, changes in mortgage interest rates, which drive changes in prepayment rate estimates, could result in changes in the interest rate spread), which could either magnify or counteract the sensitivities.

The following tables set forth the fair value of commercial and residential MSRs and the sensitivity analysis of the hypothetical effect on the fair value of MSRs to immediate adverse changes of 10% and 20% in those assumptions:

Table 55: Commercial Mortgage Servicing Rights – Key Valuation Assumptions

Dollars in millions	June 30, 2024	December 31, 2023
Fair value	$ 1,082	$ 1,032
Weighted-average life (years)	3.9	3.9
Weighted-average constant prepayment rate	5.30 %	5.51 %
Decline in fair value from 10% adverse change	$ 9	$ 9
Decline in fair value from 20% adverse change	$ 16	$ 17
Effective discount rate	9.98 %	9.64 %
Decline in fair value from 10% adverse change	$ 32	$ 31
Decline in fair value from 20% adverse change	$ 64	$ 61

Table 56: Residential Mortgage Servicing Rights – Key Valuation Assumptions

Dollars in millions	June 30, 2024	December 31, 2023
Fair value	$ 2,657	$ 2,654
Weighted-average life (years)	8.1	8.1
Weighted-average constant prepayment rate	6.25 %	6.42 %
Decline in fair value from 10% adverse change	$ 57	$ 60
Decline in fair value from 20% adverse change	$ 110	$ 117
Weighted-average option adjusted spread	764 bps	765 bps
Decline in fair value from 10% adverse change	$ 82	$ 83
Decline in fair value from 20% adverse change	$ 160	$ 161

Fees from mortgage loan servicing, which include contractually specified servicing fees, late fees and ancillary fees were $ 0.2 billion for both the three months ended June 30, 2024 and 2023, and $ 0.4 billion for both the six months ended June 30, 2024 and 2023. We also generate servicing fees from activities provided to others for which we do not have an associated servicing asset. Fees from commercial and residential MSRs are reported within Noninterest income on our Consolidated Income Statement in Residential and commercial mortgage.

NOTE 6 LEASES

PNC's lessor arrangements primarily consist of direct financing, sales-type and operating leases for equipment. Lease agreements may include options to renew and for the lessee to purchase the leased equipment at the end of the lease term. For more information on lease accounting, see Note 1 Accounting Policies and Note 6 Leases in our 2023 Form 10-K.

Table 57: Lessor Income

	Three months ended June 30		Six months ended June 30	
In millions	2024	2023	2024	2023
Sales-type and direct financing leases (a)	$ 88	$ 73	$ 172	$ 143
Operating leases (b)	5	15	11	31
Lease income	$ 93	$ 88	$ 183	$ 174

(a) Included in Loans interest income on the Consolidated Income Statement.

(b) Included in Lending and deposit services on the Consolidated Income Statement.

NOTE 7 BORROWED FUNDS

The following table shows the carrying value of total borrowed funds at June 30, 2024 (including adjustments related to accounting hedges, purchase accounting and unamortized original issuance discounts) by remaining contractual maturity:

Table 58: Borrowed Funds

In millions	
Less than 1 year	$ 28,984
1 to 2 years	13,638
2 to 3 years	4,566
3 to 4 years	4,065
4 to 5 years	6,015
Over 5 years	14,123
Total	$ 71,391

The following table presents the contractual rates and maturity dates of our FHLB borrowings, senior debt and subordinated debt as of June 30, 2024, and the carrying values as of June 30, 2024 and December 31, 2023.

Table 59: FHLB Borrowings, Senior Debt and Subordinated Debt

	Stated Rate	Maturity	Carrying Value	
Dollars in millions	June 30, 2024	June 30, 2024	June 30, 2024	December 31, 2023
Parent Company				
Senior debt	1.15 % - 6.88 %	2024-2035	$ 24,979	$ 22,221
Subordinated debt	4.63 %	2033	778	1,544
Junior subordinated debt	6.18 %	2028	206	206
Total Parent Company			25,963	23,971
Bank				
Federal Home Loan Bank borrowings (a)	5.53 % - 5.93 %	2024-2026	35,000	38,000
Senior debt	2.50 % - 6.07 %	2024-2043	4,622	4,615
Subordinated debt	2.70 % - 5.90 %	2025-2029	3,094	3,125
Total Bank			42,716	45,740
Total			$ 68,679	$ 69,711

(a) FHLB borrowings are generally collateralized by residential mortgage loans, other mortgage-related loans and investment securities.

In Table 59, the carrying values for parent company senior and subordinated debt include basis adjustments of $(766) million and $(68) million, respectively, whereas Bank senior and subordinated debt include basis adjustments of $(151) million and $(187) million, respectively, related to fair value accounting hedges as of June 30, 2024.

Certain borrowings are reported at fair value. Refer to Note 11 Fair Value for more information on those borrowings.

For further information regarding junior subordinated debentures, refer to Note 9 Borrowed Funds in our 2023 Form 10-K.

NOTE 8 COMMITMENTS

In the normal course of business, we have various commitments outstanding, certain of which are not included on our Consolidated Balance Sheet. The following table presents our outstanding commitments to extend credit along with other commitments as of June 30, 2024 and December 31, 2023, respectively.

Table 60: Commitments to Extend Credit and Other Commitments

In millions	June 30, 2024	December 31, 2023
Commitments to extend credit		
Commercial	$ 202,054	$ 203,080
Home equity	24,102	23,970
Credit card	35,249	33,978
Other	7,457	7,363
Total commitments to extend credit	268,862	268,391
Net outstanding standby letters of credit (a)	10,680	10,913
Standby bond purchase agreements (b)	1,167	1,078
Other commitments (c)	5,077	4,386
Total commitments to extend credit and other commitments	$ 285,786	$ 284,768

(a) Net outstanding standby letters of credit include $ 3.6 billion and $ 3.9 billion at June 30, 2024 and December 31, 2023, respectively, which support remarketing programs.

(b) We enter into standby bond purchase agreements to support municipal bond obligations.

(c) Includes $ 2.1 billion related to investments in qualified affordable housing projects at both June 30, 2024 and December 31, 2023.

Commitments to Extend Credit

Commitments to extend credit, or net unfunded loan commitments, represent arrangements to lend funds or provide liquidity subject to specified contractual conditions. These commitments generally have fixed expiration dates, may require payment of a fee and generally contain termination clauses in the event the customer's credit quality deteriorates.

Net Outstanding Standby Letters of Credit

We issue standby letters of credit and share in the risk of standby letters of credit issued by other financial institutions, in each case to support obligations of our customers to third parties, such as insurance requirements and the facilitation of transactions involving capital markets product execution. Approximately 97 % of our net outstanding standby letters of credit were rated as Pass at June 30, 2024, with the remainder rated as Criticized. An internal credit rating of Pass indicates the expected risk of loss is currently low, while a rating of Criticized indicates a higher degree of risk.

If the customer fails to meet its financial or performance obligation to the third party under the terms of the contract or there is a need to support a remarketing program, then upon a draw by a beneficiary, subject to the terms of the letter of credit, we would be obligated to make payment to them. The standby letters of credit outstanding on June 30, 2024 had terms ranging from less than one year to seven years .

As of June 30, 2024, assets of $ 1.0 billion secured certain specifically identified standby letters of credit. In addition, a portion of the remaining standby letters of credit issued on behalf of specific customers is secured by collateral or guarantees that secure the customers' other obligations to us. The carrying amount of the liability for our obligations related to standby letters of credit and participations in standby letters of credit was $ 0.1 billion at June 30, 2024 and is included in Other liabilities on our Consolidated Balance Sheet.

NOTE 9 TOTAL EQUITY AND OTHER COMPREHENSIVE INCOME

Activity in total equity for the three and six months ended June 30, 2024 and 2023 is as follows:

Table 61: Rollforward of Total Equity

		Shareholders' Equity							
In millions	Shares Outstanding Common Stock	Common Stock	Capital Surplus - Preferred Stock	Capital Surplus - Common Stock and Other	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Non-controlling Interests	Total Equity
Three months ended									
Balance at March 31, 2023 (a)	399	$ 2,714	$ 7,235	$ 12,629	$ 54,598	$ (9,108)	$ (19,024)	$ 30	$ 49,074
Net income					1,483			17	1,500
Other comprehensive loss, net of tax						(417)			(417)
Cash dividends declared - Common					(606)				(606)
Cash dividends declared - Preferred					(127)				(127)
Preferred stock discount accretion			2		(2)				
Common stock activity		1		16					17
Treasury stock activity	(1)			3			(126)		(123)
Other				49				(21)	28
Balance at June 30, 2023 (a)	398	$ 2,715	$ 7,237	$ 12,697	$ 55,346	$ (9,525)	$ (19,150)	$ 26	$ 49,346
Balance at March 31, 2024 (a)	398	$ 2,716	$ 6,243	$ 12,789	$ 56,913	$ (8,042)	$ (19,279)	$ 34	$ 51,374
Net income					1,459			18	1,477
Other comprehensive income, net of tax						596			596
Cash dividends declared - Common					(623)				(623)
Cash dividends declared - Preferred					(95)				(95)
Preferred stock discount accretion			2		(2)				
Common stock activity				16					16
Treasury stock activity				6			(99)		(93)
Other				42				(13)	29
Balance at June 30, 2024 (a)	398	$ 2,716	$ 6,245	$ 12,853	$ 57,652	$ (7,446)	$ (19,378)	$ 39	$ 52,681
Six months ended									
Balance at December 31, 2022 (a)	401	$ 2,714	$ 5,746	$ 12,630	$ 53,572	$ (10,172)	$ (18,716)	$ 38	$ 45,812
Cumulative effect of ASU adoption (b)					26				26
Balance at January 1, 2023 (a)	401	$ 2,714	$ 5,746	$ 12,630	$ 53,598	$ (10,172)	$ (18,716)	$ 38	$ 45,838
Net income					3,160			34	3,194
Other comprehensive income, net of tax						647			647
Cash dividends declared - Common					(1,213)				(1,213)
Cash dividends declared - Preferred					(195)				(195)
Preferred stock discount accretion			4		(4)				
Preferred stock issuance (c)			1,487						1,487
Common stock activity		1		16					17
Treasury stock activity	(3)			73			(434)		(361)
Other				(22)				(46)	(68)
Balance at June 30, 2023 (a)	398	$ 2,715	$ 7,237	$ 12,697	$ 55,346	$ (9,525)	$ (19,150)	$ 26	$ 49,346
Balance at December 31, 2023 (a)	398	$ 2,716	$ 6,241	$ 12,779	$ 56,290	$ (7,712)	$ (19,209)	$ 36	$ 51,141
Net income					2,789			32	2,821
Other comprehensive income, net of tax						266			266
Cash dividends declared - Common					(1,247)				(1,247)
Cash dividends declared - Preferred					(176)				(176)
Preferred stock discount accretion			4		(4)				
Common stock activity				16					16
Treasury stock activity				77			(169)		(92)
Other				(19)				(29)	(48)
Balance at June 30, 2024 (a)	398	$ 2,716	$ 6,245	$ 12,853	$ 57,652	$ (7,446)	$ (19,378)	$ 39	$ 52,681

(a) The par value of our preferred stock outstanding was less than $ 0.5 million at each date and, therefore, is excluded from this presentation.

(b) Represents the cumulative effect of adopting ASU 2022-02.

(c) On February 7, 2023, PNC issued 1,500,000 depositary shares each representing 1/100th ownership in a share of 6.250 % fixed-rate reset non-cumulative perpetual preferred stock, Series W, with a par value of $ 1 per share.

Details of other comprehensive income (loss) are as follows:

Table 62: Other Comprehensive Income (Loss)

	Three months ended June 30						Six months ended June 30					
	2024			2023			2024			2023		
In millions	Pre-tax	Tax effect	After-tax	Pre-tax	Tax effect	After-tax	Pre-tax	Tax effect	After-tax	Pre-tax	Tax effect	After-tax
Debt securities												
Net unrealized gains (losses) on securities	$ (216)	$ 52	$ (164)	$ (476)	$ 112	$ (364)	$ (611)	$ 147	$ (464)	$ 178	$ (42)	$ 136
Less: Net realized (losses) reclassified to earnings (a)	(691)	166	(525)	(235)	55	(180)	(907)	218	(689)	(450)	106	(344)
Net change	475	(114)	361	(241)	57	(184)	296	(71)	225	628	(148)	480
Cash flow hedge derivatives												
Net unrealized (losses) on cash flow hedge derivatives	(75)	18	(57)	(689)	162	(527)	(701)	168	(533)	(492)	116	(376)
Less: Net realized (losses) reclassified to earnings (a)	(383)	92	(291)	(373)	88	(285)	(759)	182	(577)	(703)	166	(537)
Net change	308	(74)	234	(316)	74	(242)	58	(14)	44	211	(50)	161
Pension and other postretirement benefit plan adjustments												
Net pension and other postretirement benefit plan activity and other reclassified to earnings (b)	1		1	6	(1)	5	(1)		(1)	(4)	1	(3)
Net change	1		1	6	(1)	5	(1)		(1)	(4)	1	(3)
Other												
Net unrealized gains (losses) on other transactions				3	1	4	(2)		(2)	7	2	9
Net change				3	1	4	(2)		(2)	7	2	9
Total other comprehensive income (loss)	$ 784	$ (188)	$ 596	$ (548)	$ 131	$ (417)	$ 351	$ (85)	$ 266	$ 842	$ (195)	$ 647

(a) Reclassifications for pre-tax debt securities and cash flow hedges are recorded in Interest income and Noninterest income on the Consolidated Income Statement.

(b) Reclassifications include amortization of actuarial losses (gains) and amortization of prior period service costs (credits), which are recorded in Noninterest expense on the Consolidated Income Statement.

Table 63: Accumulated Other Comprehensive Income (Loss) Components

In millions, after-tax	Debt securities	Cash flow hedge derivatives	Pension and other postretirement benefit plan adjustments	Other	Total
Three months ended					
Balance at March 31, 2023	$ (6,500)	$ (2,302)	$ (259)	$ (47)	$ (9,108)
Net activity	(184)	(242)	5	4	(417)
Balance at June 30, 2023 (a)	$ (6,684)	$ (2,544)	$ (254)	$ (43)	$ (9,525)
Balance at March 31, 2024	$ (5,966)	$ (1,903)	$ (127)	$ (46)	$ (8,042)
Net activity	361	234	1		596
Balance at June 30, 2024 (a)	$ (5,605)	$ (1,669)	$ (126)	$ (46)	$ (7,446)
Six months ended					
Balance at December 31, 2022	$ (7,164)	$ (2,705)	$ (251)	$ (52)	$ (10,172)
Net activity	480	161	(3)	9	647
Balance at June 30, 2023 (a)	$ (6,684)	$ (2,544)	$ (254)	$ (43)	$ (9,525)
Balance at December 31, 2023	$ (5,830)	$ (1,713)	$ (125)	$ (44)	$ (7,712)
Net activity	225	44	(1)	(2)	266
Balance at June 30, 2024 (a)	$ (5,605)	$ (1,669)	$ (126)	$ (46)	$ (7,446)

(a) AOCI included pretax losses of $ 285 million and $ 301 million from derivatives that hedged the purchase of investment securities classified as held to maturity at June 30, 2024 and June 30, 2023, respectively.

The following table provides the dividends per share for PNC's common and preferred stock:

Table 64: Dividends Per Share (a)

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Common Stock	$ 1.55	$ 1.50	$ 3.10	$ 3.00
Preferred Stock				
Series B	$ 0.45	$ 0.45	$ 0.90	$ 0.90
Series O		$ 2,100		$ 4,174
Series R	$ 2,209	$ 2,425	$ 4,403	$ 2,425
Series S	$ 2,500	$ 2,500	$ 2,500	$ 2,500
Series T	$ 850	$ 850	$ 1,700	$ 1,700
Series U	$ 1,500	$ 1,500	$ 3,000	$ 3,000
Series V	$ 1,550	$ 1,550	$ 3,100	$ 3,100
Series W	$ 1,562	$ 2,222	$ 3,125	$ 2,222

(a) Dividends are payable quarterly, other than Series S preferred stock, which is payable semiannually.

On July 2, 2024, the PNC Board of Directors raised the quarterly cash dividend on common stock to $ 1.60 per share to be paid on August 5, 2024 to shareholders of record at the close of business July 15, 2024.

Note 10 Earnings Per Share

Table 65: Basic and Diluted Earnings Per Common Share

	Three months ended June 30		Six months ended June 30	
In millions, except per share data	2024	2023	2024	2023
Basic				
Net income	$ 1,477	$ 1,500	$ 2,821	$ 3,194
Less:				
Net income attributable to noncontrolling interests	18	17	32	34
Preferred stock dividends	95	127	176	195
Preferred stock discount accretion and redemptions	2	2	4	4
Net income attributable to common shareholders	1,362	1,354	2,609	2,961
Less: Dividends and undistributed earnings allocated to nonvested restricted shares	7	7	14	15
Net income attributable to basic common shareholders	$ 1,355	$ 1,347	$ 2,595	$ 2,946
Basic weighted-average common shares outstanding	400	401	400	401
Basic earnings per common share (a)	$ 3.39	$ 3.36	$ 6.49	$ 7.35
Diluted				
Net income attributable to diluted common shareholders	$ 1,355	$ 1,347	$ 2,595	$ 2,946
Basic weighted-average common shares outstanding	400	401	400	401
Dilutive potential common shares				
Diluted weighted-average common shares outstanding	400	401	400	401
Diluted earnings per common share (a)	$ 3.39	$ 3.36	$ 6.48	$ 7.34

(a) Basic and diluted earnings per share under the two-class method are determined on net income reported on the income statement less earnings allocated to nonvested restricted shares and restricted share units with nonforfeitable dividends and dividend rights (participating securities).

Note 11 Fair Value

Fair Value Measurement

We measure certain financial assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability on the measurement date and is determined using an exit price in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The fair value hierarchy established by GAAP requires us to maximize the use of observable inputs when measuring fair value. For more information regarding the fair value hierarchy, see Note 14 Fair Value in our 2023 Form 10-K.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

For more information on the valuation methodologies used to measure assets and liabilities at fair value on a recurring basis, see Note 14 Fair Value in our 2023 Form 10-K. The following table summarizes our assets and liabilities measured at fair value on a recurring basis, including instruments for which we have elected the fair value option.

Table 66: Fair Value Measurements – Recurring Basis Summary

	June 30, 2024				December 31, 2023			
In millions	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value
Assets								
Residential mortgage loans held for sale		$ 547	$ 95	$ 642		$ 371	$ 103	$ 474
Commercial mortgage loans held for sale		291	4	295		227	11	238
Securities available for sale								
U.S. Treasury and government agencies	$ 15,513	961		16,474	$ 6,292	659		6,951
Residential mortgage-backed								
Agency		27,096		27,096		27,880		27,880
Non-agency			624	624			696	696
Commercial mortgage-backed								
Agency		1,617		1,617		1,546		1,546
Non-agency		694	103	797		766	103	869
Asset-backed		2,024	96	2,120		1,014	102	1,116
Other		2,406	54	2,460		2,672	55	2,727
Total securities available for sale	15,513	34,798	877	51,188	6,292	34,537	956	41,785
Loans		490	701	1,191		512	726	1,238
Equity investments (a)	972 (b)		2,030	3,203	574		1,952	2,717
Residential mortgage servicing rights			2,657	2,657			2,654	2,654
Commercial mortgage servicing rights			1,082	1,082			1,032	1,032
Trading securities (c)	515	1,835		2,350	377	2,422		2,799
Financial derivatives (c) (d)	5	3,103	12	3,120	29	3,394	6	3,429
Other assets	431	129	8	568	403	85	8	496
Total assets (e)	$ 17,436	$ 41,193	$ 7,466	$ 66,296	$ 7,675	$ 41,548	$ 7,448	$ 56,862
Liabilities								
Other borrowed funds	$ 661	$ 121	$ 9	$ 791	$ 724	$ 84	$ 9	$ 817
Financial derivatives (d) (f)	6	6,027	183	6,216	11	5,736	152	5,899
Other liabilities			194	194			237	237
Total liabilities (g)	$ 667	$ 6,148	$ 386	$ 7,201	$ 735	$ 5,820	$ 398	$ 6,953

(a) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.

(b) Included Visa C shares with an unrealized gain of $ 244 million at June 30, 2024.

(c) Included in Other assets on the Consolidated Balance Sheet.

(d) Amounts at June 30, 2024 and December 31, 2023 are presented gross and are not reduced by the impact of legally enforceable master netting agreements that allow us to net positive and negative positions and cash collateral held or placed with the same counterparty. See Note 12 Financial Derivatives for additional information related to derivative offsetting.

(e) Total assets at fair value as a percentage of total consolidated assets was 12 % and 10 % at June 30, 2024 and December 31, 2023, respectively. Level 3 assets as a percentage of total assets at fair value was 11 % and 13 % at June 30, 2024 and December 31, 2023, respectively. Level 3 assets as a percentage of total consolidated assets was 1 % at both June 30, 2024 and December 31, 2023.

(f) Included in Other liabilities on the Consolidated Balance Sheet.

(g) Total liabilities at fair value as a percentage of total consolidated liabilities was 1 % at both June 30, 2024 and December 31, 2023. Level 3 liabilities as a percentage of total liabilities at fair value was 5 % and 6 % at June 30, 2024 and December 31, 2023, respectively. Level 3 liabilities as a percentage of total consolidated liabilities was less than 1 % at both June 30, 2024 and December 31, 2023.

Reconciliations of assets and liabilities measured at fair value on a recurring basis using Level 3 inputs for the three and six months ended June 30, 2024 and 2023 are as follows:

Table 67: Reconciliation of Level 3 Assets and Liabilities

Three Months Ended June 30, 2024

Level 3 Instruments Only In millions	Fair Value Mar. 31, 2024	Total realized / unrealized gains or losses for the period (a) Included in Earnings	 Included in Other comprehensive income (b)	Purchases	Sales	Issuances	Settlements	Transfers into Level 3	Transfers out of Level 3	Fair Value June 30, 2024	Unrealized gains/losses for the period on assets and liabilities held on Consolidated Balance Sheet at June 30, 2024 (a) (c)
Assets											
Residential mortgage loans held for sale	$ 98			$ 12	$ (11)		$ (2)	$ 1	$ (3) (d)	$ 95	$ (1)
Commercial mortgage loans held for sale	11						(7)			4	
Securities available for sale											
Residential mortgage-backed non-agency	668	$ 3	$ (5)				(42)			624	
Commercial mortgage-backed non-agency	103									103	
Asset-backed	100		(1)				(3)			96	
Other	53			3			(2)			54	
Total securities available for sale	924	3	(6)	3			(47)			877	
Loans	713	4		7	(2)		(18)		(3) (d)	701	4
Equity investments	2,030	31		47	(78)					2,030	23
Residential mortgage servicing rights	2,687	16		16		$ 7	(69)			2,657	16
Commercial mortgage servicing rights	1,075	65		12		8	(78)			1,082	65
Financial derivatives	9	9		2			(8)			12	11
Other assets	8									8	
Total assets	$ 7,555	$ 128	$ (6)	$ 99	$ (91)	$ 15	$ (229)	$ 1	$ (6)	$ 7,466	$ 118
Liabilities											
Other borrowed funds	$ 9					$ 4	$ (4)			$ 9	
Financial derivatives	113	$ 110			$ 2		(42)			183	$ 115
Other liabilities	189	6				15	(16)			194	7
Total liabilities	$ 311	$ 116			$ 2	$ 19	$ (62)			$ 386	$ 122
Net gains (losses)		$ 12 (e)									$ (4) (f)

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Three Months Ended June 30, 2023

Level 3 Instruments Only In millions	Fair Value Mar. 31, 2023	Total realized / unrealized gains or losses for the period (a) Included in Earnings	Included in Other comprehensive income (b)	Purchases	Sales	Issuances	Settlements	Transfers into Level 3	Transfers out of Level 3	Fair Value June 30, 2023	Unrealized gains/losses for the period on assets and liabilities held on Consolidated Balance Sheet at June 30, 2023 (a) (c)
Assets											
Residential mortgage loans held for sale	$ 242	$ (4)		$ 3	$ (41)		$ (2)		$ (7) (d)	$ 191	$ (3)
Commercial mortgage loans held for sale	32	1					(8)			25	
Securities available for sale											
Residential mortgage-backed non-agency	787	4	$ 14				(37)			768	
Commercial mortgage-backed non-agency	3									3	
Asset-backed	121	1	(1)				(4)			117	
Other	53			3			(2)			54	
Total securities available for sale	964	5	13	3			(43)			942	
Loans	757	3		11	(1)		(28)	$ 8	(5) (d)	745	3
Equity investments	1,835	24		92	(328)					1,623	2
Residential mortgage servicing rights	2,232	81		91		$ 5	(60)			2,349	80
Commercial mortgage servicing rights	1,061	99		9		19	(82)			1,106	100
Financial derivatives	19	(10)		2			(5)			6	4
Total assets	$ 7,142	$ 199	$ 13	$ 211	$ (370)	$ 24	$ (228)	$ 8	$ (12)	$ 6,987	$ 186
Liabilities											
Other borrowed funds	$ 5					$ 3	$ (3)			$ 5	
Financial derivatives	97	$ 79			$ 1		(37)			140	$ 80
Other liabilities	229	31				89	(110)			239	21
Total liabilities	$ 331	$ 110			$ 1	$ 92	$ (150)			$ 384	$ 101
Net gains (losses)		$ 89 (e)									$ 85 (f)

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Six Months Ended June 30, 2024

Level 3 Instruments Only In millions	Fair Value Dec. 31, 2023	Total realized / unrealized gains or losses for the period (a): Included in Earnings	Total realized / unrealized gains or losses for the period (a): Included in Other comprehensive income (b)	Purchases	Sales	Issuances	Settlements	Transfers into Level 3	Transfers out of Level 3	Fair Value June 30, 2024	Unrealized gains/losses for the period on assets and liabilities held on Consolidated Balance Sheet at June 30, 2024 (a) (c)
Assets											
Residential mortgage loans held for sale	$ 103	$ (1)		$ 14	$ (11)		$ (4)	$ 3	$ (9) (d)	$ 95	$ (2)
Commercial mortgage loans held for sale	11						(7)			4	
Securities available for sale											
Residential mortgage-backed non-agency	696	6	$ (11)				(67)			624	
Commercial mortgage-backed non-agency	103									103	
Asset-backed	102		(1)				(5)			96	
Other	55	(2)	1	3			(3)			54	(2)
Total securities available for sale	956	4	(11)	3			(75)			877	(2)
Loans	726	8		12	(2)		(38)		(5) (d)	701	8
Equity investments	1,952	26		136	(84)					2,030	18
Residential mortgage servicing rights	2,654	88		29		$ 12	(126)			2,657	88
Commercial mortgage servicing rights	1,032	172		24		11	(157)			1,082	172
Financial derivatives	6	18		2			(14)			12	21
Other assets	8									8	
Total assets	$ 7,448	$ 315	$ (11)	$ 220	$ (97)	$ 23	$ (421)	$ 3	$ (14)	$ 7,466	$ 303
Liabilities											
Other borrowed funds	$ 9					$ 7	$ (7)			$ 9	
Financial derivatives	152	$ 118			$ 2		(89)			183	$ 120
Other liabilities	237	(14)				28	(57)			194	9
Total liabilities	$ 398	$ 104			$ 2	$ 35	$ (153)			$ 386	$ 129
Net gains (losses)		$ 211 (e)									$ 174 (f)

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Six Months Ended June 30, 2023

Level 3 Instruments Only In millions	Fair Value Dec. 31, 2022	Total realized / unrealized gains or losses for the period (a): Included in Earnings	Total realized / unrealized gains or losses for the period (a): Included in Other comprehensive income (b)	Purchases	Sales	Issuances	Settlements	Transfers into Level 3	Transfers out of Level 3	Fair Value June 30, 2023	Unrealized gains / losses for the period on assets and liabilities held on Consolidated Balance Sheet at June 30, 2023 (a) (c)
Assets											
Residential mortgage loans held for sale	$ 243			$ 9	$ (42)		$ (7)	$ 3	$ (15) (d)	$ 191	$ 1
Commercial mortgage loans held for sale	33						(8)			25	
Securities available for sale											
Residential mortgage-backed non-agency	819	$ 8	$ 4				(63)			768	
Commercial mortgage-backed non-agency	3									3	
Asset-backed	124	1					(8)			117	
Other	55		(4)	3			(3)	3		54	
Total securities available for sale	1,001	9		3			(74)	3		942	
Loans	769	6		20	(1)		(50)	15	(14) (d)	745	6
Equity investments	1,778	145		232	(398)				(134) (g)	1,623	119
Residential mortgage servicing rights	2,310	33		109		$ 10	(113)			2,349	33
Commercial mortgage servicing rights	1,113	108		17		32	(164)			1,106	108
Financial derivatives	5	7		3			(9)			6	10
Total assets	$ 7,252	$ 308		$ 393	$ (441)	$ 42	$ (425)	$ 21	$ (163)	$ 6,987	$ 277
Liabilities											
Other borrowed funds	$ 4					$ 6	$ (5)			$ 5	
Financial derivatives	123	$ 118			$ 3		(104)			140	$ 122
Other liabilities	294	55				107	(217)			239	42
Total liabilities	$ 421	$ 173			$ 3	$ 113	$ (326)			$ 384	$ 164
Net gains (losses)		$ 135 (e)									$ 113 (f)

(a) Losses for assets are bracketed while losses for liabilities are not.

(b) The difference in unrealized gains and losses for the period included in Other comprehensive income and changes in unrealized gains and losses for the period included in Other comprehensive income for securities available for sale held at the end of the reporting period were insignificant.

(c) The amount of the total gains or losses for the period included in earnings that is attributable to the change in unrealized gains or losses related to those assets and liabilities held at the end of the reporting period.

(d) Residential mortgage loan transfers out of Level 3 are primarily driven by residential mortgage loans transferring to OREO as well as reclassification of mortgage loans held for sale to held for investment.

(e) Net gains (losses) realized and unrealized included in earnings related to Level 3 assets and liabilities included amortization and accretion. The amortization and accretion amounts were included in Interest income on the Consolidated Income Statement and the remaining net gains (losses) realized and unrealized were included in Noninterest income on the Consolidated Income Statement.

(f) Net unrealized gains (losses) related to assets and liabilities held at the end of the reporting period were included in Noninterest income on the Consolidated Income Statement.

(g) Transfers out of Level 3 during the prior period were due to valuation methodology changes for certain private company investments. See Note 1 Accounting Policies in our 2023 Form 10-K for more information on our accounting for private company investments.

An instrument's categorization within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Changes from one quarter to the next related to the observability of inputs to a fair value measurement may result in a reclassification (transfer) of assets or liabilities between hierarchy levels.

Quantitative information about the significant unobservable inputs within Level 3 recurring assets and liabilities follows:

Table 68: Fair Value Measurements – Recurring Quantitative Information

June 30, 2024

Level 3 Instruments Only Dollars in millions	Fair Value	Valuation Techniques	Unobservable Inputs	Range (Weighted-Average) (a)
Commercial mortgage loans held for sale	$ 4	Discounted cash flow	Spread over the benchmark curve (b)	575 bps - 1,090 bps (985 bps)
Residential mortgage-backed non-agency securities	624	Priced by a third-party vendor using a discounted cash flow pricing model	Constant prepayment rate	1.0 % - 27.9 % (2.9 %)
			Constant default rate	0.0 % - 12.0 % (1.9 %)
			Loss severity	10.0 % - 77.4 % (42.2 %)
			Spread over the benchmark curve (b)	272 bps weighted-average
Asset-backed securities	96	Priced by a third-party vendor using a discounted cash flow pricing model	Constant prepayment rate	1.0 % - 28.0 % (4.5 %)
			Constant default rate	0.0 % - 8.1 % (1.6 %)
			Loss severity	30.0 % - 100.0 % (48.7 %)
			Spread over the benchmark curve (b)	227 bps weighted-average
Loans - Residential real estate - Uninsured	532	Consensus pricing (c)	Cumulative default rate	3.6 % - 100.0 % (57.4 %)
			Loss severity	0.0 % - 100.0 % (5.1 %)
			Discount rate	5.5 % - 7.5 % (5.8 %)
Loans - Residential real estate	71	Discounted cash flow	Loss severity	6.0 % weighted-average
			Discount rate	8.0 % weighted-average
Loans - Home equity - First-lien	16	Consensus pricing (c)	Cumulative default rate	3.6 % - 100.0 % (58.6 %)
			Loss severity	0.0 % - 100.0 % (12.9 %)
			Discount rate	5.5 % - 7.5 % (6.1 %)
Loans - Home equity	82	Consensus pricing (c)	Credit and liquidity discount	0.0 % - 100.0 % (42.1 %)
Equity investments	2,030	Multiple of adjusted earnings	Multiple of earnings	5.0 x - 27.0 x (10.3 x)
Residential mortgage servicing rights	2,657	Discounted cash flow	Constant prepayment rate	0.0 % - 40.7 % (6.3 %)
			Spread over the benchmark curve (b)	336 bps - 2,338 bps (764 bps)
Commercial mortgage servicing rights	1,082	Discounted cash flow	Constant prepayment rate	5.1 % - 8.3 % (5.3 %)
			Discount rate	8.1 % - 10.3 % (10.0 %)
Financial derivatives - Swaps related to sales of certain Visa Class B common shares	(180)	Discounted cash flow	Estimated conversion factor of Visa Class B shares into Class A shares	1.59 weighted-average
			Estimated annual growth rate of Visa Class A share price	16.0 %
			Estimated litigation resolution date	Q1 2026
Insignificant Level 3 assets, net of liabilities (d)	66			
Total Level 3 assets, net of liabilities (e)	$ 7,080			

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December 31, 2023

Level 3 Instruments Only Dollars in millions	Fair Value	Valuation Techniques	Unobservable Inputs	Range (Weighted-Average) (a)
Commercial mortgage loans held for sale	$ 11	Discounted cash flow	Spread over the benchmark curve (b)	575 bps - 3,610 bps (1,647 bps)
Residential mortgage-backed non-agency securities	696	Priced by a third-party vendor using a discounted cash flow pricing model	Constant prepayment rate	1.0 % - 27.9 % (3.7 %)
			Constant default rate	0.0 % - 12.0 % (2.7 %)
			Loss severity	10.0 % - 69.0 % (41.2 %)
			Spread over the benchmark curve (b)	285 bps weighted-average
Asset-backed securities	102	Priced by a third-party vendor using a discounted cash flow pricing model	Constant prepayment rate	1.0 % - 28.0 % (5.1 %)
			Constant default rate	0.0 % - 4.3 % (1.7 %)
			Loss severity	20.0 % - 100.0 % (49.5 %)
			Spread over the benchmark curve (b)	248 bps weighted-average
Loans - Residential real estate - Uninsured	546	Consensus pricing (c)	Cumulative default rate	3.6 % - 100.0 % (59.1 %)
			Loss severity	0.0 % - 100.0 % (5.4 %)
			Discount rate	5.5 % - 7.5 % (5.8 %)
Loans - Residential real estate	75	Discounted cash flow	Loss severity	6.0 % weighted-average
			Discount rate	7.8 % weighted-average
Loans - Home equity - First-lien	18	Consensus pricing (c)	Cumulative default rate	3.6 % - 100.0 % (60.9 %)
			Loss severity	0.0 % - 100.0 % (14.4 %)
			Discount rate	5.5 % - 7.5 % (6.2 %)
Loans - Home equity	87	Consensus pricing (c)	Credit and liquidity discount	0.3 % - 100.0 % (43.8 %)
Equity investments	1,952	Multiple of adjusted earnings	Multiple of earnings	4.5 x - 26.7 x (10.1 x)
Residential mortgage servicing rights	2,654	Discounted cash flow	Constant prepayment rate	0.0 % - 33.6 % (6.4 %)
			Spread over the benchmark curve (b)	337 bps - 1,668 bps (765 bps)
Commercial mortgage servicing rights	1,032	Discounted cash flow	Constant prepayment rate	5.3 % - 9.7 % (5.5 %)
			Discount rate	7.6 % - 10.0 % (9.6 %)
Financial derivatives - Swaps related to sales of certain Visa Class B common shares	(145)	Discounted cash flow	Estimated conversion factor of Visa Class B shares into Class A shares	1.59 weighted-average
			Estimated annual growth rate of Visa Class A share price	16.0 %
			Estimated litigation resolution date	Q3 2024
Insignificant Level 3 assets, net of liabilities (d)	22			
Total Level 3 assets, net of liabilities (e)	$ 7,050			

(a) Unobservable inputs were weighted by the relative fair value of the instruments.

(b) The assumed yield spread over the benchmark curve for each instrument is generally intended to incorporate non-interest rate risks, such as credit and liquidity risks.

(c) Consensus pricing refers to fair value estimates that are generally internally developed using information such as dealer quotes or other third-party provided valuations or comparable asset prices.

(d) Represents the aggregate amount of Level 3 assets and liabilities measured at fair value on a recurring basis that are individually and in the aggregate insignificant. The amount includes certain financial derivative assets and liabilities, trading securities, other securities, residential mortgage loans held for sale, other assets, other borrowed funds and other liabilities.

(e) Consisted of total Level 3 assets of $ 7.5 billion and total Level 3 liabilities of $ 0.4 billion as of June 30, 2024 and $ 7.4 billion and $ 0.4 billion as of December 31, 2023, respectively.

Financial Assets Accounted for at Fair Value on a Nonrecurring Basis

We may be required to measure certain financial assets at fair value on a nonrecurring basis. These adjustments to fair value usually result from the application of lower of amortized cost or fair value accounting or write-downs of individual assets due to impairment and are included in Table 69. For more information regarding the valuation methodologies of our financial assets measured at fair value on a nonrecurring basis, see Note 14 Fair Value in our 2023 Form 10-K.

Assets measured at fair value on a nonrecurring basis follow:

Table 69: Fair Value Measurements – Nonrecurring (a) (b) (c)

	Fair Value		Gains (Losses) Three months ended		Gains (Losses) Six months ended	
In millions	June 30 2024	December 31 2023	June 30 2024	June 30 2023	June 30 2024	June 30 2023
Assets						
Nonaccrual loans	$ 769	$ 578	$ (192)	$ (99)	$ (245)	$ (174)
Equity investments	170	203	8	(5)	(1)	(8)
Loans held for sale	25					
OREO and foreclosed assets	6	12	(1)		(2)	(1)
Long-lived assets	10	9	(3)	(10)	(6)	(15)
Total assets	$ 980	$ 802	$ (188)	$ (114)	$ (254)	$ (198)

(a) All Level 3 for the periods presented, except for $ 25 million included in Loans held for sale which was categorized as Level 2 as of June 30, 2024 and $ 30 million included in Equity investments which was categorized as Level 1 as of December 31, 2023.

(b) Valuation techniques applied were fair value of property or collateral.

(c) Unobservable inputs used were appraised value/sales price, broker opinions or projected income/required improvement costs. Additional quantitative information was not meaningful for the periods presented.

Financial Instruments Accounted for under Fair Value Option

We elect the fair value option to account for certain financial instruments. For more information on these financial instruments for which the fair value option election has been made, see Note 14 Fair Value in our 2023 Form 10-K.

Fair values and aggregate unpaid principal balances of items for which we elected the fair value option are as follows:

Table 70: Fair Value Option – Fair Value and Principal Balances

	June 30, 2024			December 31, 2023		
In millions	Fair Value	Aggregate Unpaid Principal Balance	Difference	Fair Value	Aggregate Unpaid Principal Balance	Difference
Assets						
Residential mortgage loans held for sale						
Accruing loans less than 90 days past due	$ 604	$ 601	$ 3	$ 432	$ 429	$ 3
Accruing loans 90 days or more past due	8	8		6	6	
Nonaccrual loans	30	36	(6)	36	43	(7)
Total	$ 642	$ 645	$ (3)	$ 474	$ 478	$ (4)
Commercial mortgage loans held for sale (a) (b)						
Accruing loans less than 90 days past due	$ 295	$ 289	$ 6	$ 238	$ 228	$ 10
Loans						
Accruing loans less than 90 days past due	$ 607	$ 646	$ (39)	$ 507	$ 520	$ (13)
Accruing loans 90 days or more past due	119	130	(11)	146	156	(10)
Nonaccrual loans	465	631	(166)	585	793	(208)
Total	$ 1,191	$ 1,407	$ (216)	$ 1,238	$ 1,469	$ (231)
Other assets	$ 129	$ 132	$ (3)	$ 85	$ 69	$ 16
Liabilities						
Other borrowed funds	$ 32	$ 33	$ (1)	$ 39	$ 40	$ (1)
Other liabilities	$ 104		$ 104	$ 124		$ 124

(a) There were no accruing loans 90 days or more past due within this category at June 30, 2024 or December 31, 2023.

(b) There were no nonaccrual loans within this category at June 30, 2024 or December 31, 2023.

The changes in fair value for items for which we elected the fair value option are as follows:

Table 71: Fair Value Option – Changes in Fair Value (a)

	Gains (Losses) Three months ended		Gains (Losses) Six months ended	
In millions	June 30 2024	June 30 2023	June 30 2024	June 30 2023
Assets				
Residential mortgage loans held for sale	$ 6	$ 2	$ 14	$ 17
Commercial mortgage loans held for sale	$ 14	$ 22	$ 9	$ 23
Loans	$ 6	$ 5	$ 12	$ 9
Other assets	$ (2)	$ 2	$ 3	$ (12)
Liabilities				
Other liabilities	$ (7)	$ (21)	$ (9)	$ (41)

(a) The impact on earnings of offsetting hedged items or hedging instruments is not reflected in these amounts.

Additional Fair Value Information Related to Financial Instruments Not Recorded at Fair Value

The following table presents the carrying amounts and estimated fair values, as well as the level within the fair value hierarchy, of all other financial instruments that are not recorded on our Consolidated Balance Sheet at fair value as of June 30, 2024 and December 31, 2023. For more information regarding the methods and assumptions used to estimate the fair values of financial instruments included in Table 72, see Note 14 Fair Value in our 2023 Form 10-K.

Table 72: Additional Fair Value Information Related to Other Financial Instruments

	Carrying	Fair Value			
In millions	Amount	Total	Level 1	Level 2	Level 3
June 30, 2024					
Assets					
Cash and due from banks	$ 6,242	$ 6,242	$ 6,242		
Interest-earning deposits with banks (a)	33,039	33,039	32,630	$ 409	
Securities held to maturity	87,462	82,255	29,716	52,387	$ 152
Net loans (excludes leases)	309,047	302,613			302,613
Other assets	5,734	5,709		5,700	9
Total assets	$ 441,524	$ 429,858	$ 68,588	$ 58,496	$ 302,774
Liabilities					
Time deposits	$ 35,905	$ 35,910		$ 35,910	
Borrowed funds	70,511	71,325		70,240	$ 1,085
Unfunded lending related commitments	717	717			717
Other liabilities	1,229	1,229		1,229	
Total liabilities	$ 108,362	$ 109,181		$ 107,379	$ 1,802
December 31, 2023					
Assets					
Cash and due from banks	$ 6,921	$ 6,921	$ 6,921		
Interest-earning deposits with banks (a)	43,804	43,804	43,313	$ 491	
Securities held to maturity	90,790	86,948	30,943	55,850	$ 155
Net loans (excludes leases)	308,936	299,645			299,645
Other assets	5,872	5,872		5,872	
Total assets	$ 456,323	$ 443,190	$ 81,177	$ 62,213	$ 299,800
Liabilities					
Time deposits	$ 31,569	$ 31,602		$ 31,602	
Borrowed funds	71,816	72,369		71,194	$ 1,175
Unfunded lending related commitments	663	663			663
Other liabilities	1,091	1,091		1,091	
Total liabilities	$ 105,139	$ 105,725		$ 103,887	$ 1,838

(a) In the second quarter of 2024, we reclassified balances held at the Federal Reserve Bank from Level 2 to Level 1 to align with our updated cash and cash equivalents policy. For additional details, see Note 1 Accounting Policies.

The aggregate fair values in Table 72 represent only a portion of the total market value of our assets and liabilities as, in accordance with the guidance related to fair values about financial instruments, we exclude the following:

- financial instruments recorded at fair value on a recurring basis (as they are disclosed in Table 66),
- investments accounted for under the equity method,
- equity securities without a readily determinable fair value that apply for the alternative measurement approach to fair value under ASU 2016-01,
- real and personal property,
- lease financing,
- loan customer relationships,
- deposit customer intangibles,
- MSRs,
- retail branch networks,
- fee-based businesses, such as asset management and brokerage,
- trademarks and brand names,
- trade receivables and payables due in one year or less,
- deposit liabilities with no defined or contractual maturities under ASU 2016-01, and
- insurance contracts.

NOTE 12 FINANCIAL DERIVATIVES

We use a variety of financial derivatives to both mitigate exposure to market (primarily interest rate) and credit risks inherent in our business activities, as well as to facilitate customer risk management activities. We manage these risks as part of our overall asset and liability management process and through our credit policies and procedures. Derivatives represent contracts between parties that usually require little or no initial net investment and result in one party delivering cash or another type of asset to the other party based on a notional amount and an underlying as specified in the contract.

Derivative transactions are often measured in terms of notional amount, but this amount is generally not exchanged and it is not recorded on the balance sheet. The notional amount is the basis to which the underlying is applied to determine required payments under the derivative contract. The underlying is a referenced interest rate, security price, credit spread or other index. Residential and commercial real estate loan commitments associated with loans to be sold also qualify as derivative instruments.

For more information regarding derivatives, see Note 1 Accounting Policies and Note 15 Financial Derivatives in our 2023 Form 10-K.

The following tables presents the notional and gross fair value amounts of all derivative assets and liabilities held by us:

Table 73: Total Gross Derivatives (a)

In millions	June 30, 2024 Notional / Contract Amount	June 30, 2024 Asset Fair Value (b)	June 30, 2024 Liability Fair Value (c)	December 31, 2023 Notional / Contract Amount	December 31, 2023 Asset Fair Value (b)	December 31, 2023 Liability Fair Value (c)
Derivatives used for hedging						
Interest rate contracts:						
Fair value hedges (d)	$ 45,627			$ 32,079		
Cash flow hedges (d)	52,797	$ 2		33,302		
Cash flow hedges - other (e)	25,000	209	$ 217	25,000	$ 327	$ 137
Foreign exchange contracts:						
Net investment hedges	1,235	7		1,174		2
Total derivatives designated for hedging	$ 124,659	$ 218	$ 217	$ 91,555	$ 327	$ 139
Derivatives not used for hedging						
Derivatives used for mortgage banking activities (f):						
Interest rate contracts:						
Swaps	$ 46,247			$ 43,450		
Futures (g)	8,920			10,370		
Mortgage-backed commitments	4,573	$ 58	$ 51	3,093	$ 66	$ 67
Other	15,695	18	11	15,544	46	22
Total interest rate contracts	75,435	76	62	72,457	112	89
Derivatives used for customer-related activities:						
Interest rate contracts:						
Swaps	395,502	1,733	4,815	401,607	1,723	4,228
Futures (g)	110			73		
Mortgage-backed commitments	4,595	5	9	2,592	9	25
Other	27,749	185	138	28,489	186	169
Total interest rate contracts	427,956	1,923	4,962	432,761	1,918	4,422
Commodity contracts:						
Swaps	6,498	380	356	6,714	577	569
Other	9,130	230	230	4,797	188	188
Total commodity contracts	15,628	610	586	11,511	765	757
Foreign exchange contracts and other	31,280	248	196	32,885	295	239
Total derivatives for customer-related activities	474,864	2,781	5,744	477,157	2,978	5,418
Derivatives used for other risk management activities:						
Foreign exchange contracts and other	12,372	45	193	14,882	12	253
Total derivatives not designated for hedging	$ 562,671	$ 2,902	$ 5,999	$ 564,496	$ 3,102	$ 5,760
Total gross derivatives	$ 687,330	$ 3,120	$ 6,216	$ 656,051	$ 3,429	$ 5,899
Less: Impact of legally enforceable master netting agreements		1,321	1,321		1,406	1,406
Less: Cash collateral received/paid		1,139	1,189		1,126	955
Total derivatives		$ 660	$ 3,706		$ 897	$ 3,538

(a) Centrally cleared derivatives are settled in cash daily and result in no derivative asset or derivative liability being recognized on our Consolidated Balance Sheet .

(b) Included in Other assets on our Consolidated Balance Sheet.

(c) Included in Other liabilities on our Consolidated Balance Sheet.

(d) Represents primarily swaps.

(e) Represents caps and floors.

(f) Includes both residential and commercial mortgage banking activities.

(g) Futures contracts are settled in cash daily and result in no derivative asset or derivative liability being recognized on our Consolidated Balance Sheet.

All derivatives are carried on our Consolidated Balance Sheet at fair value. Derivative balances are presented on the Consolidated Balance Sheet on a net basis taking into consideration the effects of legally enforceable master netting agreements and, when appropriate, any related cash collateral exchanged with counterparties. Further discussion regarding the offsetting rights associated with these legally enforceable master netting agreements is included in the Offsetting and Counterparty Credit Risk section of this Note 12. Any nonperformance risk, including credit risk, is included in the determination of the estimated net fair value of the derivatives.

Derivatives Designated As Hedging Instruments

Certain derivatives used to manage interest rate and foreign exchange risk as part of our asset and liability risk management activities are designated as accounting hedges. Derivatives hedging the risks associated with changes in the fair value of assets or liabilities are considered fair value hedges, derivatives hedging the variability of expected future cash flows are considered cash flow hedges and derivatives hedging a net investment in a foreign subsidiary are considered net investment hedges. Designating derivatives as accounting hedges allows for gains and losses on those derivatives to be recognized in the same period and in the same income statement line item as the earnings impact of the hedged items.

Fair Value Hedges

We enter into receive-fixed, pay-variable interest rate swaps to hedge changes in the fair value of outstanding fixed-rate debt caused by fluctuations in market interest rates. We also enter into pay-fixed, receive-variable interest rate swaps and zero-coupon swaps to hedge changes in the fair value of fixed rate and zero-coupon investment securities caused by fluctuations in market interest rates. Gains and losses on the interest rate swaps designated in these hedge relationships, along with the offsetting gains and losses on the hedged items attributable to the hedged risk, are recognized in current earnings within the same income statement line item.

Cash Flow Hedges

We enter into receive-fixed, pay-variable interest rate swaps and interest rate caps and floors to modify the interest rate characteristics of designated commercial loans from variable to fixed in order to reduce the impact of changes in future cash flows due to market interest rate changes. We also periodically enter into forward purchase and sale contracts to hedge the variability of the consideration that will be paid or received related to the purchase or sale of investment securities. The forecasted purchase or sale is consummated upon gross settlement of the forward contract itself. For these cash flow hedges, gains and losses on the hedging instruments are recorded in AOCI and are then reclassified into earnings in the same period the hedged cash flows affect earnings and within the same income statement line as the hedged cash flows.

In the 12 months that follow June 30, 2024, we expect to reclassify net derivative losses of $ 1.1 billion pretax, or $ 0.9 billion after-tax, from AOCI to interest income for these cash flow hedge strategies. This reclassified amount could differ from amounts actually recognized due to changes in interest rates, hedge de-designations and the addition of other hedges subsequent to June 30, 2024. As of June 30, 2024, the maximum length of time over which forecasted transactions are hedged is ten years .

Further detail regarding gains (losses) related to our fair value and cash flow hedge derivatives is presented in the following table:

Table 74: Gains (Losses) Recognized on Fair Value and Cash Flow Hedges in the Consolidated Income Statement (a) (b)

	Location and Amount of Gains (Losses) Recognized in Income			
	Interest Income		Interest Expense	Noninterest Income
In millions	Loans	Investment Securities	Borrowed Funds	Other
For the three months ended June 30, 2024				
Total amounts in the Consolidated Income Statement	$ 4,842	$ 1,001	$ 1,182	$ 332
Gains (losses) on fair value hedges recognized on:				
Hedged items (c)		$ 182	$ 22	
Derivatives		$ (185)	$ (19)	
Amounts related to interest settlements on derivatives		$ 29	$ (190)	
Gains (losses) on cash flow hedges (d):				
Amount of derivative gains (losses) reclassified from accumulated other comprehensive income	$ (347)	$ (8)		$ (28)
Other amounts related to interest settlements on derivatives	$ 20			
For the three months ended June 30, 2023				
Total amounts in the Consolidated Income Statement	$ 4,523	$ 883	$ 903	$ 129
Gains (losses) on fair value hedges recognized on:				
Hedged items (c)		$ (48)	$ 432	
Derivatives		$ 50	$ (439)	
Amounts related to interest settlements on derivatives		$ 7	$ (147)	
Gains (losses) on cash flow hedges (d):				
Amount of derivative gains (losses) reclassified from accumulated other comprehensive income	$ (365)	$ (8)		
Other amounts related to interest settlements on derivatives	$ 27			
For the six months ended June 30, 2024				
Total amounts on the Consolidated Income Statement	$ 9,661	$ 1,884	$ 2,341	$ 467
Gains (losses) on fair value hedges recognized on:				
Hedged items (c)		$ 108	$ 435	
Derivatives		$ (111)	$ (447)	
Amounts related to interest settlements on derivatives		$ 39	$ (365)	
Gains (losses) on cash flow hedges (d):				
Amount of derivative gains (losses) reclassified from accumulated other comprehensive income	$ (716)	$ (15)		$ (28)
Other amounts related to interest settlements on derivatives	$ 42			
For the six months ended June 30, 2023				
Total amounts on the Consolidated Income Statement	$ 8,781	$ 1,768	$ 1,686	$ 387
Gains (losses) on fair value hedges recognized on:				
Hedged items (c)		$ (1)	$ 135	
Derivatives		$ 5	$ (148)	
Amounts related to interest settlements on derivatives		$ 12	$ (260)	
Gains (losses) on cash flow hedges (d):				
Amount of derivative gains (losses) reclassified from accumulated other comprehensive income	$ (690)	$ (13)		
Other amounts related to interest settlements on derivatives	$ 55			

(a) For all periods presented, there were no components of derivative gains or losses excluded from the assessment of hedge effectiveness for any of the fair value or cash flow hedge strategies.

(b) All cash flow and fair value hedge derivatives were interest rate contracts for the periods presented.

(c) Includes an insignificant amount of fair value hedge adjustments related to discontinued hedge relationships.

(d) For all periods presented, there were no gains or losses from cash flow hedge derivatives reclassified to income because it became probable that the original forecasted transaction would not occur.

Detail regarding the impact of fair value hedge accounting on the carrying value of the hedged items is presented in the following table:

Table 75: Hedged Items - Fair Value Hedges

	June 30, 2024		December 31, 2023	
In millions	Carrying Value of the Hedged Items	Cumulative Fair Value Hedge Adjustment included in the Carrying Value of Hedged Items (a)	Carrying Value of the Hedged Items	Cumulative Fair Value Hedge Adjustment included in the Carrying Value of Hedged Items (a)
Investment securities - available for sale (b)	$ 12,000	$ (12)	$ 2,076	$ (122)
Borrowed funds	$ 32,543	$ (1,172)	$ 30,503	$ (737)

(a) Includes less than $(0.1) billion of fair value hedge adjustments primarily related to discontinued borrowed funds hedge relationships at both June 30, 2024 and December 31, 2023.

(b) Carrying value shown represents amortized cost.

Net Investment Hedges

We enter into foreign currency forward contracts to hedge non-U.S. dollar net investments in foreign subsidiaries against adverse changes in foreign exchange rates. We assess whether the hedging relationship is highly effective in achieving offsetting changes in the value of the hedge and hedged item by qualitatively verifying that the critical terms of the hedge and hedged item match at the inception of the hedging relationship and on an ongoing basis. Net investment hedge derivatives are classified as foreign exchange contracts. There were no components of derivative gains or losses excluded from the assessment of the hedge effectiveness for the periods presented. Net gains (losses) on net investment hedge derivatives recognized in OCI were $(2) million for the three months ended June 30, 2024 compared to $(28) million for the three months ended June 30, 2023 and $ 9 million for the six months ended June 30, 2024 compared to $(46) million for the same period in 2023.

Derivatives Not Designated As Hedging Instruments

For additional information on derivatives not designated as hedging instruments under GAAP, see Note 15 Financial Derivatives in our 2023 Form 10-K.

Further detail regarding the gains (losses) on derivatives not designated in hedging relationships is presented in the following table:

Table 76: Gains (Losses) on Derivatives Not Designated for Hedging

	Three months ended June 30		Six months ended June 30	
In millions	2024	2023	2024	2023
Derivatives used for mortgage banking activities:				
Interest rate contracts (a)	$ (45)	$ (184)	$ (168)	$ (77)
Derivatives used for customer-related activities:				
Interest rate contracts	(21)	33	(37)	35
Foreign exchange contracts and other	46	58	75	114
Gains from customer-related activities (b)	25	91	38	149
Derivatives used for other risk management activities:				
Foreign exchange contracts and other (b)	(93)	(137)	32	(214)
Total gains (losses) from derivatives not designated as hedging instruments	$ (113)	$ (230)	$ (98)	$ (142)

(a) Included in Residential and commercial mortgage noninterest income on our Consolidated Income Statement.

(b) Included in Capital markets and advisory and Other noninterest income on our Consolidated Income Statement.

Offsetting and Counterparty Credit Risk

We generally utilize a net presentation on the Consolidated Balance Sheet for those derivative financial instruments entered into with counterparties under legally enforceable master netting agreements. The master netting agreements reduce credit risk by permitting the closeout netting of all outstanding derivative instruments under the master netting agreement with the same counterparty upon the occurrence of an event of default. The master netting agreement also may require the exchange of cash or marketable securities to collateralize either party's net position. For additional information on derivative offsetting and counterparty credit risk, see Note 15 Financial Derivatives in our 2023 Form 10-K.

Table 77 shows the impact legally enforceable master netting agreements had on our derivative assets and derivative liabilities at June 30, 2024 and December 31, 2023. The table includes cash collateral held or pledged under legally enforceable master netting agreements. The table also includes the fair value of any securities collateral held or pledged under legally enforceable master netting agreements. Cash and securities collateral amounts are included in the table only to the extent of the related net derivative fair values.

Table 77 includes OTC derivatives not settled through an exchange ("OTC derivatives") and OTC derivatives cleared through a central clearing house ("OTC cleared derivatives"). OTC derivatives represent contracts executed bilaterally with counterparties that are not settled through an organized exchange or directly cleared through a central clearing house. The majority of OTC derivatives are governed by the ISDA documentation or other legally enforceable master netting agreements. OTC cleared derivatives represent contracts executed bilaterally with counterparties in the OTC market that are novated to a central clearing house that then becomes our counterparty. OTC cleared derivative instruments are typically settled in cash each day based on the prior day value.

Table 77: Derivative Assets and Liabilities Offsetting

In millions	Gross Fair Value	Amounts Offset on the Consolidated Balance Sheet: Fair Value Offset Amount	Amounts Offset on the Consolidated Balance Sheet: Cash Collateral	Net Fair Value		Securities Collateral Held/Pledged Under Master Netting Agreements	Net Amounts
June 30, 2024							
Derivative assets							
Interest rate contracts:							
Over-the-counter cleared	$ 11			$ 11			$ 11
Over-the-counter	2,199	$ 914	$ 870	415		$ 31	384
Commodity contracts	610	324	156	130		2	128
Foreign exchange and other contracts	300	83	113	104			104
Total derivative assets	$ 3,120	$ 1,321	$ 1,139	$ 660	(a)	$ 33	$ 627
Derivative liabilities							
Interest rate contracts:							
Over-the-counter cleared	$ 15			$ 15			$ 15
Over-the-counter	5,226	$ 802	$ 1,188	3,236		$ 64	3,172
Commodity contracts	586	418		168			168
Foreign exchange and other contracts	389	101	1	287			287
Total derivative liabilities	$ 6,216	$ 1,321	$ 1,189	$ 3,706	(b)	$ 64	$ 3,642
December 31, 2023							
Derivative assets							
Interest rate contracts:							
Over-the-counter cleared	$ 19			$ 19			$ 19
Over-the-counter	2,338	$ 976	$ 767	595		$ 61	534
Commodity contracts	765	316	283	166		5	161
Foreign exchange and other contracts	307	114	76	117			117
Total derivative assets	$ 3,429	$ 1,406	$ 1,126	$ 897	(a)	$ 66	$ 831
Derivative liabilities							
Interest rate contracts:							
Over-the-counter cleared	$ 36			$ 36			$ 36
Over-the-counter	4,612	$ 885	$ 942	2,785		$ 58	2,727
Commodity contracts	757	332		425			425
Foreign exchange and other contracts	494	189	13	292			292
Total derivative liabilities	$ 5,899	$ 1,406	$ 955	$ 3,538	(b)	$ 58	$ 3,480

(a) Represents the net amount of derivative assets included in Other assets on our Consolidated Balance Sheet.

(b) Represents the net amount of derivative liabilities included in Other liabilities on our Consolidated Balance Sheet.

In addition to using master netting agreements and other collateral agreements to reduce credit risk associated with derivative instruments, we also seek to manage credit risk by evaluating credit ratings of counterparties and by using internal credit analysis, limits and monitoring procedures.

At June 30, 2024, cash and debt securities (primarily agency mortgage-backed securities) totaling $ 2.5 billion were pledged to us under master netting agreements and other collateral agreements to collateralize net derivative assets due from counterparties and to meet initial margin requirements, and we pledged cash and debt securities (primarily agency mortgage-backed securities) totaling $ 2.5 billion under these agreements to collateralize net derivative liabilities owed to counterparties and to meet initial margin requirements. These totals may differ from the amounts presented in the preceding offsetting table because these totals may include collateral exchanged under an agreement that does not qualify as a master netting agreement or because the total amount of collateral pledged exceeds the net derivative fair values with the counterparty as of the balance sheet date due to timing or other factors, such as initial margin. To the extent not netted against the derivative fair values under a master netting agreement, the receivable for cash pledged is included in Other assets and the obligation for cash held is included in Other liabilities on our Consolidated Balance Sheet. Securities pledged to us by counterparties are not recognized on our balance sheet. Likewise, securities we have pledged to counterparties remain on our balance sheet.

Credit-Risk Contingent Features

Certain derivative agreements contain various credit-risk-related contingent provisions, such as those that require our debt to maintain a specified credit rating from one or more of the major credit rating agencies. If our debt ratings were to fall below such specified ratings, the counterparties to the derivative instruments could request immediate payment or demand immediate and ongoing full collateralization on derivative instruments in net liability positions. The following table presents the aggregate fair value of derivative instruments with credit-risk-related contingent features, the associated collateral posted in the normal course of business and the maximum amount of collateral we would be required to post if the credit-risk-related contingent features underlying these agreements had been triggered on June 30, 2024 and December 31, 2023.

Table 78: Credit-Risk Contingent Features

In billions	June 30, 2024	December 31, 2023
Net derivative liabilities with credit-risk contingent features	$ 4.8	$ 4.2
Less: Collateral posted	1.3	1.0
Maximum additional amount of collateral exposure	$ 3.5	$ 3.2

Note 13 Legal Proceedings

We establish accruals for legal proceedings, including litigation and regulatory and governmental investigations and inquiries, when information related to the loss contingencies represented by those matters indicates both that a loss is probable and that the amount of loss can be reasonably estimated. Any such accruals are adjusted thereafter as appropriate to reflect changed circumstances. When we are able to do so, we also determine estimates of reasonably possible losses or ranges of reasonably possible losses, whether in excess of any related accrued liability or where there is no accrued liability, for disclosed legal proceedings (“Disclosed Matters,” which are those matters disclosed in this Note 13 as well as those matters disclosed in Note 20 Legal Proceedings in our 2023 Form 10-K (such prior disclosure referred to as “Prior Disclosure”)). For Disclosed Matters where we are able to estimate such possible losses or ranges of possible losses, as of June 30, 2024, we estimate that it is reasonably possible that we could incur losses in excess of related accrued liabilities, if any, in an aggregate amount less than $ 300 million. The estimates included in this amount are based on our analysis of currently available information and are subject to significant judgment and a variety of assumptions and uncertainties. As new information is obtained we may change our estimates. Due to the inherent subjectivity of the assessments and unpredictability of outcomes of legal proceedings, any amounts accrued or included in this aggregate amount may not represent the ultimate loss to us from the legal proceedings in question. Thus, our exposure and ultimate losses may be higher, and possibly significantly so, than the amounts accrued or this aggregate amount.

As a result of the types of factors described in Note 20 Legal Proceedings in our 2023 Form 10-K, we are unable, at this time, to estimate the losses that are reasonably possible to be incurred or ranges of such losses with respect to some of the Disclosed Matters, and the aggregate estimated amount provided above does not include an estimate for every Disclosed Matter. Therefore, as the estimated aggregate amount disclosed above does not include all of the Disclosed Matters, the amount disclosed above does not represent our maximum reasonably possible loss exposure for all of the Disclosed Matters. The estimated aggregate amount also does not reflect any of our exposure to matters not so disclosed, as discussed below under “Other.”

We include in some of the descriptions of individual Disclosed Matters certain quantitative information related to the plaintiff’s claim against us as alleged in the plaintiff’s pleadings or other public filings or otherwise publicly available information. While information of this type may provide insight into the potential magnitude of a matter, it does not necessarily represent our estimate of reasonably possible loss or our judgment as to any currently appropriate accrual.

Some of our exposure in Disclosed Matters may be offset by applicable insurance coverage. We do not consider the possible availability of insurance coverage in determining the amounts of any accruals (although we would record the amount of related insurance recoveries that are deemed probable up to the amount of the accrual) or in determining any estimates of possible losses or ranges of possible losses.

Interchange Litigation

In June 2024, the district court denied preliminary approval of the settlement agreement to resolve the class action seeking equitable relief in the U.S. District Court for the Eastern District of New York under the caption *In re Payment Card Interchange Fee and Merchant-Discount Antitrust Litigation* (Master File No. 1:05-md-1720-MKB-JAM).

Regulatory and Governmental Inquiries

We are the subject of investigations, audits, examinations and other forms of regulatory and governmental inquiry covering a broad range of issues in our consumer, mortgage, brokerage, securities and other financial services businesses, as well as other aspects of our operations. In some cases, these inquiries are part of reviews of specified activities at multiple industry participants; in others, they are directed at PNC individually. From time to time, these inquiries have involved and may in the future involve or lead to regulatory enforcement actions and other administrative proceedings. These inquiries have also led to and may in the future lead to civil or criminal judicial proceedings. Some of these inquiries result in remedies including fines, penalties, restitution, or alterations in our business practices, and in additional expenses and collateral costs and other consequences. Such remedies and other consequences typically have not been material to us from a financial standpoint, but could be in the future. Even if not financially material, they may result in significant reputational harm or other adverse consequences. Our practice is to cooperate fully with regulatory and governmental investigations, audits and other inquiries.

Other

In addition to the proceedings or other matters described in Prior Disclosure, PNC and persons to whom we may have indemnification obligations, in the normal course of business, are subject to various other pending and threatened legal proceedings in which claims for monetary damages and other relief are asserted. We do not anticipate, at the present time, that the ultimate aggregate liability, if any, arising out of such other legal proceedings will have a material adverse effect on our financial position. However, we cannot now determine whether or not any claims asserted against us or others to whom we may have indemnification obligations, whether in the proceedings or other matters described above or otherwise, will have a material adverse effect on our results of operations in any future reporting period, which will depend on, among other things, the amount of the loss resulting from the claim and the amount of income otherwise reported for the reporting period.

NOTE 14 SEGMENT REPORTING

We have three reportable business segments: Retail Banking, Corporate & Institutional Banking and Asset Management Group:

Retail Banking provides deposit, lending, brokerage, insurance services, investment management and cash management products and services to consumer and small business customers who are serviced through our coast-to-coast branch network, digital channels, ATMs, or through our phone-based customer contact centers. Deposit products include checking, savings and money market accounts and time deposits. Lending products include residential mortgages, home equity loans and lines of credit, auto loans, credit cards, education loans and personal and small business loans and lines of credit. The residential mortgage loans are directly originated within our branch network and nationwide, and are typically underwritten to agency and/or third-party standards, and either sold, servicing retained or held on our balance sheet. Brokerage, investment management and cash management products and services include managed, education, retirement and trust accounts.

Corporate & Institutional Banking provides lending, treasury management, capital markets and advisory products and services to mid-sized and large corporations and government and not-for-profit entities. Lending products include secured and unsecured loans, letters of credit and equipment leases. The Treasury Management business provides corporations with cash and investment management services, receivables and disbursement management services, funds transfer services and access to online/mobile information management and reporting services. Capital markets and advisory includes services and activities primarily related to merger and acquisitions advisory, equity capital markets advisory, asset-backed financing, loan syndication, securities underwriting and customer-related trading. We also provide commercial loan servicing and technology solutions for the commercial real estate finance industry. Products and services are provided nationally.

Asset Management Group provides private banking for high net worth and ultra high net worth clients and institutional asset management. The Asset Management group is composed of two operating units:

- PNC Private Bank provides products and services to emerging affluent, high net worth and ultra high net worth individuals and their families including investment and retirement planning, customized investment management, credit and cash management solutions, trust management and administration. In addition, multi-generational family planning services are also provided to ultra high net worth individuals and their families, which include estate, financial, tax, fiduciary and customized performance reporting through PNC Private Bank Hawthorn.

- Institutional Asset Management provides outsourced chief investment officer, custody, cash and fixed income client solutions and retirement plan fiduciary investment services to institutional clients including corporations, healthcare systems, insurance companies, unions, municipalities and non-profits.

The remaining corporate operations are reflected in Other:

Other includes residual activities that do not meet the criteria for disclosure as a separate reportable business, such as asset and liability management activities including net securities gains or losses, ACL for investment securities, certain trading activities, certain runoff consumer loan portfolios, private equity investments, intercompany eliminations, corporate overhead net of allocations, tax adjustments that are not allocated to business segments, exited businesses and the residual impact from FTP operations. Other earnings declined in both the quarterly and year-to-date comparisons. Amounts for the second quarter of 2024 were driven by the residual impacts from FTP due to the interest rate environment, and the loss related to the repositioning of the investment securities portfolio, along with the expense related to a PNC Foundation contribution. Other earnings for the first six months of 2024 also included the additional expense related to the increase in the FDIC's expected losses.

Basis of Presentation

Results of individual businesses are presented based on our internal management reporting practices. There is no comprehensive, authoritative body of guidance for management accounting equivalent to GAAP; therefore, the financial results of our individual businesses are not necessarily comparable with similar information for any other company. We periodically refine our internal methodologies as management reporting practices are enhanced. To the extent significant and practicable, retrospective application of new methodologies is made to prior period reportable business segment results and disclosures to create comparability with the current period.

Funds Transfer Pricing

Net interest income in business segment results reflects our internal FTP methodology, which is designed to consider interest rate and liquidity risks. Under our methodology, assets receive a funding charge while liabilities and capital receive a funding credit based on market interest rates, product characteristics and other factors.

Our transfer pricing framework considers the application of funding curves and methodologies consistently across the balance sheet. A residual gain or loss from FTP operations is retained within Other. This residual gain or loss is reviewed by management quarterly, in accordance with the interagency guidance of the FDIC, Federal Reserve and OCC.

Segment Allocations

Financial results are presented, to the extent practicable, as if each business operated on a standalone basis, and includes expense allocations for corporate overhead services used by the business segments.

Certain costs are retained within Other. These costs are not allocated to our business segments because they (i) are transitory or highly irregular in nature, (ii) exist solely to support corporate activities unrelated to business segment operations, or (iii) reflect residual costs for an exited business. During the first six months of 2024, Other noninterest expense for the Other category included the additional expense related to the increase in the FDIC's expected losses, as well as a PNC Foundation contribution. These costs were not allocated to our business segments as the FDIC special assessment expense was irregular in nature, and the contribution expense supported corporate activities.

We have allocated the ALLL and the allowance for unfunded lending related commitments based on the loan exposures within each business segment's portfolio.

Business Segment Results

Table 79: Results of Businesses

Three months ended June 30 In millions	Retail Banking	Corporate & Institutional Banking	Asset Management Group	Other	Consolidated (a)
2024					
Income Statement					
Net interest income	$ 2,709	$ 1,531	$ 163	$ (1,101)	$ 3,302
Noninterest income	1,409	942	235	(477)	2,109
Total revenue	4,118	2,473	398	(1,578)	5,411
Provision for (recapture of) credit losses	27	228	2	(22)	235
Depreciation and amortization	80	51	9	145	285
Other noninterest expense	1,761	860	252	199	3,072
Income (loss) before income taxes (benefit) and noncontrolling interests	2,250	1,334	135	(1,900)	1,819
Income taxes (benefit)	524	283	32	(497)	342
Net income (loss)	1,726	1,051	103	(1,403)	1,477
Less: Net income attributable to noncontrolling interests	11	5		2	18
Net income (loss) excluding noncontrolling interests	$ 1,715	$ 1,046	$ 103	$ (1,405)	$ 1,459
Average Assets	$ 115,102	$ 229,604	$ 17,018	$ 201,306	$ 563,030
2023					
Income Statement					
Net interest income	$ 2,448	$ 1,349	$ 125	$ (412)	$ 3,510
Noninterest income	702	821	228	32	1,783
Total revenue	3,150	2,170	353	(380)	5,293
Provision for (recapture of) credit losses	(14)	209	(10)	(39)	146
Depreciation and amortization	81	53	7	143	284
Other noninterest expense	1,823	868	273	124	3,088
Income (loss) before income taxes (benefit) and noncontrolling interests	1,260	1,040	83	(608)	1,775
Income taxes (benefit)	295	218	20	(258)	275
Net income (loss)	965	822	63	(350)	1,500
Less: Net income attributable to noncontrolling interests	11	5		1	17
Net income (loss) excluding noncontrolling interests	$ 954	$ 817	$ 63	$ (351)	$ 1,483
Average Assets	$ 114,826	$ 234,174	$ 15,562	$ 190,945	$ 555,507

(Continued from previous page)

Six months ended June 30 In millions	Retail Banking	Corporate & Institutional Banking	Asset Management Group	Other	Consolidated (a)
2024					
Income Statement					
Net interest income	$ 5,326	$ 3,051	$ 320	$ (2,131)	$ 6,566
Noninterest income	2,173	1,830	465	(478)	3,990
Total revenue	7,499	4,881	785	(2,609)	10,556
Provision for (recapture of) credit losses	145	275	(3)	(27)	390
Depreciation and amortization	159	101	16	289	565
Other noninterest expense	3,519	1,732	510	365	6,126
Income (loss) before income taxes (benefit) and noncontrolling interests	3,676	2,773	262	(3,236)	3,475
Income taxes (benefit)	857	596	62	(861)	654
Net income (loss)	2,819	2,177	200	(2,375)	2,821
Less: Net income attributable to noncontrolling interests	19	10		3	32
Net income (loss) excluding noncontrolling interests	$ 2,800	$ 2,167	$ 200	$ (2,378)	$ 2,789
Average Assets	$ 114,651	$ 229,151	$ 16,873	$ 202,264	$ 562,939
2023					
Income Statement					
Net interest income	$ 4,729	$ 2,732	$ 252	$ (618)	$ 7,095
Noninterest income	1,445	1,707	458	191	3,801
Total revenue	6,174	4,439	710	(427)	10,896
Provision for (recapture of) credit losses	224	181	(1)	(23)	381
Depreciation and amortization	159	107	13	286	565
Other noninterest expense	3,672	1,753	547	156	6,128
Income (loss) before income taxes (benefit) and noncontrolling interests	2,119	2,398	151	(846)	3,822
Income taxes (benefit)	497	512	36	(417)	628
Net income (loss)	1,622	1,886	115	(429)	3,194
Less: Net income attributable to noncontrolling interests	21	10		3	34
Net income (loss) excluding noncontrolling interests	$ 1,601	$ 1,876	$ 115	$ (432)	$ 3,160
Average Assets	$ 115,103	$ 234,354	$ 15,282	$ 194,162	$ 558,901

(a) There were no material intersegment revenues for the three and six months ended June 30, 2024 and 2023.

NOTE 15 FEE-BASED REVENUE FROM CONTRACTS WITH CUSTOMERS

As more fully described in Note 23 Fee-based Revenue from Contracts with Customers in our 2023 Form 10-K, a subset of our noninterest income relates to certain fee-based revenue within the scope of ASC Topic 606 - *Revenue from Contracts with Customers* (Topic 606).

Fee-based revenue within the scope of Topic 606 is recognized within our three reportable business segments: Retail Banking, Corporate & Institutional Banking and Asset Management Group. Interest income, income from lease contracts, fair value gains from financial instruments (including derivatives), income from mortgage servicing rights and guarantee products, letter of credit fees, non-refundable fees associated with acquiring or originating a loan and gains from the sale of financial assets are outside of the scope of Topic 606.

Table 80 presents the noninterest income recognized within the scope of Topic 606 for each of our three reportable business segments' principal products and services, along with the relationship to the noninterest income revenue streams shown on our Consolidated Income Statement. For a description of the fee-based revenue and how it is recognized for each segment's principal products and services, see Note 23 Fee-based Revenue from Contracts with Customers in our 2023 Form 10-K.

Table 80: Noninterest Income by Business Segment and Reconciliation to Consolidated Noninterest Income

In millions	Three Months Ended June 30, 2024			Three Months Ended June 30, 2023		
	Retail Banking	Corporate & Institutional Banking	Asset Management Group	Retail Banking	Corporate & Institutional Banking	Asset Management Group
Asset management and brokerage						
Asset management fees			$ 229			$ 222
Brokerage fees	$ 135			$ 124		2
Total asset management and brokerage	135		229	124		224
Card and cash management						
Treasury management fees	11	$ 371		11	$ 345	
Debit card fees	176			178		
Net credit card fees (a)	58			61		
Merchant services	41	19		45	19	
Other	22			25		
Total card and cash management	308	390		320	364	
Lending and deposit services						
Deposit account fees	158			151		
Other	19	8		18	8	
Total lending and deposit services	177	8		169	8	
Residential and commercial mortgage (b)		28			40	
Capital markets and advisory		193			130	
Other		11			14	
Total in-scope noninterest income	620	630	229	613	556	224
Out-of-scope noninterest income (c)	789	312	6	89	265	4
Noninterest income by business segment	$ 1,409	$ 942	$ 235	$ 702	$ 821	$ 228
Reconciliation to consolidated noninterest income						
Total in-scope business segment noninterest income			$ 1,479			$ 1,393
Out-of-scope business segment noninterest income (c)			1,107			358
Noninterest income from other segments			(477)			32
Noninterest income as shown on the Consolidated Income Statement			$ 2,109			$ 1,783

(Continued from previous page) In millions	Six Months Ended June 30, 2024 Retail Banking	Corporate & Institutional Banking	Asset Management Group	Six Months Ended June 30, 2023 Retail Banking	Corporate & Institutional Banking	Asset Management Group
Asset management and brokerage						
Asset management fees			$ 456			$ 446
Brokerage fees	$ 272			$ 254		4
Total asset management and brokerage	272		456	254		450
Card and cash management						
Treasury management fees	21	$ 728		21	$ 673	
Debit card fees	343			343		
Net credit card fees (a)	103			119		
Merchant services	78	38		84	38	
Other	44			49		
Total card and cash management	589	766		616	711	
Lending and deposit services						
Deposit account fees	313			306		
Other	35	17		36	16	
Total lending and deposit services	348	17		342	16	
Residential and commercial mortgage (b)		58			82	
Capital markets and advisory		383			286	
Other		28			22	
Total in-scope noninterest income	1,209	1,252	456	1,212	1,117	450
Out-of-scope noninterest income (c)	964	578	9	233	590	8
Noninterest income by business segment	$ 2,173	$ 1,830	$ 465	$ 1,445	$ 1,707	$ 458
Reconciliation to consolidated noninterest income						
Total in-scope business segment noninterest income			$ 2,917			$ 2,779
Out-of-scope business segment noninterest income (c)			1,551			831
Noninterest income from other segments			(478)			191
Noninterest income as shown on the Consolidated Income Statement			$ 3,990			$ 3,801

(a) Net credit card fees consists of interchange fees of $ 170 million and $ 173 million and credit card reward costs of $ 113 million and $ 112 million for the three months ended June 30, 2024 and 2023, respectively. Net credit card fees consists of interchange fees of $ 328 million and $ 333 million and credit card reward costs of $ 226 million and $ 214 million for the six months ended June 30, 2024 and 2023, respectively.

(b) Residential mortgage noninterest income falls under the scope of other accounting and disclosure requirements outside of Topic 606 and is included within the out-of-scope noninterest income line for the Retail Banking segment.

(c) Out-of-scope noninterest income includes revenue streams that fall under the scope of other accounting and disclosure requirements outside of Topic 606.

NOTE 16 SUBSEQUENT EVENTS

On July 23, 2024, the parent company issued $ 1.0 billion of senior fixed-to-floating rate notes with a maturity date of July 23, 2027 (the “2027 Senior Notes”) and $ 1.5 billion of senior fixed-to-floating rate notes with a maturity date of July 23, 2035 (the “2035 Senior Notes”). Interest is payable on the 2027 Senior Notes semi-annually in arrears at a fixed rate of 5.102 % per annum, on January 23 and July 23 of each year, beginning on January 23, 2025. Beginning on July 23, 2026, interest is payable on the 2027 Senior Notes quarterly in arrears at a floating rate per annum equal to Compounded SOFR (determined with respect to each quarterly interest period using the SOFR Index as described in the Prospectus Supplement), plus 0.796 %, on October 23, 2026, January 23, 2027, April 23, 2027 and at the maturity date. Interest is payable on the 2035 Senior Notes semi-annually in arrears at a fixed rate of 5.401 % per annum, on January 23 and July 23 of each year, beginning on January 23, 2025. Beginning on July 23, 2034, interest is payable on the 2035 Senior Notes quarterly in arrears at a floating rate per annum equal to Compounded SOFR (determined with respect to each quarterly interest period using the SOFR Index as described in the Prospectus Supplement), plus 1.599 %, on October 23, 2034, January 23, 2035, April 23, 2035 and at the maturity date.

STATISTICAL INFORMATION (UNAUDITED)

THE PNC FINANCIAL SERVICES GROUP, INC.

Average Consolidated Balance Sheet And Net Interest Analysis (a) (b) (c)

	Six months ended June 30					
	2024			2023		
Taxable-equivalent basis Dollars in millions	Average Balances	Interest Income/Expense	Average Yields/Rates	Average Balances	Interest Income/ Expense	Average Yields/ Rates
Assets						
Interest-earning assets:						
Investment securities						
Securities available for sale						
Residential mortgage-backed						
Agency	$ 30,320	$ 444	2.93 %	$ 31,513	$ 421	2.67 %
Non-agency	565	28	9.96 %	676	30	8.95 %
Commercial mortgage-backed	2,660	40	3.03 %	3,025	41	2.72 %
Asset-backed	1,701	51	5.96 %	397	13	6.67 %
U.S. Treasury and government agencies	11,775	221	3.72 %	8,657	92	2.12 %
Other	2,697	36	2.64 %	3,129	40	2.51 %
Total securities available for sale	49,718	820	3.29 %	47,397	637	2.69 %
Securities held to maturity						
Residential mortgage-backed	42,433	590	2.78 %	45,323	618	2.73 %
Commercial mortgage-backed	2,213	60	5.42 %	2,424	62	5.15 %
Asset-backed	5,331	122	4.57 %	6,868	138	4.03 %
U.S. Treasury and government agencies	35,663	234	1.31 %	36,831	245	1.33 %
Other	3,012	68	4.61 %	3,365	80	4.63 %
Total securities held to maturity	88,652	1,074	2.42 %	94,811	1,143	2.41 %
Total investment securities	138,370	1,894	2.74 %	142,208	1,780	2.50 %
Loans						
Commercial and industrial	177,194	5,557	6.20 %	181,444	5,041	5.52 %
Commercial real estate	35,523	1,197	6.67 %	36,023	1,121	6.19 %
Equipment lease financing	6,478	171	5.27 %	6,408	141	4.40 %
Consumer	53,718	1,924	7.20 %	55,045	1,762	6.46 %
Residential real estate	47,350	870	3.67 %	46,107	779	3.38 %
Total loans	320,263	9,719	6.03 %	325,027	8,844	5.43 %
Interest-earning deposits with banks	44,682	1,223	5.47 %	32,736	790	4.83 %
Other interest-earning assets	8,641	300	6.95 %	9,012	264	5.86 %
Total interest-earning assets/interest income	511,956	13,136	5.11 %	508,983	11,678	4.58 %
Noninterest-earning assets	50,983			49,918		
Total assets	$ 562,939			$ 558,901		
Liabilities and Equity						
Interest-bearing liabilities:						
Interest-bearing deposits						
Money market	$ 67,735	1,152	3.42 %	$ 64,716	832	2.59 %
Demand	122,085	1,369	2.25 %	124,243	1,069	1.74 %
Savings	97,476	886	1.83 %	103,406	585	1.14 %
Time deposits	33,819	754	4.46 %	21,436	336	3.14 %
Total interest-bearing deposits	321,115	4,161	2.60 %	313,801	2,822	1.81 %
Borrowed funds						
Federal Home Loan Bank borrowings	36,839	1,054	5.66 %	32,909	835	5.04 %
Senior debt	29,096	966	6.57 %	20,298	577	5.66 %
Subordinated debt	4,824	160	6.64 %	5,974	177	5.94 %
Other	5,764	161	5.54 %	5,156	97	3.74 %
Total borrowed funds	76,523	2,341	6.06 %	64,337	1,686	5.22 %
Total interest-bearing liabilities/interest expense	397,638	6,502	3.25 %	378,138	4,508	2.38 %
Noninterest-bearing liabilities and equity:						
Noninterest-bearing deposits	97,579			117,155		
Accrued expenses and other liabilities	16,774			15,536		
Equity	50,948			48,072		
Total liabilities and equity	$ 562,939			$ 558,901		
Interest rate spread			1.86 %			2.20 %
Impact of noninterest-bearing sources			0.72			0.61
Net interest income/margin		$ 6,634	2.58 %		$ 7,170	2.81 %

(Continued on the following page)

STATISTICAL INFORMATION (UNAUDITED)

THE PNC FINANCIAL SERVICES GROUP, INC.

Average Consolidated Balance Sheet And Net Interest Analysis (a) (b) (c)

(Continued from previous page)

	Three months ended June 30					
	2024			2023		
Taxable-equivalent basis Dollars in millions	Average Balances	Interest Income/Expense	Average Yields/Rates	Average Balances	Interest Income/ Expense	Average Yields/ Rates
Assets						
Interest-earning assets:						
Investment securities						
Securities available for sale						
Residential mortgage-backed						
Agency	$ 30,229	$ 225	2.98 %	$ 31,180	$ 208	2.67 %
Non-agency	551	14	10.30 %	663	15	9.39 %
Commercial mortgage-backed	2,698	20	3.07 %	2,948	21	2.84 %
Asset-backed	1,987	30	5.92 %	575	9	6.56 %
U.S. Treasury and government agencies	15,350	166	4.28 %	8,231	45	2.20 %
Other	2,620	18	2.66 %	2,997	21	2.55 %
Total securities available for sale	53,435	473	3.53 %	46,594	319	2.73 %
Securities held to maturity						
Residential mortgage-backed	42,234	295	2.79 %	45,033	306	2.72 %
Commercial mortgage-backed	2,174	29	5.38 %	2,396	32	5.35 %
Asset-backed	5,035	59	4.65 %	6,712	68	4.10 %
U.S. Treasury and government agencies	35,467	117	1.31 %	36,912	123	1.34 %
Other	2,961	33	4.69 %	3,391	41	4.65 %
Total securities held to maturity	87,871	533	2.43 %	94,444	570	2.41 %
Total investment securities	141,306	1,006	2.84 %	141,038	889	2.52 %
Loans						
Commercial and industrial	177,130	2,786	6.22 %	180,878	2,608	5.70 %
Commercial real estate	35,523	598	6.66 %	35,938	578	6.37 %
Equipment lease financing	6,490	87	5.37 %	6,364	72	4.51 %
Consumer	53,503	963	7.24 %	55,070	901	6.57 %
Residential real estate	47,272	437	3.70 %	46,284	395	3.41 %
Total loans	319,918	4,871	6.05 %	324,534	4,554	5.57 %
Interest-earning deposits with banks	41,113	563	5.47 %	31,433	400	5.10 %
Other interest-earning assets	9,279	162	6.98 %	9,215	138	5.96 %
Total interest-earning assets/interest income	511,616	6,602	5.13 %	506,220	5,981	4.70 %
Noninterest-earning assets	51,414			49,287		
Total assets	$ 563,030			$ 555,507		
Liabilities and Equity						
Interest-bearing liabilities:						
Interest-bearing deposits						
Money market	$ 67,631	570	3.39 %	$ 63,691	443	2.79 %
Demand	121,423	679	2.25 %	124,111	584	1.89 %
Savings	97,232	447	1.85 %	102,415	321	1.26 %
Time deposits	34,663	388	4.48 %	22,342	183	3.26 %
Total interest-bearing deposits	320,949	2,084	2.61 %	312,559	1,531	1.96 %
Borrowed funds						
Federal Home Loan Bank borrowings	35,962	515	5.66 %	33,752	451	5.28 %
Senior debt	29,717	492	6.55 %	20,910	312	5.91 %
Subordinated debt	4,567	75	6.65 %	5,850	90	6.19 %
Other	7,210	100	5.51 %	5,180	50	3.79 %
Total borrowed funds	77,456	1,182	6.04 %	65,692	903	5.44 %
Total interest-bearing liabilities/interest expense	398,405	3,266	3.26 %	378,251	2,434	2.56 %
Noninterest-bearing liabilities and equity:						
Noninterest-bearing deposits	96,284			113,178		
Accrued expenses and other liabilities	17,144			15,063		
Equity	51,197			49,015		
Total liabilities and equity	$ 563,030			$ 555,507		
Interest rate spread			1.87 %			2.14 %
Impact of noninterest-bearing sources			0.73			0.65
Net interest income/margin		$ 3,336	2.60 %		$ 3,547	2.79 %

(a) Nonaccrual loans are included in loans, net of unearned income. The impact of financial derivatives used in interest rate risk management is included in the interest income/expense and average yields/rates of the related assets and liabilities. Basis adjustments related to hedged items are included in noninterest-earning assets and noninterest-bearing liabilities. Average balances of securities are based on amortized historical cost (excluding adjustments to fair value, which are included in other assets). Average balances for certain loans and borrowed funds accounted for at fair value are included in noninterest-earning assets and noninterest-bearing liabilities, with changes in fair value recorded in Noninterest income.

(b) Loan fees for both the three months ended June 30, 2024 and 2023 were $44 million. Loan fees for the six months ended June 30, 2024 and 2023 were $91 million and $90 million, respectively.

(c) Interest income calculated as taxable-equivalent interest income. To provide more meaningful comparisons of interest income and yields for all interest-earning assets, as well as net interest margins, we use interest income on a taxable-equivalent basis in calculating average yields and net interest margin by increasing the interest income earned on tax-exempt assets to make it fully equivalent to interest income earned on taxable investments. This adjustment is not permitted under GAAP. See Reconciliation of Taxable-Equivalent Net Interest Income in this Statistical Information section for more information.

Reconciliation Of Taxable-Equivalent Net Interest Income (non-GAAP) (a)

	Six months ended		Three months ended	
In millions	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net interest income (GAAP)	$ 6,566	$ 7,095	$ 3,302	$ 3,510
Taxable-equivalent adjustments	68	75	34	37
Net interest income (non-GAAP)	$ 6,634	$ 7,170	$ 3,336	$ 3,547

(a) The interest income earned on certain interest-earning assets is completely or partially exempt from federal income tax. As such, these tax-exempt instruments typically yield lower returns than taxable investments. To provide more meaningful comparisons of net interest income, we use interest income on a taxable-equivalent basis by increasing the interest income earned on tax-exempt assets to make it fully equivalent to interest income earned on taxable investments. This adjustment is not permitted under GAAP.

Reconciliation Of Noninterest Income Guidance, Excluding Significant Items (non-GAAP) (a)

	Actual	Actual	Outlook - low end		Outlook - high end	
			Year ended		Year ended	
	Three months ended	Year ended	December 31, 2024		December 31, 2024	
Dollars in millions	June 30, 2024	December 31, 2023	Adjustments	% Change	Adjustments	% Change
Noninterest income	$ 2,109	$ 7,574		5 %		7 %
Less significant items:						
Gain on Visa shares exchange program	754		$ 754		$ 754	
Visa Class B derivative fair value adjustments	(116)		(116)		(116)	
Loss on sale of securities	(497)		(497)		(497)	
Total significant items	$ 141		$ 141		$ 141	
Noninterest income, excluding significant items (non-GAAP)				3 %		5 %

(a) We believe Noninterest income, excluding significant items to be a useful tool for comparison of noninterest income recognized during the normal course of business.

Reconciliation Of Revenue Guidance, Excluding Significant Items (non-GAAP) (a)

	Actual	Actual	Outlook - low end		Outlook - high end	
			Year ended		Year ended	
	Three months ended	Year ended	December 31, 2024		December 31, 2024	
Dollars in millions	June 30, 2024	December 31, 2023	Adjustments	% Change	Adjustments	% Change
Revenue	$ 5,411	$ 21,490		(1) %		—
Less significant items:						
Gain on Visa shares exchange program	754		$ 754		$ 754	
Visa Class B derivative fair value adjustments	(116)		(116)		(116)	
Loss on sale of securities	(497)		(497)		(497)	
Total significant items	$ 141		$ 141		$ 141	
Revenue, excluding significant items (non-GAAP)				(2) %		(1) %

(a) We believe Revenue, excluding significant items to be a useful tool for comparison of revenue recognized during the normal course of business.

Reconciliation Of Core Noninterest Expense Guidance (non-GAAP) (a)

Dollars in millions	Actual Three months ended June 30, 2024	Outlook - Low End Three months ended September 30, 2024 Adjustments	Outlook - Low End % Change	Actual Three months ended June 30, 2024 Adjustments	Outlook - High End Three months ended September 30, 2024 Adjustments	Outlook - High End % Change
Noninterest expense	$ 3,357		—	$ 3,357		(1) %
Less non-core noninterest expense adjustments:						
2Q24 PNC Foundation Contribution Expense	120			120		
Core noninterest expense (non-GAAP)	$ 3,237		4 %	$ 3,237		3 %

Dollars in millions	Actual Year ended December 31, 2023	Outlook Year ended December 31, 2024 Adjustments	Outlook Approximate % Change
Noninterest expense	$ 14,012		(4) %
Less non-core noninterest expense adjustments:			
2Q24 PNC Foundation Contribution Expense		$ 120	
FDIC special assessment costs	515	130	
Workforce reduction charges	150		
Total non-core noninterest expense adjustments	$ 665	$ 250	
Core noninterest expense (non-GAAP)	$ 13,347		(1) %

(a) Core noninterest expense is a non-GAAP measure calculated based on Noninterest expense less the pre-tax impacts of the expense related to a contribution to the PNC Foundation, costs related to the FDIC's special assessment and the workforce reduction that were incurred outside of our core business operations. We believe this non-GAAP measure to be a useful tool for comparison of operating expenses incurred during the normal course of business.

Glossary

Defined Terms

For a glossary of terms commonly used in our filings, please see the glossary of terms included in our 2023 Form 10-K.

Acronyms

ACL	Allowance for credit losses	**LGD**	Loss given default
ALCO	PNC's Asset and Liability Committee	**LIHTC**	Low income housing tax credit
ALLL	Allowance for loan and lease losses	**LLC**	Limited liability company
AOCI	Accumulated other comprehensive income	**LTV**	Loan-to-value ratio
ASC	Accounting Standards Codification	**MD&A**	Management's Discussion and Analysis of Financial Condition and Results of Operations
ASU	Accounting Standards Update	**MSR**	Mortgage servicing right
BHC	Bank holding company	**NMTC**	New market tax credit
bps	Basis points	**NSFR**	Net Stable Funding Ratio
CCAR	Comprehensive Capital Analysis and Review	**OCC**	Office of the Comptroller of the Currency
CECL	Current expected credit losses	**OREO**	Other real estate owned
CET1	Common equity tier 1	**OTC**	Over-the-counter
FDIC	Federal Deposit Insurance Corporation	**PCD**	Purchased credit deteriorated
FDM	Financial Difficulty Modification	**PD**	Probability of default
FHLB	Federal Home Loan Bank	**RAC**	PNC's Reserve Adequacy Committee
FHLMC	Federal Home Loan Mortgage Corporation	**ROAP**	Removal of account provisions
FICO	Fair Isaac Corporation (credit score)	**SCB**	Stress capital buffer
FNMA	Federal National Mortgage Association	**SEC**	Securities and Exchange Commission
FOMC	Federal Open Market Committee	**SOFR**	Secured Overnight Financing Rate
FTP	Funds Transfer Pricing	**SPE**	Special purpose entity
GAAP	Accounting principles generally accepted in the United States of America	**TDR**	Troubled debt restructuring
GDP	Gross Domestic Product	**U.S.**	United States of America
GNMA	Government National Mortgage Association	**VaR**	Value-at-risk
ISDA	International Swaps and Derivatives Association	**VIE**	Variable interest entity
LCR	Liquidity Coverage Ratio		

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See the information set forth in Note 13 Legal Proceedings, which is incorporated by reference in response to this item.

ITEM 1A. RISK FACTORS

There are no material changes from any of the risk factors previously disclosed in our 2023 Form 10-K in response to Part I, Item 1A.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

None.

Equity Security Repurchases

Details of our repurchases of PNC common stock during the second quarter of 2024 are included in the following table:

2024 period In thousands, except per share data	Total shares purchased (a)	Average price paid per share	Total shares purchased as part of publicly announced programs (b)	Maximum number of shares that may yet be purchased under the programs (b)
April 1 - 30	288	$ 153.71	264	43,815
May 1 - 31	190	$ 155.69	190	43,625
June 1 - 30	241	$ 152.85	241	43,384
Total	719	$ 153.95	695	

(a) Includes PNC common stock purchased in connection with our various employee benefit plans generally related to forfeitures of unvested restricted stock awards and shares used to cover employee payroll tax withholding requirements. See Note 16 Employee Benefit Plans and Note 17 Stock Based Compensation Plans in our 2023 Form 10-K, which include additional information regarding our employee benefit and equity compensation plans that use PNC common stock.

(b) Consistent with the SCB framework, which allows for capital return 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 43% were still available for repurchase at June 30, 2024. In light of the Federal banking agencies' proposed rules to adjust the Basel III capital framework, third quarter 2024 share repurchase activity is expected to approximate recent quarterly average share repurchase levels. PNC continues to evaluate the potential impact of the proposed rules and may adjust share repurchase activity depending on market and economic conditions, as well as other factors. Based on the results of the Federal Reserve's 2024 annual stress test, PNC's SCB for the four-quarter period beginning October 1, 2024 will remain at the regulatory minimum of 2.5%.

ITEM 5. OTHER INFORMATION

Director or Executive Officer Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements

During the three months ended June 30, 2024, none of PNC's directors or executive officers adopted , terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement.

ITEM 6. EXHIBITS

The following exhibit index lists Exhibits filed or furnished with this Quarterly Report on Form 10-Q:

EXHIBIT INDEX

10.30	2024 Form of Performance Share Units Award Agreement
10.31	2024 Form of Restricted Share Units Award Agreement
10.32	2024 Form of Restricted Share Units Award Agreement – Senior Leader Program
18	Preferability Letter
22	Subsidiary Issuers of Guaranteed Securities
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350
32.2	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350
101.INS	Inline XBRL Instance Document*
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

*The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL.

You can obtain copies of these Exhibits electronically at the SEC's website at www.sec.gov. The Exhibits are also available as part of this Form 10-Q on PNC's corporate website at www.pnc.com/secfilings. Shareholders and bondholders may also obtain copies of Exhibits, without charge, by contacting Investor Relations at 800-843-2206 or via e-mail at investor.relations@pnc.com. The Interactive Data File (XBRL) exhibit is only available electronically.

CORPORATE INFORMATION

The PNC Financial Services Group, Inc.

Internet Information

The PNC Financial Services Group, Inc.'s financial reports and information about its products and services are available on the internet at www.pnc.com. We provide information for investors on our corporate website under "About Us – Investor Relations." We use our account with X, formerly known as Twitter, @pncnews, as an additional way of disseminating to the public information that may be relevant to investors.

We generally post the following under "About Us – Investor Relations" shortly before or promptly following its first use or release: financially-related press releases, including earnings releases and supplemental financial information, various SEC filings, including annual, quarterly and current reports and proxy statements, presentation materials associated with earnings and other investor conference calls or events, and access to live and recorded audio from earnings and other investor conference calls or events. In some cases, we may post the presentation materials for other investor conference calls or events several days prior to the call or event. For earnings and other conference calls or events, we generally include in our posted materials a cautionary statement regarding forward-looking and non-GAAP financial information and we provide GAAP reconciliations when we include non-GAAP financial information. Such GAAP reconciliations may be in materials for the applicable presentation, in materials for prior presentations or in our annual, quarterly or current reports.

When warranted, we will also use our website to expedite public access to time-critical information regarding PNC instead of using a press release or a filing with the SEC for first disclosure of the information. In some circumstances, the information may be relevant to investors but directed at customers, in which case it may be accessed directly through the home page rather than "About Us – Investor Relations."

We are required to provide additional public disclosure regarding estimated income, losses and pro forma regulatory capital ratios under supervisory and PNC-developed hypothetical severely adverse economic scenarios, as well as information concerning our capital stress testing processes, pursuant to the stress testing regulations adopted by the Federal Reserve and the OCC. We are also required to make certain additional regulatory capital-related public disclosures about our capital structure, risk exposures, risk assessment processes, risk-weighted assets and overall capital adequacy, including market risk-related disclosures, under the regulatory capital rules adopted by the Federal banking agencies. Similarly, the Federal Reserve's rules require quantitative and qualitative disclosures about our LCR and NSFR. Under these regulations, we may satisfy these requirements through postings on our website, and, subject to limited exceptions, we have done so and expect to continue to do so without also providing disclosure of this information through filings with the SEC.

Other information posted on our corporate website that may not be available in our filings with the SEC includes information relating to our corporate governance and annual communications from our chairman to shareholders.

Where we have included internet addresses in this Report, such as our internet address and the internet address of the SEC, we have included those internet addresses as inactive textual references only. Except as specifically incorporated by reference into this Report, information on those websites is not part hereof.

Financial Information

We are subject to the informational requirements of the Exchange Act and, in accordance with the Exchange Act, we file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC File Number is 001-09718. You can obtain copies of these and other filings, including exhibits, electronically at the SEC's internet website at www.sec.gov or on our corporate internet website at www.pnc.com/secfilings. Shareholders and bond holders may also obtain copies of these filings without charge by contacting PNC Investor Relations at 800-843-2206, via the information request form at www.pnc.com/investorrelations for copies without exhibits, or via email to investor.relations@pnc.com for copies of exhibits, including financial statements and schedule exhibits where applicable. The interactive date file (XBRL) is only available electronically.

Corporate Governance at PNC

Information about our Board of Directors and its committees and corporate governance, including our PNC Code of Business Conduct and Ethics (as amended from time to time), is available on our website at www.pnc.com/corporategovernance. In addition, any future waivers from a provision of the PNC Code of Business Conduct and Ethics covering any of our directors or executive officers (including our principal executive officer, principal financial officer and principal accounting officer or controller) will be posted at this internet address.

Shareholders who would like to request printed copies of the PNC Code of Business Conduct and Ethics or our Corporate Governance Guidelines or the charters of our Board's Audit, Nominating and Governance, Human Resources or Risk Committees (all of which are posted on our website at www.pnc.com/corporategovernance) may do so by sending their requests to our Corporate Secretary at The PNC Financial Services Group, Inc. at The Tower at PNC Plaza, 300 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2401. Copies will be provided without charge.

Inquiries

For customer inquiries, call 800-PNC-BANK.

Registered shareholders should contact Shareholder Services at 800-982-7652. Hearing impaired: 800-952-9245.

Analysts and institutional investors should contact Bryan Gill, Executive Vice President, Director of Investor Relations, at 412-768-4143 or via email at investor.relations@pnc.com.

News media representatives should contact PNC Media Relations at 412-762-4550 or via email at media.relations@pnc.com.

Dividend Policy

Holders of PNC common stock are entitled to receive dividends when declared by our Board of Directors out of funds legally available for this purpose. Our Board of Directors may not pay or set apart dividends on the common stock until dividends for all past dividend periods on any series of outstanding preferred stock and certain outstanding capital securities issued by the parent company
have been paid or declared and set apart for payment. The Board of Directors currently intends to continue the policy of paying quarterly cash dividends. The amount of any future dividends will depend on economic and market conditions, our financial condition and operating results, and other factors, including contractual restrictions and applicable government regulations and policies (such as those relating to the ability of bank and non-bank subsidiaries to pay dividends to the parent company and regulatory capital

limitations). The amount of our dividend is also currently subject to the results of the supervisory assessment of capital adequacy and capital planning processes undertaken by the Federal Reserve as part of the CCAR process, which includes setting PNC's SCB, as described in the Capital Management portion of the Risk Management section of this Report and in the Supervision and Regulation section in Item 1 of our 2023 Form 10-K.

Dividend Reinvestment and Stock Purchase Plan

The PNC Financial Services Group, Inc. Dividend Reinvestment and Stock Purchase Plan enables holders of our common stock to conveniently purchase additional shares of common stock. Obtain a prospectus and enroll at www.computershare.com/pnc or contact Computershare at 800-982-7652. Registered shareholders may also contact this phone number regarding dividends and other shareholder services.

Stock Transfer Agent and Registrar

Computershare
150 Royall Steet, Suite 101
Canton, MA 02021
800-982-7652
Hearing impaired: 800-952-9245
www.computershare.com/pnc

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on August 2, 2024 on its behalf by the undersigned thereunto duly authorized.

/s/ Robert Q. Reilly

Robert Q. Reilly
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

THE PNC FINANCIAL SERVICES GROUP, INC.
2016 INCENTIVE AWARD PLAN
* * *
PERFORMANCE SHARE UNITS AWARD AGREEMENT

This Agreement, which includes the attached appendices (this "Agreement") sets forth the terms and conditions of your performance share unit award made pursuant to The PNC Financial Services Group, Inc. 2016 Incentive Award Plan and any sub-plans thereto.

Appendix A to this Agreement sets forth additional terms and conditions of the Award, including restrictive covenant provisions. Appendix B to this Agreement sets forth certain definitions applicable to this Agreement generally. Appendix C to this Agreement sets forth the performance-based vesting conditions applicable to the Award and certain related definitions. Capitalized terms not otherwise defined in the body of this Agreement have the meaning ascribed to such terms in the Plan or Appendices A, B or C.

The Corporation and the Grantee named below (referenced in this Agreement as "you" or "your") agree as follows:

Subject to your timely acceptance of this Agreement (as described in Section A below), the Corporation grants to you the Award set forth below, subject to the terms and conditions of the Plan and this Agreement.

A.	**GRANT AND ACCEPTANCE OF PSUs**	
	GRANTEE	#ParticipantName#
	GRANT DATE	#GrantDate#
	AWARD	Performance share units ("PSUs"), each representing a right to receive one Share, and related Dividend Equivalents, payable in cash.
	TARGET	#QuantityGranted# PSUs and related Dividend Equivalents
	PERFORMANCE PERIOD	January 1, 2024- December 31, 2026 (other than limited exceptions in the event of death or a Change of Control, as described in Appendix C).

AWARD ACCEPTANCE; AWARD EFFECTIVE DATE	You must accept this Award by delivering an executed unaltered copy of this Agreement to the Corporation within 30 days of your receipt of this Agreement. Upon such execution and delivery of this Agreement by both you and the Corporation, this Agreement is effective as of the Grant Date (the "Award Effective Date"). If you do not properly accept this Award, the Corporation may, in its sole discretion, cancel the Award at any time thereafter.

B. VESTING REQUIREMENTS

B.1 ***An Award becomes vested only upon satisfaction of both the service-based vesting requirements and the performance-based vesting requirements set forth below.***

SERVICE-BASED VESTING REQUIREMENTS	Except as otherwise provided in this Agreement, you must remain continuously employed through and including the Committee-determined Final Award Date (as defined in Appendix B) or such earlier date as prescribed by Section B.2 below.
PERFORMANCE-BASED VESTING REQUIREMENTS	Provided the service-based vesting requirements have been met, the Award will vest and become payable on the applicable Final Award Date upon the achievement of the performance goals set forth in Appendix C to this Agreement.

B.2 EFFECT OF TERMINATION OF EMPLOYMENT PRIOR TO THE FINAL AWARD DATE ON VESTING REQUIREMENTS

RETIREMENT	Notwithstanding anything to the contrary in this Agreement, if your employment with PNC is terminated due to your Retirement, and not for Cause, then the service-based vesting requirements of the Award will be satisfied as of your Termination Date, but the Award will not vest and become payable until the Final Award Date, subject to satisfaction of the performance-based vesting requirements and your continued compliance with the terms and conditions of this Agreement.
DISABILITY	Notwithstanding anything to the contrary in this Agreement, if your employment with PNC is terminated by PNC due to your Disability, and not for Cause, then the service-based vesting

requirements of the Award will be satisfied as of your Termination Date, but the Award will not vest and become payable until the Final Award Date, subject to satisfaction of the performance-based vesting requirements and your continued compliance with the terms and conditions of this Agreement.

DEATH

Notwithstanding anything to the contrary in this Agreement, if your employment with PNC ceases by reason of your death, or if you die after a termination of employment with PNC due to Disability or Retirement or following an Anticipatory Termination, but prior to the Final Award Date, then the service-based requirements of the Award will be satisfied as of your date of death, and the performance-based vesting requirements will be satisfied as further described in Appendix C.

ANTICIPATORY TERMINATION

Notwithstanding anything to the contrary in this Agreement, if your termination of employment with PNC is an Anticipatory Termination, then the service-based vesting requirements of the Award will be satisfied as of the Termination Date, but the Award will not vest and become payable until the Final Award Date, subject to satisfaction of the performance-based vesting requirements and your continued compliance with the terms of this Agreement.

TERMINATION FOLLOWING A CHANGE OF CONTROL

Notwithstanding anything to the contrary in this Agreement, if you have been continuously employed by PNC, including any successor entity, through the date of a Change of Control, and your employment with PNC is terminated following such Change of Control (but prior to the Final Award Date):

(a) by PNC other than for Misconduct,
(b) by you for Good Reason, or
(c) for any reason (other than for Misconduct) on or after the first business day of the calendar year following the end of the Performance Period,

(each, a "Qualifying Termination"), then the service-based requirements of the Award will be

		satisfied as of your Termination Date, and the performance-based vesting requirements will be satisfied as further described in Appendix C. For the avoidance of doubt, upon the occurrence of a Change of Control, the Award will not become vested until the service-based vesting requirements are satisfied, either as set forth in Section B.1. or as a result of your Retirement, your termination of employment by reason of death or Disability, or the occurrence of a Qualifying Termination.
C.		**FORFEITURE**
C.1	**FORFEITURE UPON FAILURE TO MEET SERVICE-BASED VESTING REQUIREMENTS**	Except as otherwise provided in Section B.2 above, if you cease to be an employee of PNC prior to an applicable Final Award Date, you will not have satisfied the service-based vesting requirements and the Award will be automatically forfeited and cancelled as of your Termination Date. Upon such forfeiture or cancellation, neither you nor your successors, heirs, assigns or legal representatives will have any further rights or interest in the Award under this Agreement.
C.2	**FORFEITURE IN CONNECTION WITH DETRIMENTAL CONDUCT**	At any time prior to the Final Award Date, to the extent that PNC (acting through a PNC Designated Person) determines in its sole discretion (a) that you have engaged in Detrimental Conduct and (b) to forfeit and cancel all or a specified portion of the outstanding Award as a result of such determination, then such portion will be forfeited and cancelled effective as of the date of such determination.
C.3	**FORFEITURE UPON FAILURE TO SATISFY PERFORMANCE CONDITIONS**	If the final Corporate Performance Factor (as defined in Appendix C) is determined by the Committee to be 0.00%, the Award will be eligible to be forfeited and cancelled without payment of any consideration by PNC as of the date of such determination.
D.		**DIVIDEND EQUIVALENTS**
D.1	**GENERALLY**	As of the Award Effective Date, you will be entitled to earn accrued cash Dividend Equivalents on the vested Payout Share Units (defined in Appendix C), in an amount equal to the cash

		dividends that would have been paid (without interest or reinvestment) between the Grant Date and the Final Award Date, as though you were the record holder of such Payout Share Units, and such Payout Share Units had been issued and outstanding shares on the Grant Date through the Final Award Date.
D.2	**ACCRUED DIVIDEND EQUIVALENT PAYMENTS**	(a) Generally. Accrued Dividend Equivalents will vest and be paid out in cash, less the payment of any applicable withholding taxes pursuant to Section 6 of Appendix A, if and when the Award vests and pays out (at which point such Dividend Equivalents will terminate). Dividend Equivalents are subject to the same vesting requirements and payout size adjustments as the Award. If the PSUs to which such Dividend Equivalents relate are forfeited and cancelled, such related Dividend Equivalents will also be forfeited and cancelled. (b) Payment Upon a Change of Control. Accrual of Dividend Equivalents will cease as of the Change of Control. Upon a Change of Control, Dividend Equivalents accrued (without reinvestment or interest) between the Grant Date and the Change of Control will vest and be paid out in cash, less the payment of any applicable withholding taxes pursuant to Section 6 of Appendix A, if and when the Award vests and pays out, as if you were the record holder of the number of Shares equal to the number of vested Payout Share Units underlying the Award from the Grant Date through the date of the Change of Control.
E.		**PAYMENT OF THE AWARD**
E.1	**PAYMENT TIMING**	Except as otherwise provided below, vested Payout Share Units that remain outstanding will be settled as soon as practicable following the applicable Final Award Date (and no later than (x) December 31st following the year of death, in the event of your death, or (y) March 15th following the year the Award vests).
E.2	**FORM OF PAYMENT; AMOUNT**	(a) Payment Generally. Except as provided in subsection (b) below, your Final Award will be settled at the time set forth in Section E.1 by

delivery to you of that number of whole Shares equal to the number of Payout Share Units under your Final Award, less the payment of any applicable withholding taxes pursuant to Section 6 of Appendix A.

(b) Payment On or After a Change of Control.

Upon vesting on or after a Change of Control, vested Payout Share Units will be settled at the time set forth in Section E.1 by payment to you of cash in an amount equal to that number of whole Shares equal to the number of vested Payout Share Units, multiplied by the then current Fair Market Value of a share of Common Stock on the date of the Change of Control (subject to any applicable adjustment pursuant to Section 2 of Appendix A), less the payment of any applicable withholding taxes pursuant to Section 6 of Appendix A. Related accrued Dividend Equivalent payments will be paid to you in cash as described in Section D.2(b).

No interest will be paid with respect to any such payments made pursuant to this Section E.

F.	**RESTRICTIVE COVENANTS**	Upon your acceptance of this Award, you shall become subject to the restrictive covenant provisions set forth in Section 1 of Appendix A.
G.	**CLAWBACK**	The Award, and any right to receive and retain any Shares (if applicable), cash or other value pursuant to the Award, is subject to rescission, cancellation or recoupment, in whole or in part, if and to the extent so provided under the Corporation's Incentive Compensation Adjustment and Clawback Policy and Dodd-Frank Recoupment Policy, as in effect from time to time with respect to the Award, or any other applicable clawback, adjustment or similar policy in effect on or established by the Board or the Committee from time to time and to any clawback or recoupment that may be required by applicable law or regulation (each a "Clawback Policy," and together, the "Clawback Policies"). In the event of a clawback, recoupment or forfeiture event under an applicable Clawback Policy, the amount required to be clawed back, recouped or forfeited under such policy, shall be deemed not to

have been earned under the terms of the Plan, and the Corporation is entitled to recover from you the amount specified under the Clawback Policy to be clawed back, recouped, or forfeited (which amount, as applicable, shall be deemed an advance that remained subject to your satisfaction of all eligibility conditions for earning the RSUs). The RSUs are not considered earned, and the eligibility requirements with respect to the RSUs are not considered met, until all requirements of the Plan, this Agreement, and any Clawback Policies are met.

By accepting this Award, you agree that you are obligated to provide all assistance necessary to the Corporation to recover or recoup the Shares, cash or other value pursuant to the Award which are subject to recovery or recoupment pursuant to applicable law, government regulation, stock exchange listing requirement or PNC policy, including the Clawback Policies. Such assistance shall include completing any documentation necessary to recover or recoup the Shares, cash or other value pursuant to the Award from any accounts you maintain with PNC or any pending or future compensation.

A copy of the Incentive Compensation Adjustment and Clawback Policy is included in the materials distributed to you with this Agreement. A copy of the Dodd-Frank Recoupment Policy is included as Exhibit 97 on the Corporation's Annual Report filed on Form 10-K.

THE PNC FINANCIAL SERVICES GROUP, INC.
2016 INCENTIVE AWARD PLAN

PERFORMANCE SHARE UNITS AWARD AGREEMENT

APPENDIX A

ADDITIONAL PROVISIONS

1. **Restrictive Covenants**. You and PNC acknowledge and agree that you have received adequate consideration with respect to enforcement of the provisions of this Section 1 by virtue of accepting this Award (regardless of whether the Award or any portion thereof is ultimately settled and paid to you); that such provisions are reasonable and properly required for the adequate protection of the business of PNC and its subsidiaries; and that enforcement of such provisions will not prevent you from earning a living.

(a) Non-Solicitation; No-Hire. You agree to comply with the provisions of this Section 1(a) during the period of your employment with PNC and the 12-month period following your Termination Date, regardless of the reason for such termination of employment, as follows:

i. *Non-Solicitation*. You will not, directly or indirectly, either for your own benefit or purpose or for the benefit or purpose of any Person other than PNC, solicit, call on, do business with, or actively interfere with PNC's relationship with, or attempt to divert or entice away, any Person that you should reasonably know (A) is a customer of PNC for which PNC provides any services as of your Termination Date, or (B) was a customer of PNC for which PNC provided any services at any time during the 12 months preceding your Termination Date, or (C) was, as of your Termination Date, considering retention of PNC to provide any services.

ii. *No-Hire*. You will not, directly or indirectly, either for your own benefit or purpose or for the benefit or purpose of any Person other than PNC, employ or offer to employ, call on, or actively interfere with PNC's relationship with, or attempt to divert or entice away, any employee of PNC. You also will not assist any other Person in such activities.

Notwithstanding Section 1(a)(i) and Section 1(a)(ii) above, if your termination of employment with PNC is an Anticipatory Termination, then commencing immediately after your Termination Date, the provisions of Section 1(a)(i) and Section 1(a)(ii) will no longer apply and will be replaced with the following provision:

"No-Hire. You agree that you will not, for a period of one year after your Termination Date, employ or offer to employ, solicit, actively

> interfere with PNC or any PNC affiliate's relationship with, or attempt to divert or entice away, any officer of PNC or any affiliate of PNC."

(b) Confidentiality. During your employment with PNC and thereafter regardless of the reason for termination of such employment, you will not disclose or use in any way any confidential business or technical information or trade secret acquired in the course of such employment, all of which is the exclusive and valuable property of PNC whether or not conceived of or prepared by you, other than (i) information generally known in PNC's industry or acquired from public sources, (ii) as required in the course of employment by PNC, (iii) as required by any court, supervisory authority, administrative agency or applicable law, or (iv) with the prior written consent of PNC. Nothing in this Agreement, including this Section 1(b), is intended to limit you from affirmatively reporting to, communicating directly with, or providing information and documents — with the exception of information or documents that are subject to a legal or other applicable privilege—to any governmental entity, regulator, or self-regulatory organization (including the Securities and Exchange Commission or Commodity Futures Trading Commission) regarding possible violations of law or regulation. You further understand and agree that you are not required to contact or receive consent from PNC before engaging in such communications with any such authorities. However, if you receive a court order or valid and effective subpoena, interrogatory, or similar legal process not involving a governmental agency or regulatory body that requires disclosure of any confidential business or technical information or trade secret, before making any disclosure you must promptly notify PNC in writing of the order or other legal process.

(c) Ownership of Inventions. You will promptly and fully disclose to PNC any and all inventions, discoveries, improvements, ideas or other works of inventorship or authorship, whether or not patentable, that have been or will be conceived and/or reduced to practice by you during the term of your employment with PNC, whether alone or with others, and that are (i) related directly or indirectly to the business or activities of PNC or (ii) developed with the use of any time, material, facilities or other resources of PNC ("Developments"). You agree to assign and hereby do assign to PNC or its designee all of your right, title and interest, including copyrights and patent rights, in and to all Developments. You will perform all actions and execute all instruments that PNC or any subsidiary will deem necessary to protect or record PNC's or its designee's interests in the Developments. The obligations of this Section 1(c) will be performed by you without further compensation and will continue beyond your Termination Date.

(d) Enforcement Provisions. You understand and agree to the following provisions regarding enforcement of Section 1 of this Agreement:

i. *Equitable Remedies*. A breach of the provisions of Sections 1(a) – 1(c) will cause PNC irreparable harm, and PNC will therefore be entitled to seek issuance of immediate, as well as permanent, injunctive relief restraining you, and each and every person and entity acting in concert or participating with you, from initiation and/or continuation of such breach.

ii. *Tolling Period*. If it becomes necessary or desirable for PNC to seek compliance with the provisions of Section 1(a) by legal proceedings, the period during which you will comply with said provisions will extend for a period of 12 months from the date PNC institutes legal proceedings for injunctive or other relief.

iii. *Reform*. If any of Sections 1(a) – 1(c) are determined by a court of competent jurisdiction to be unenforceable because unreasonable either as to length of time or area to which the restriction applies, it is the intent of both parties that the court reduce and reform the restriction so as to apply the greatest limitations considered enforceable by the court.

iv. *Waiver of Jury Trial*. Each of you and PNC hereby waives any right to trial by jury with regard to any suit, action or proceeding under or in connection with any of Sections 1(a) – 1(c).

v. *Application of Defend Trade Secrets Act*. Regardless of any other provision in this Agreement, you may be entitled to immunity and protection from retaliation under the Defend Trade Secrets Act of 2016 for disclosing trade secrets under certain limited circumstances, as set forth in PNC's Defend Trade Secrets Act policy. The policy is available for viewing on PNC's intranet under the "PNC Ethics" page.

2. **Capital Adjustments upon a Change of Control**. Upon the occurrence of a Change of Control, (a) the number, class and kind of PSUs then outstanding under the Award will automatically be adjusted to reflect the same changes as are made to outstanding shares of Common Stock generally, (b) the value per share unit of any share-denominated award amount will be measured by reference to the per share value of the consideration payable to a holder of Common Stock in connection with such Corporate Transaction or Transactions if applicable, and (c) with respect to stock-payable PSUs only, if the effect of the Corporate Transaction or Transactions on a holder of Common Stock is to convert that shareholder's holdings into consideration that does not consist solely (other than as to a minimal amount) of shares of Common Stock, then the entire value of any payment to be made to you will be made solely in cash at the applicable time specified in this Agreement.

3. **Fractional Shares**. No fractional Shares will be delivered to you. If the outstanding vested PSUs being settled in Shares include a fractional interest, such fractional interest will be eliminated by rounding down to the nearest whole share unit.

4. **No Rights as a Shareholder**. You will have no rights as a shareholder of the Corporation by virtue of this Award unless and until Shares are issued and delivered in settlement of the Award pursuant to and in accordance with this Agreement.

5. **Transfer Restrictions.**

(a) The Award may not be sold, assigned, transferred, exchanged, pledged, or otherwise alienated or hypothecated.

(b) If you are deceased at the time any outstanding vested PSUs are settled and paid out in accordance with the terms of this Agreement, such delivery of Shares, cash payment or other payment (as applicable) shall be made to the executor or administrator of your estate or to your other legal representative or, as permitted under the election procedures of the Plan's third-party administrator, to your designated beneficiary, in each case, as determined in good faith by the Corporation. Any delivery of Shares, cash payment or other payment made in good faith by the Corporation to your executor, other legal representative or permissible designated beneficiary, or retained by the Corporation for taxes pursuant to Section 6 of this Appendix A, shall extinguish all right to payment hereunder.

6. Withholding Taxes.

(a) You shall be solely responsible for any applicable taxes (including, without limitation, income and excise taxes), penalties and interest that you incur in connection hereunder. The Corporation will, at the time any withholding tax obligation arises in connection herewith, retain an amount sufficient to satisfy the minimum amount of taxes then required to be withheld by the Corporation in connection therewith from amounts then payable hereunder to you.

(b) If any such withholding is required prior to the time amounts are payable to you hereunder or if such amounts are not sufficient to satisfy such obligation in full, the withholding will be taken from other compensation then payable to you or as otherwise determined by PNC.

(c) The Corporation will withhold cash from any amounts then payable to you hereunder that are settled in cash. Unless the Committee or PNC Designated Person determines otherwise, with respect to stock-payable PSUs only, the Corporation will retain whole Shares from any amounts then payable to you hereunder (or pursuant to any other PSUs previously awarded to you under the Plan) in the form of Shares. For purposes of this Section 6(c), Shares retained to satisfy applicable withholding tax requirements will be valued at their Fair Market Value on the date the tax withholding obligation arises (as such date is determined by the Corporation).

7. Employment. Neither the granting of the Award nor any payment with respect to such Award authorized hereunder nor any term or provision of this Agreement shall constitute or be evidence of any understanding, expressed or implied, on the part of PNC to employ you for any period or in any way alter your status as an employee at will.

8. Miscellaneous.

(a) Subject to the Plan and Interpretations. In all respects the Award and this Agreement are subject to the terms and conditions of the Plan, which has been made available to you and is incorporated herein by reference. The terms of the Plan will not

be considered an enlargement of any benefits under this Agreement. If the Plan and this Agreement conflict, the provisions of the Plan will govern. Interpretations of the Plan and this Agreement by the Committee are binding on you and PNC.

(b) Governing Law and Jurisdiction. This Agreement is governed by and construed under the laws of the Commonwealth of Pennsylvania, without reference to its conflict of laws provisions. Any dispute or claim arising out of or relating to this Agreement or claim of breach hereof will be brought exclusively in the Federal court for the Western District of Pennsylvania or in the Court of Common Pleas of Allegheny County, Pennsylvania. By execution of this Agreement, you and PNC hereby consent to the exclusive jurisdiction of such courts and waive any right to challenge jurisdiction or venue in such courts with regard to any suit, action, or proceeding under or in connection with this Agreement.

(c) Headings; Entire Agreement. Headings used in this Agreement are provided for reference and convenience only, are not considered part of this Agreement, and will not be employed in the construction of this Agreement. This Agreement, including any appendices or exhibits attached hereto, constitutes the entire agreement between you and PNC with respect to the subject matters addressed herein, and supersedes all other discussions, negotiations, correspondence, representations, understandings and agreements between the parties concerning the subject matters hereof.

(d) Modification. Modifications or adjustments to the terms of this Agreement may be made by the Corporation as permitted in accordance with the Plan or as provided for in this Agreement. No other modification of the terms of this Agreement will be effective unless embodied in a separate, subsequent writing signed by you and by an authorized representative of the Corporation.

(e) No Waiver. Failure of PNC to demand strict compliance with any of the terms, covenants or conditions of this Agreement will not be deemed a waiver of such term, covenant or condition, nor will any waiver or relinquishment of any such term, covenant or condition on any occasion or on multiple occasions be deemed a waiver or relinquishment of such term, covenant or condition.

(f) Severability. The restrictions and obligations imposed by this Agreement are separate and severable, and it is the intent of both parties that if any restriction or obligation imposed by any of these provisions is deemed by a court of competent jurisdiction to be void for any reason whatsoever, the remaining provisions, restrictions and obligations will remain valid and binding upon you.

(g) Applicable Laws. Notwithstanding anything in this Agreement, PNC will not be required to comply with any term, covenant or condition of this Agreement if and to the extent prohibited by law, including but not limited to Federal banking and securities regulations, or as otherwise directed by one or more regulatory agencies having jurisdiction over PNC.

(h) Compliance with Section 409A of the Internal Revenue Code. It is the intention of the parties that the Award and this Agreement comply with the provisions of Section 409A of the Internal Revenue Code to the extent, if any, that such provisions are applicable. This Agreement will be administered in a manner consistent with this intent, including as set forth in Section 20 of the Plan. If the Award includes a "series of installment payments" (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), your right to the series of installment payments will be treated as a right to a series of separate payments and not as a right to a single payment.

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THE PNC FINANCIAL SERVICES GROUP, INC.
2016 INCENTIVE AWARD PLAN

PERFORMANCE SHARE UNITS AWARD AGREEMENT

APPENDIX B

DEFINITIONS

Certain Definitions. Except as otherwise provided, the following definitions apply for purposes of this Agreement.

"Anticipatory Termination" means a termination of employment where PNC terminates your employment with PNC (other than for Misconduct or Disability) prior to the date on which a Change of Control occurs, and you reasonably demonstrated that such termination of employment (i) was at the request of a third party that has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control.

"Award Effective Date" has the meaning set forth in Section A of this Agreement.

"Change of Control" means:

(a) Any Person becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (x) the then-outstanding shares of Common Stock (the "Outstanding PNC Common Stock") or (y) the combined voting power of the then-outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the "Outstanding PNC Voting Securities"). The following acquisitions will not constitute a Change of Control for purposes of this definition: (1) any acquisition directly from the Corporation, (2) any acquisition by the Corporation, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any company controlled by, controlling or under common control with the Corporation (an "Affiliated Company"), (4) any acquisition pursuant to an Excluded Combination (as defined below) or (5) an acquisition of beneficial ownership representing between 20% and 40%, inclusive, of the Outstanding PNC Voting Securities or Outstanding PNC Common Stock if the Incumbent Board (as defined below) as of immediately prior to any such acquisition approves such acquisition either prior to or immediately after its occurrence;

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board (excluding any Board seat that is vacant or otherwise unoccupied). For purposes of this definition, any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the shareholders of the Corporation, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board will be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Corporation or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Corporation, or the acquisition of assets or stock of another entity by the Corporation or any of its subsidiaries (each, a "Business Combination"). A transaction otherwise meeting the definition of Business Combination will not be treated as a Change of Control if following completion of the transaction all or substantially all of the beneficial owners of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of Common Stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Corporation or all or substantially all of the Corporation's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities, as the case may be (such a Business Combination, an "Excluded Combination"); or

(d) Approval by the shareholders of the Corporation of a complete liquidation or dissolution of the Corporation.

"Competitive Activity" means any participation in, employment by, ownership of any equity interest exceeding one percent in, or promotion or organization of, any Person other than PNC (1) engaged in business activities similar to some or all of the business activities of PNC during your employment or (2) engaged in business activities that you know PNC intends to enter within the next 12 months (or, if after your Termination Date, within the first 12 months after your Termination Date), in either case whether you are acting as agent, consultant, independent contractor, employee, officer, director, investor, partner, shareholder, proprietor or in any other individual or representative capacity therein. For purposes of Competitive Activity as defined herein (and as such similar term is defined in any equity-based award agreement held by you), the term "subsidiary" will not include any company in which PNC holds an interest pursuant to its merchant banking authority.

"Detrimental Conduct" means:

(a) You have engaged in, without the prior written consent of PNC (with consent to be given or withheld at PNC's sole discretion), in any Competitive Activity in the Restricted Territory at any time during the period of your employment with PNC and the 12-month period following your Termination Date;

(b) any act of fraud, misappropriation, or embezzlement by you against PNC or one of its subsidiaries or any client or customer of PNC or one of its subsidiaries; or

(c) you are convicted (including a plea of guilty or of nolo contendere) of, or you enter into a pre-trial disposition with respect to, the commission of a felony that relates to or arises out of your employment or other service relationship with PNC.

You will be deemed to have engaged in Detrimental Conduct for purposes of this Agreement only if and when the Committee or other PNC Designated Person determines that you have engaged in conduct described in clause (a) or clause (b) above or that an event described in clause (c) above has occurred with respect to you. Detrimental Conduct will not apply to conduct by or activities of successors to the Award by will or the laws of descent and distribution in the event of your death.

No determination that you have engaged in Detrimental Conduct may be made (x) on or after your Termination Date if your termination of employment was an Anticipatory Termination or (y) between the time PNC enters into an agreement providing for a Change of Control and the time such agreement either terminates or results in a Change of Control.

"Final Award Date" means (a) the date on which the Committee makes its determination as to the size of the payout to be paid out to you in accordance with this Agreement (such payout amount, the "Final Award"), if any, following the end of the Performance Period, (b) in the event of your death prior to the last calendar year of the Performance Period, the date on which the Committee makes its determination of a Final Award, if any, following the calendar year of your death, or (c) if a Change of Control has occurred prior to the date described in (a) and a Final Award has been authorized, the date upon which the service requirements are satisfied.

"Good Reason" means the definition of Good Reason contained in the Change of Control Employment Agreement between you and PNC or any substitute employment agreement entered into between you and PNC then in effect or, if none, the occurrence of any of the following events without your consent:

(a) the assignment of any duties to you inconsistent in any material respect with your position (including status, offices, titles and reporting requirements), or any other material diminution in such position, authority, duties or responsibilities;

(b) any material reduction in your rate of base salary or the amount of your annual bonus opportunity (or, if less, the bonus opportunity established for PNC's similarly situated employees for any year), or a material reduction in the level of any other employee benefits for which you are eligible receive below those offered to PNC's similarly situated employees;

(c) PNC's requiring you to be based at any office or location outside of a fifty (50)-mile radius from the office where you were employed on the Grant Date;

(d) any action or inaction that constitutes a material breach by PNC of any agreement entered into between you and PNC; or

(e) the failure by PNC to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of PNC to assume expressly and agree to perform this Agreement in the same manner and to the same extent that PNC would be required to perform it if no such succession had taken place.

Notwithstanding the foregoing, none of the events described above shall constitute Good Reason unless and until (i) you first notify PNC in writing describing in reasonable detail the condition which constitutes Good Reason within 90 days of its initial occurrence, (ii) PNC fails to cure such condition within 30 days after receipt of such written notice, and (iii) you terminate employment within two years of its initial occurrence.

Your mental or physical incapacity following the occurrence of an event described above in clauses (a) through (e) shall not affect your ability to terminate employment for Good Reason, and your death following delivery of a notice of termination for Good Reason shall not affect your estate's entitlement to severance payments benefits provided hereunder upon a termination of employment for Good Reason.

"Misconduct" means, as it relates to an Anticipatory Termination or following a Change of Control, (a) your willful and continued failure to substantially perform your duties with PNC (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to you by the Board or the CEO that specifically identifies the manner in which the Board or the CEO believes that you have not substantially performed your duties; or (b) your willful engagement in illegal conduct or gross misconduct that is materially and demonstrably injurious to PNC or any of its subsidiaries. For purposes of clauses (a) and (b), no act or failure to act, on your part, shall be considered willful unless it is done, or omitted to be done, by you in bad faith and without reasonable belief that your action or omission was in the best interests of PNC. Any act, or failure to act, based upon the instructions or prior approval of the Board, the CEO or your superior or based upon the advice of counsel for PNC, will be conclusively presumed to be done, or omitted to be done, by you in good faith and in the best interests of PNC.

Your cessation of employment will be deemed to be a termination of your employment with PNC for Misconduct only if and when there shall have been delivered to you, as part of the notice of your termination, a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board, at a Board meeting called and held for the purpose of considering such termination, finding on the basis of clear and convincing evidence that, in the good faith opinion of the Board, you are guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail. Such resolution shall be adopted only after (i) reasonable notice of such Board meeting is provided to you, together with written notice that PNC believes that you are guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail, and (ii) you are given an opportunity, together with counsel, to be heard before the Board.

"Payout Share Units" refers to the performance-adjusted number of units that are eligible to vest.

"Person" means any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act.

"PNC Designated Person" means (a) the Committee or its delegate if you are (or were when you ceased to be an employee of PNC) either a Group 1 covered employee (Corporate Executive Group member) including any equivalent successor classification or subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to PNC securities (or both); or (b) the Committee, the CEO, or the Chief Human Resources Officer of PNC, or any other individual or group as may be designated by one of the foregoing to act as PNC Designated Person for purposes of this Agreement.

"Qualifying Termination" has the meaning set forth in Section B of this Agreement.

"Restricted Territory" means (a) if you are employed by (or, if you are not an employee, providing the majority of your services to) PNC in the United States or Canada as of the Termination Date, the United States and Canada, (b) if you are employed by (or, if you are not an employee, providing the majority of your services to) PNC in the United Kingdom as of the Termination Date, the United Kingdom or (c) if you are employed by (or, if you are not an employee, providing the majority of your services to) PNC in Germany as of the Termination Date, Germany or the United Kingdom.

"Retirement" means your termination of employment with PNC at any time for any reason (other than termination of employment by reason of your death, by PNC for Cause or by reason of termination of employment in connection with a divestiture of assets or a divestiture of one or more subsidiaries of PNC if the Committee or the CEO or his or her designee so determines prior to such divestiture) on or after the first date on which you have both attained at least age 55 and completed five years of service, where a year of service is determined in the same manner as the determination of a year of vesting service calculated under the provisions of The PNC Financial Services Group, Inc. Pension Plan.

"Termination Date" means the last day of your employment with PNC. If you are employed by a Subsidiary that ceases to be a Subsidiary or ceases to be a consolidated subsidiary of the Corporation under U.S. generally accepted accounting principles and you do not continue to be employed by or otherwise have a Service Relationship with PNC, then for purposes of this Agreement, your employment with PNC terminates effective at the time this occurs.

THE PNC FINANCIAL SERVICES GROUP, INC.
2016 INCENTIVE AWARD PLAN

PERFORMANCE SHARE UNITS AWARD AGREEMENT

APPENDIX C

PERFORMANCE-BASED VESTING CONDITIONS

The following table sets forth the performance-based vesting conditions of the Award:

1.	*General Overview and Definitions*	Performance-based vesting and payout of your Award is determined based on the level of satisfaction of three performance metrics during the Performance Period – two corporate performance metrics and one risk-related performance metric. These metrics are described in more detail in the paragraphs below. "PNC" for purposes of this Appendix C as it refers to performance-based vesting conditions means the Corporation and its consolidated subsidiaries for financial reporting purposes. Each performance metric will be measured or reviewed on an annual basis for each calendar year (i.e., calendar year 2024, calendar year 2025 and calendar year 2026) during the Performance Period (each, a "Performance Year"). A Performance Year may refer to a partial calendar year in certain limited circumstances (e.g., in connection with death or a Change of Control) as further described in this Appendix C. The three performance metrics are: 1. *Relative Average EPS Growth* - Annual growth in earnings per share, measured for each Performance Year and then averaged for the Performance Period and compared to similar performance of other members of PNC's Peer Group based on PNC's percentile rank using a continuous percentile rank calculation ("Relative Average EPS Growth"), where for purposes of this definition:

		a. "EPS" means the publicly-reported diluted earnings per share of PNC or other Peer Group members for the Performance Year, in each case as adjusted, on an after-tax basis, for the impact of the items set forth in paragraph 3 below (rounded to the nearest cent), and b. "EPS Growth," with respect to a given Performance Year, means the growth or decline in EPS achieved by PNC or other Peer Group members for that Performance Year as compared to EPS for the comparable period of the prior calendar year, expressed as a percentage (rounded to the nearest one-hundredth). c. "Peer Group" refers to the Committee-determined peer group as of the Grant Date. Performance will be measured based on the Peer Group on the last day of the Performance Period, taking into account name changes and the elimination from the Peer Group of any members since the beginning of the Performance Period (e.g., due to consolidation or merger). In the event of a merger of two members of the Peer Group during the Performance Period, the financial information of the resulting new company will be compared to that of the acquiring member of the Peer Group (as determined on a corporate accounting basis.) The Peer Group for this Award consists of the following members: PNC, Bank of America Corporation, Capital One Financial Corporation, Citizens Financial Group, Inc., Fifth Third Bancorp, JPMorgan Chase & Co., KeyCorp, M&T Bank Corporation, Regions Financial Corporation, Truist Financial Corp., U.S. Bancorp, and Wells Fargo & Company 2. *Average ROE* - Annual return on equity ("ROE"), with specified adjustments as described in paragraph 3, measured for each Performance Year and then averaged for the Performance Period ("Average ROE")

		and compared to specified performance targets established by the Committee. 3. *CET1 Ratio* - Whether PNC has met or exceeded the common equity Tier 1 capital spot ratio limit as then in effect and applicable to The PNC Financial Services Group, Inc. ("CET1 Ratio") (which may be on a pro forma fully phased-in basis, if applicable) as set forth in PNC's Enterprise Capital Management Policy (or any successor policy) and monitored at least quarterly. All performance metrics, including any adjustments, will be determined on the basis of: (x) with respect to PNC's absolute performance, PNC's internal financial information; (y) with respect to PNC's relative performance to other members of the Peer Group, either publicly-disclosed financial information or, in the case of PNC, internal financial information that is anticipated to be publicly disclosed in an upcoming filing with the SEC; and (z) with respect to other members of the Peer Group, publicly-disclosed financial information, in each case, only where such amounts can be reasonably determined as of the date immediately prior to the date the Committee makes its determination as to the size of the payout.
2.	*Calculating Corporate Performance Metrics*	*(a) Calculating Average ROE*. For each Performance Year, annual ROE (expressed as a percentage, rounded to the nearest one-hundredth) is calculated and adjusted for the items set forth in paragraph 3. At the end of the Performance Period, Average ROE is determined by calculating the average of PNC's annual ROE for each Performance Year, then rounding to the nearest one-hundredth. *(b) Calculating Relative Average EPS Growth*. Annual EPS Growth for PNC and each other member of the Peer Group is calculated for each Performance Year, adjusted for the items set forth in paragraph 3, expressed as a percentage and rounded to the nearest one-hundredth.

		At the end of the Performance Period, the annual EPS Growth percentages for each Performance Year are averaged. PNC's average EPS Growth is compared to the average of each other member of the Peer Group to determine PNC's percentile rank, based on a continuous percentile rank calculation and expressed as a percentage (rounded to the nearest one-hundredth). *(c) Calculating the Corporate Performance Factor.* (i) Once the Average ROE and Relative Average EPS Growth are determined, a corporate performance factor, expressed as a percentage, is calculated using the table attached as <u>Exhibit 1</u>, applying bilinear interpolation and rounding to the nearest one-hundredth (such percentage, the "<u>Corporate Performance Factor</u>"). The Corporate Performance Factor will range from 0.00% to 150.00%. The Corporate Performance Factor may be adjusted by the Committee as described in paragraph 7. (ii) In the event of your death or a Change of Control, the provisions of paragraph 8 will govern the calculation of the Corporate Performance Factor.
3.	*Adjustments to Corporate Performance Metrics*	For purposes of measuring (a) EPS Growth performance for PNC and other members of the Peer Group or (b) ROE for PNC, earnings or EPS performance results, as applicable, will be adjusted, on an after-tax basis, for the impact of any of the following where such impact occurs during a given Performance Year (or, if applicable, during the prior year comparison period for a given year): • discontinued operations (as such term is used under GAAP); • acquisition costs and merger integration costs; and • items resulting from a change in U.S. federal tax law, which includes one-time adjustments to U.S. federal tax law (i.e., benefits or losses associated with the revaluation of assets or liabilities due to a change in tax law), but does not include (i) any going-forward changes to run rate income as a result of a change in U.S. federal tax law, to the extent such going-forward changes are reasonably determinable, or (ii) benefits or losses realized from

		the resolution of certain outstanding tax matters (e.g., court decision that reverses an earlier tax position) or changes in a company's organizational tax structure. In the case of the EPS growth metric and the ROE performance metric, there will be an additional adjustment to add the amount disclosed as provision for credit losses (or the equivalent) and subtract the amount disclosed as total net charge-offs. In the case of the EPS growth metric, the impact of any stock splits (whether in the form of a stock split or a stock dividend) may result in an additional adjustment. Adjustments will be made if the impact of such events occurs during a Performance Year (or partial year, if applicable), or, for purposes of determining EPS Growth, during the prior year comparison period for a Performance Year. The Committee may also take into account other unusual or nonrecurring adjustments (applied on a consistent basis) in determining the Final Award, including adjustments resulting from changes in accounting methods, practices or policies or changes in capital structure by reason of legal or regulatory requirements. After-tax adjustments for PNC and, where applicable, other members of the Peer Group, will be calculated using the same methodology for making such adjustments on an after-tax basis.
4.	*Applying the Risk Performance Metric*	*(a) CET1 Ratio Generally*. The Award is subject to one risk performance factor based on whether PNC has met or exceeded the CET1 Ratio as of the last day of each Performance Year. The current CET1 Ratio is 7.0%. *(b) Determination of Annual CET1 Ratio*. As soon as practicable following the end of the Performance Period, PNC will present information to the Committee relating to (i) the CET1 Ratio compared to (ii) the actual CET1 Ratio achieved by PNC with respect to each Performance Year, based on PNC's publicly reported financial results for the period ending on the applicable end date.

		• If PNC meets or exceeds the CET1 Ratio for each Performance Year, the risk performance metric is satisfied. • If PNC does not meet the CET1 Ratio for a Performance Year, 1/3 of the target number of PSUs are eligible for forfeiture on the Final Award Date. The Committee will conduct a final review and adjust the target number of PSUs accordingly as of the Final Award Date.
5.	*Risk Performance Review Adjustment*	In addition, and independent from the CET1 Ratio performance metric described in paragraph 4 above, on or prior to the Final Award Date, the Committee has the discretion to conduct a risk performance review relating to a risk-related action of potentially material consequence to PNC. If the Committee exercises its discretion to conduct a risk performance review, the Committee will review and determine if a downward adjustment for risk performance is appropriate. If so, the Committee will determine the size of the risk adjustment to the Corporate Performance Factor (including reducing such Corporate Performance Factor to zero.) Any determination to conduct a risk performance review will be made shortly after the close of the Performance Period, but no later than the 45th day following the close of the Performance Period, and any required review will be conducted no later than the end of the first quarter following the close of the Performance Period.
6.	*Committee Discretion*	Notwithstanding the levels of corporate and risk performance achieved by PNC, the Committee may use its discretion to reduce or increase the number of Payout Share Units (including a reduction to zero) as it deems equitable to maintain the intended economics of the Award in light of changed circumstances. Such circumstances are limited to external events affecting PNC, its financial statements or members of its Peer Group

		that are substantially outside of PNC's control and could not reasonably be planned for as of the Grant Date. *Discretion in Connection with a Change of Control.* The Committee will have no discretion to adjust the calculated maximum Payout Share Units following a Change of Control or during a Change of Control Coverage Period. In the event (a) your termination of employment with PNC is an Anticipatory Termination, (b) a Change of Control is pending, and (c) the Committee-determined Final Award Date occurs prior to the Change of Control, the Committee will have no discretion to adjust your calculated maximum Payout Share Units under these circumstances.
7.	*Calculation of Payout Share Units and Determination of Final Award*	Following the end of the Performance Period, the Committee reviews performance against the performance metrics and makes its determination as to the Final Award, as follows: (1) *Application of Risk Performance Metric* - The Committee first determines whether or not to reduce the target number of PSUs under the Award, based on the application of the risk performance metric, as follows: (a) If PNC has met or exceeded the CET1 Ratio for each Performance Year, there is no reduction in the number of target PSUs under the Award. (b) If PNC has not met the CET1 Ratio for any Performance Year, then for each Performance Year the CET1 Ratio was not met, the Committee can elect to reduce the target number of PSUs by one-third. *(2) Committee Review of Performance Factor* - Next, the Committee determines whether to approve the calculated Corporate Performance Factor, a lower percentage or a higher percentage based on application of any risk-related adjustment (described in paragraph 5) or other Committee discretion consistent with paragraph 6. *(3) Final Award Determination* - Once the Committee approves the final Corporate Performance Factor, it applies this percentage to (x) the target number of PSUs (as reduced for any failure to meet the CET1 Ratio during the Performance Period), and rounds down to the nearest whole share unit. The resulting amount is the number of

		Payout Share Units that are eligible to vest and be settled on the Final Award Date (i.e., the Final Award). **In no event can the size of the Final Award be greater than 150.00% of the target number of PSUs.** *(4) Special Rules Regarding the Final Award Date* – The Final Award will become vested and payable as of the Final Award Date, which term is defined in Appendix B. The Final Award Date is typically the date on which the Committee makes its determination as to the size of the payout to be paid out to you, but: • In the event of a Change of Control, the amount of Payout Share Units will be calculated (as of the date of the Change of Control) as described in paragraph 8 below and determination of the Final Award will be made as soon as practicable after the Change of Control. • In the event of your death (prior to a Change of Control), the amount of Payout Share Units will be calculated as described in paragraph 8 below as soon as practicable following the calendar year of your death. In the event of your death following a Change of Control, the Payout Share Units and the Final Award Date will be determined as described above.
8.	*Determination of Payout Share Units Upon Death or a Change of Control*	
	Death	Notwithstanding anything to the contrary in this Agreement, if your employment with PNC ceases by reason of your death (or if you die following a termination of employment with PNC due to Disability or Retirement or following an Anticipatory Termination), but prior to the Committee-determined Final Award Date, then the total number of Payout Share Units is calculated based on (a) target corporate performance for all Performance Years and (b) actual risk performance for the completed Performance Years and the Performance Year in which the date of death occurs, and no risk adjustments for any remaining years in the Performance Period. The amount of Payout Share Units is rounded down to the nearest whole share unit. This amount is not pro-rated, but remains subject to the Committee's exercise of discretion. If a Change of Control occurs after your death and in the same calendar year of your death (but prior to the time the

		Committee makes a Final Award determination), the Final Award will be calculated as described below under "Change of Control" as though you remained continuously employed with PNC as of the Change of Control.
	Change of Control	Upon a Change of Control, the total number of Payout Share Units is calculated based on (a) target corporate performance for all Performance Years and (b) actual risk performance for the completed Performance Years, rounded down to the nearest whole share unit. For any remaining Performance Years (including the year of the Change of Control), if the CET1 Ratio was not met or exceeded as of the quarter-end immediately preceding the Change of Control, then for each Performance Year, one-third of the target number of PSUs will be forfeited and expire as of the Change of Control. The Committee does not have discretion to adjust this amount of Payout Share Units.
9.	*Definition of Change of Control Coverage Period*	"Change of Control Coverage Period" means a period commencing on the occurrence of a Change of Control Triggering Event (defined below) and ending upon the earlier to occur of (a) the date of a Change of Control Failure (defined below) and (b) the date of a Change of Control. After the termination of any Change of Control Coverage Period, another Change of Control Coverage Period will commence upon the occurrence of another Change of Control Triggering Event. For purposes of this definition: • a "Change of Control Triggering Event" means the occurrence of either of the following: (i) the Board or the Corporation's shareholders approve a Business Combination, other than an Excluded Combination (as defined in the definition of Change of Control in Appendix B), or (ii) the commencement of a proxy contest in which any Person seeks to replace or remove a majority of the members of the Board • a "Change of Control Failure" means: (x) with respect to a Change of Control Triggering Event, the Corporation's shareholders vote against the transaction approved by the Board or the agreement

		to consummate the transaction is terminated; or (y) with respect to a Change of Control Triggering Event described in clause (ii) of the definition above, the proxy contest fails to replace or remove a majority of the members of the Board.
10.	*Committee Determination*	The Committee may make prospective adjustments to the Award. All determinations made by the Committee or otherwise by PNC hereunder shall be made in its sole discretion and shall be final, binding and conclusive for all purposes on all parties.

EXHIBIT 1: CORPORATE PERFORMANCE FACTOR

Once Average ROE and Relative Average EPS Growth are determined, the Corporate Performance Factor is calculated using the table below.

Bilinear interpolation applies for performance between the threshold and maximum levels (in either direction). If Average ROE falls below the threshold in the table below, and PNC's percentile rank relating to average relative EPS is at or below the 25th percentile, the award is eligible for forfeiture.

The calculated payout percentage will range from 0.00% to 150.00%.

2024-2026 PSU Payout Grid				
		Three-Year Average EPS Growth (relative)		
		PNC Percent Rank at the 25th percentile or below	*PNC Percent Rank at the 50th percentile*	*PNC Percent Rank at the 75th percentile or above*
Three-Year Average ROE (absolute)	**13.00%**	100.0%	125.0%	150.0%
	11.50%	87.5%	112.5%	137.5%
	10.50%	75.0%	100.0%	125.0%
	9.50%	62.5%	87.5%	100.0%
	8.00%	50.0%	75.0%	87.5%
	Below	0.0%	25.0%	50.0%

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be signed on its behalf as of the Grant Date.

THE PNC FINANCIAL SERVICES GROUP, INC.

By:

Chief Executive Officer

ATTEST:

By:

Corporate Secretary

ACCEPTED AND AGREED TO by GRANTEE

____

Grantee

Exhibit 10.31

THE PNC FINANCIAL SERVICES GROUP, INC.
2016 INCENTIVE AWARD PLAN
* * *
RESTRICTED SHARE UNITS AWARD AGREEMENT

This Agreement sets forth the terms and conditions of your restricted share unit award made pursuant to The PNC Financial Services Group, Inc. 2016 Incentive Award Plan and any sub-plans thereto (this "Agreement").

Appendix A to this Agreement sets forth additional terms and conditions of the Award, including restrictive covenant provisions. Appendix B to this Agreement sets forth certain definitions applicable to this Agreement generally. Appendix C to this Agreement sets forth the risk performance-based vesting conditions applicable to the Award and certain related definitions. Capitalized terms not otherwise defined in the body of this Agreement have the meaning ascribed to such terms in the Plan or Appendices A, B or C.

The Corporation and the Grantee named below (referenced in this Agreement as "you" or "your") agree as follows:

Subject to your timely acceptance of this Agreement (as described in Section A below), the Corporation grants to you the Award set forth below, subject to the terms and conditions of the Plan and this Agreement.

A. GRANT AND ACCEPTANCE OF RSUs

GRANTEE	#ParticipantName#
GRANT DATE	#GrantDate#
AWARD	#QuantityGranted# Restricted share units ("RSUs"), each representing a right to receive one Share, and related Dividend Equivalents award, payable in cash.
AWARD ACCEPTANCE; AWARD EFFECTIVE DATE	You must accept this Award by delivering an executed unaltered copy of this Agreement to the Corporation within 30 days of your receipt of this Agreement. Upon such execution and delivery of this Agreement by both you and the Corporation, this Agreement is effective as of the Grant Date (the "Award Effective Date"). If you do not properly accept this Award, the Corporation may, in its sole discretion, cancel the Award at any time thereafter.

B.	VESTING REQUIREMENTS

B.1 ***An Award becomes vested only upon satisfaction of both the service-based vesting requirements and the risk performance-based vesting requirements set forth below.***

SERVICE-BASED VESTING REQUIREMENTS	The Award is divided into three approximately equal portions that will satisfy the service-based vesting requirements ratably over three years (each portion, a "Tranche") on three "Scheduled Vesting Dates", as follows: • the service-based vesting requirement for the first Tranche will be satisfied on the 1st anniversary of the Grant Date, • the service-based vesting requirement for the second Tranche will be satisfied on the 2nd anniversary of the Grant Date, and • the service-based vesting requirement for the third Tranche will be satisfied on the 3rd anniversary of the Grant Date; in each case, provided you remain continuously employed by PNC through and including the applicable Scheduled Vesting Date (or such earlier date as prescribed by Section B.2 below).
RISK PERFORMANCE-BASED VESTING REQUIREMENTS	Provided the service-based vesting requirements have been met, each Tranche will vest on the applicable Scheduled Vesting Date upon satisfaction of the risk performance metric applicable to that Tranche, as set forth in Appendix C to this Agreement.

B.2 EFFECT OF TERMINATION OF EMPLOYMENT PRIOR TO SCHEDULED VESTING DATE(S) ON VESTING REQUIREMENTS

RETIREMENT	Notwithstanding anything to the contrary in this Agreement, if your employment with PNC is terminated due to your Retirement, and not for Cause, then the service-based vesting requirements of the Award will be satisfied as of your Termination Date, but the Award will not vest and become payable until the Scheduled Vesting Date(s), subject to satisfaction of the risk

performance-based vesting requirements and your continued compliance with the terms and conditions of this Agreement.

DISABILITY

Notwithstanding anything to the contrary in this Agreement, if your employment with PNC is terminated by PNC due to your Disability, and not for Cause, then the service-based vesting requirements of the Award will be satisfied as of your Termination Date, but the Award will not vest and become payable until the Scheduled Vesting Date(s), subject to satisfaction of the risk performance-based vesting requirements and your continued compliance with the terms and conditions of this Agreement.

DEATH

Notwithstanding anything to the contrary in this Agreement, if your employment with PNC ceases by reason of your death, or if you die after a termination of employment with PNC due to Disability or Retirement or by reason of an Anticipatory Termination, but prior to a Change of Control or any Scheduled Vesting Date(s), then the service-based requirements of the Award will be satisfied as of your date of death, and the risk performance-based vesting requirements will be satisfied as further described in Appendix C.

ANTICIPATORY TERMINATION

Notwithstanding anything to the contrary in this Agreement, if your termination of employment with PNC is an Anticipatory Termination, then the service-based vesting requirements of the Award will be satisfied as of the Termination Date, but the Award will not vest and become payable until the Scheduled Vesting Date(s), subject to satisfaction of the risk performance-based vesting requirements and your continued compliance with the terms of this Agreement.

TERMINATION FOLLOWING A CHANGE OF CONTROL

Notwithstanding anything to the contrary in this Agreement, if you have been continuously employed by PNC, including any successor entity, through the date of a Change of Control, and your employment with PNC is terminated following such Change of Control but prior to a Scheduled Vesting Date(s), either (a) by PNC other than for Misconduct or (b) by you for Good Reason (a

"Qualifying Termination"), then the service-based requirements of the Award will be satisfied as of your Termination Date, and the risk performance-based vesting requirements will be satisfied with respect to any outstanding Tranches as described in Appendix C.

For the avoidance of doubt, upon the occurrence of a Change of Control, the Award will not become vested until the service-based vesting requirements are satisfied, either on the Scheduled Vesting Dates as set forth in Section B.1. or as a result of your Retirement, your termination of employment by reason of death, Disability or an Anticipatory Termination or the occurrence of a Qualifying Termination.

C.	**FORFEITURE**	
C.1	**FORFEITURE UPON FAILURE TO MEET VESTING REQUIREMENTS**	Except as otherwise provided in Section B.2 above, if you cease to be an employee of PNC prior to an applicable Scheduled Vesting Date and the satisfaction of the risk performance-based vesting requirements, you will not have satisfied the vesting requirements and the outstanding portion of the Award will be automatically forfeited and cancelled as of your Termination Date.
C.2	**FORFEITURE IN CONNECTION WITH DETRIMENTAL CONDUCT**	At any time prior to a Scheduled Vesting Date, to the extent that PNC (acting through a PNC Designated Person) determines in its sole discretion (a) that you have engaged in Detrimental Conduct and (b) to forfeit and cancel all or a specified portion of the outstanding Award as a result of such determination, then such portion will be forfeited and cancelled effective as of the date of such determination. Upon such determination, neither you nor your successors, heirs, assigns or legal representatives will have any further rights or interest in the Award under this Agreement.

D.		DIVIDEND EQUIVALENTS
D.1	**GENERALLY**	As of the Award Effective Date, you will be entitled to earn accrued cash Dividend Equivalents on the final number of vested RSUs for each Tranche, in an amount equal to the cash dividends that would have been paid (without interest or reinvestment) between the Grant Date and the Scheduled Vesting Date for that Tranche (or such earlier date in the event of your death or a Change of Control), as though you were the record holder of such RSUs, and such RSUs had been issued and outstanding shares on the Grant Date through the Scheduled Vesting Date for that Tranche (or such earlier date in the event of your death or a Change of Control).
D.2	**ACCRUED DIVIDEND EQUIVALENT PAYMENTS**	(a) Generally. Accrued Dividend Equivalents will vest and be paid out in cash, less the payment of any applicable withholding taxes pursuant to Section 6 of Appendix A, if and when the applicable Tranche vests and pays out (at which point such Dividend Equivalents will terminate). Dividend Equivalents are subject to the same vesting requirements and payout size adjustments as the Tranche to which they relate. If the RSUs to which such Dividend Equivalents relate are forfeited and cancelled, such related Dividend Equivalents will also be forfeited and cancelled without payment of any consideration by PNC. (b) Payment Upon a Change of Control. Accrual of Dividend Equivalents will cease as of the Change of Control. Upon a Change of Control, Dividend Equivalents accrued (without reinvestment or interest) between the Grant Date and the Change of Control will vest and be paid out in cash, less the payment of any applicable withholding taxes pursuant to Section 6 of Appendix A, if and when the applicable Tranche vests and pays out, as if you were the record holder of the number of Shares equal to the number of vested RSUs underlying such Tranche from the Grant Date through the date of the Change of Control.

E.	PAYMENT OF THE AWARD	
E.1	**PAYMENT TIMING**	Except as otherwise provided below, vested RSUs that remain outstanding will be settled as soon as practicable following (i) the applicable Scheduled Vesting Date (but no later than March 15th following the year the applicable Scheduled Vesting Date occurs), or (ii) your date of death, if your date of death is prior to the last Scheduled Vesting Date (but no later than December 31st of the year following the year of your death).
E.2	**FORM OF PAYMENT; AMOUNT**	(a) Payment Generally. Except as provided in subsection (b) below, vested RSUs will be settled at the time set forth in this Section E.1 by delivery to you of that number of whole Shares equal to the number of RSUs less the payment of any applicable withholding taxes pursuant to Section 6 of Appendix A. (b) Payment On or After a Change of Control. Upon vesting on or after a Change of Control, vested RSUs will be settled at the time set forth in Section E.1 by payment to you of cash in an amount equal to that number of whole Shares equal to the number of vested RSUs, multiplied by the then current Fair Market Value of a share of Common Stock on the date of the Change of Control (subject to any applicable adjustment pursuant to Section 2 of Appendix A), less the payment of any applicable withholding taxes pursuant to Section 6 of Appendix A. Related accrued Dividend Equivalent payments will be paid to you in cash as described in Section D.2(b). No interest will be paid with respect to any such payments made pursuant to this Section E.
F.	**RESTRICTIVE COVENANTS**	Upon your acceptance of this Award, you shall become subject to the restrictive covenant provisions set forth in Section 1 of Appendix A.
G.	**CLAWBACK**	The Award, and any right to receive and retain any Shares (if applicable), cash or other value pursuant to the Award, is subject to rescission, cancellation or recoupment, in whole or in part, if and to the

extent so provided under the Corporation's Incentive Compensation Adjustment and Clawback Policy and Dodd-Frank Recoupment Policy, as in effect from time to time with respect to the Award, or any other applicable clawback, adjustment or similar policy in effect on or established by the Board or the Committee from time to time and to any clawback or recoupment that may be required by applicable law or regulation (each a "Clawback Policy," and together, the "Clawback Policies"). In the event of a clawback, recoupment or forfeiture event under an applicable Clawback Policy, the amount required to be clawed back, recouped or forfeited under such policy, shall be deemed not to have been earned under the terms of the Plan, and the Corporation is entitled to recover from you the amount specified under the Clawback Policy to be clawed back, recouped, or forfeited (which amount, as applicable, shall be deemed an advance that remained subject to your satisfaction of all eligibility conditions for earning the RSUs). The RSUs are not considered earned, and the eligibility requirements with respect to the RSUs are not considered met, until all requirements of the Plan, this Agreement, and any Clawback Policies are met.

By accepting this Award, you agree that you are obligated to provide all assistance necessary to the Corporation to recover or recoup the Shares, cash or other value pursuant to the Award which are subject to recovery or recoupment pursuant to applicable law, government regulation, stock exchange listing requirement or PNC policy, including the Clawback Policies. Such assistance shall include completing any documentation necessary to recover or recoup the Shares, cash or other value pursuant to the Award from any accounts you maintain with PNC or any pending or future compensation.

A copy of the Incentive Compensation Adjustment and Clawback Policy is included in the materials distributed to you with this Agreement. A copy of the Dodd-Frank Recoupment Policy is included as Exhibit 97 on the Corporation's Annual Report filed on Form 10-K.

THE PNC FINANCIAL SERVICES GROUP, INC.
2016 INCENTIVE AWARD PLAN

RESTRICTED SHARE UNITS AWARD AGREEMENT

APPENDIX A

ADDITIONAL PROVISIONS

1. Restrictive Covenants. You and PNC acknowledge and agree that you have received adequate consideration with respect to enforcement of the provisions of this Section 1 by virtue of accepting this Award (regardless of whether the Award or any portion thereof is ultimately settled and paid to you); that such provisions are reasonable and properly required for the adequate protection of the business of PNC and its subsidiaries; and that enforcement of such provisions will not prevent you from earning a living.

(a) Non-Solicitation; No-Hire. You agree to comply with the provisions of this Section 1(a) during the period of your employment with PNC and the 12-month period following your Termination Date, regardless of the reason for such termination of employment, as follows:

i. *Non-Solicitation*. You will not, directly or indirectly, either for your own benefit or purpose or for the benefit or purpose of any Person other than PNC, solicit, call on, do business with, or actively interfere with PNC's relationship with, or attempt to divert or entice away, any Person that you should reasonably know (A) is a customer of PNC for which PNC provides any services as of your Termination Date, or (B) was a customer of PNC for which PNC provided any services at any time during the 12 months preceding your Termination Date, or (C) was, as of your Termination Date, considering retention of PNC to provide any services.

ii. *No-Hire*. You will not, directly or indirectly, either for your own benefit or purpose or for the benefit or purpose of any Person other than PNC, employ or offer to employ, call on, or actively interfere with PNC's relationship with, or attempt to divert or entice away, any employee of PNC. You also will not assist any other Person in such activities.

Notwithstanding Section 1(a)(i) and Section 1(a)(ii) above, if your termination of employment with PNC is an Anticipatory Termination, then commencing immediately after your Termination Date, the provisions of Section 1(a)(i) and Section 1(a)(ii) will no longer apply and will be replaced with the following provision:

"No-Hire. You agree that you will not, for a period of one year after your Termination Date, employ or offer to employ, solicit, actively interfere with PNC's or any PNC affiliate's relationship with, or attempt to divert or entice away, any officer of PNC or any affiliate of PNC."

(b) Confidentiality. During your employment with PNC and thereafter regardless of the reason for termination of such employment, you will not disclose or use in any way any confidential business or technical information or trade secret acquired in the course of such employment, all of which is the exclusive and valuable property of PNC whether or not conceived of or prepared by you, other than (i) information generally known in PNC's industry or acquired from public sources, (ii) as required in the course of employment by PNC, (iii) as required by any court, supervisory authority, administrative agency or applicable law, or (iv) with the prior written consent of PNC. Nothing in this Agreement, including this Section 1(b), is intended to limit you from affirmatively reporting to, communicating directly with, or providing information and documents — with the exception of information or documents that are subject to a legal or other applicable privilege—to any governmental entity, regulator, or self-regulatory organization (including the Securities and Exchange Commission or Commodity Futures Trading Commission) regarding possible violations of law or regulation. You further understand and agree that you are not required to contact or receive consent from PNC before engaging in such communications with any such authorities. However, if you receive a court order or valid and effective subpoena, interrogatory, or similar legal process not involving a governmental agency or regulatory body that requires disclosure of any confidential business or technical information or trade secret, before making any disclosure you must promptly notify PNC in writing of the order or other legal process.

(c) Ownership of Inventions. You will promptly and fully disclose to PNC any and all inventions, discoveries, improvements, ideas or other works of inventorship or authorship, whether or not patentable, that have been or will be conceived and/or reduced to practice by you during the term of your employment with PNC, whether alone or with others, and that are (i) related directly or indirectly to the business or activities of PNC or (ii) developed with the use of any time, material, facilities or other resources of PNC ("Developments"). You agree to assign and hereby do assign to PNC or its designee all of your right, title and interest, including copyrights and patent rights, in and to all Developments. You will perform all actions and execute all instruments that PNC or any subsidiary will deem necessary to protect or record PNC's or its designee's interests in the Developments. The obligations of this Section 1(c) will be performed by you without further compensation and will continue beyond your Termination Date.

(d) Enforcement Provisions. You understand and agree to the following provisions regarding enforcement of Section 1 of this Agreement:

i. *Equitable Remedies*. A breach of the provisions of Sections 1(a) – 1(c) will cause PNC irreparable harm, and PNC will therefore be entitled to seek issuance of immediate, as well as permanent, injunctive relief restraining you, and each and every person and entity acting in concert or participating with you, from initiation and/or continuation of such breach.

ii. *Tolling Period*. If it becomes necessary or desirable for PNC to seek compliance with the provisions of Section 1(a) by legal proceedings, the period during which you will comply with said provisions will extend for a period of 12 months from the date PNC institutes legal proceedings for injunctive or other relief.

iii. *Reform*. If any of Sections 1(a) – 1(c) are determined by a court of competent jurisdiction to be unenforceable because unreasonable either as to length of time or area to which the restriction applies, it is the intent of both parties that the court reduce and reform the restriction so as to apply the greatest limitations considered enforceable by the court.

iv. *Waiver of Jury Trial*. Each of you and PNC hereby waives any right to trial by jury with regard to any suit, action or proceeding under or in connection with any of Sections 1(a) – 1(c).

v. *Application of Defend Trade Secrets Act*. Regardless of any other provision in this Agreement, you may be entitled to immunity and protection from retaliation under the Defend Trade Secrets Act of 2016 for disclosing trade secrets under certain limited circumstances, as set forth in PNC's Defend Trade Secrets Act policy. The policy is available for viewing on PNC's intranet under the "PNC Ethics" page.

2. **Capital Adjustments upon a Change of Control**. Upon the occurrence of a Change of Control, (a) the number, class and kind of RSUs then outstanding under the Award will automatically be adjusted to reflect the same changes as are made to outstanding shares of Common Stock generally, (b) the value per share unit of any share-denominated award amount will be measured by reference to the per share value of the consideration payable to a holder of Common Stock in connection with such Corporate Transaction or Transactions if applicable, and (c) with respect to stock-payable RSUs only, if the effect of the Corporate Transaction or Transactions on a holder of Common Stock is to convert that shareholder's holdings into consideration that does not consist solely (other than as to a minimal amount) of shares of Common Stock, then the entire value of any payment to be made to you will be made solely in cash at the applicable time specified in this Agreement.

3. **Fractional Shares**. No fractional Shares will be delivered to you. If the outstanding vested RSUs being settled in Shares include a fractional interest, such fractional interest will be eliminated by rounding down to the nearest whole share unit.

4. **No Rights as a Shareholder**. You will have no rights as a shareholder of the Corporation by virtue of this Award unless and until Shares are issued and delivered in settlement of the Award pursuant to and in accordance with this Agreement.

5. **Transfer Restrictions**.

(a) The Award may not be sold, assigned, transferred, exchanged, pledged, or otherwise alienated or hypothecated.

(b) If you are deceased at the time any outstanding vested RSUs are settled and paid out in accordance with the terms of this Agreement, such delivery of Shares, cash payment or other payment (as applicable) shall be made to the executor or administrator of your estate or to your other legal representative or, as permitted under the election procedures of the Plan's third-party administrator, to your designated beneficiary, in each case, as determined in good faith by the Corporation. Any delivery of Shares, cash payment or other payment made in good faith by the Corporation to your executor, other legal representative or permissible designated beneficiary, or retained by the Corporation for taxes pursuant to Section 6 of this Appendix A, shall extinguish all right to payment hereunder.

6. Withholding Taxes.

(a) You shall be solely responsible for any applicable taxes (including, without limitation, income and excise taxes), penalties and interest that you incur in connection hereunder. The Corporation will, at the time any withholding tax obligation arises in connection herewith, retain an amount sufficient to satisfy the minimum amount of taxes then required to be withheld by PNC in connection therewith from amounts then payable hereunder to you.

(b) If any such withholding is required prior to the time amounts are payable to you hereunder or if such amounts are not sufficient to satisfy such obligation in full, the withholding will be taken from other compensation then payable to you or as otherwise determined by PNC.

(c) The Corporation will withhold cash from any amounts then payable to you hereunder that are settled in cash. Unless the Committee or PNC Designated Person determines otherwise, with respect to stock-payable RSUs only, the Corporation will retain whole Shares from any amounts then payable to you hereunder (or pursuant to any other RSUs previously awarded to you under the Plan) in the form of Shares. For purposes of this Section 6(c), Shares retained to satisfy applicable withholding tax requirements will be valued at their Fair Market Value on the date the tax withholding obligation arises (as such date is determined by the Corporation).

7. Employment. Neither the granting of the Award nor any payment with respect to such Award authorized hereunder nor any term or provision of this Agreement shall constitute or be evidence of any understanding, expressed or implied, on the part of PNC to employ you for any period or in any way alter your status as an employee at will.

8. Miscellaneous.

(a) Subject to the Plan and Interpretations. In all respects the Award and this Agreement are subject to the terms and conditions of the Plan, which has been made available to you and is incorporated herein by reference. The terms of the Plan will not

be considered an enlargement of any benefits under this Agreement. If the Plan and this Agreement conflict, the provisions of the Plan will govern. Interpretations of the Plan and this Agreement by the Committee are binding on you and PNC.

(b) Governing Law and Jurisdiction. This Agreement is governed by and construed under the laws of the Commonwealth of Pennsylvania, without reference to its conflict of laws provisions. Any dispute or claim arising out of or relating to this Agreement or claim of breach hereof will be brought exclusively in the Federal court for the Western District of Pennsylvania or in the Court of Common Pleas of Allegheny County, Pennsylvania. By execution of this Agreement, you and PNC hereby consent to the exclusive jurisdiction of such courts and waive any right to challenge jurisdiction or venue in such courts with regard to any suit, action, or proceeding under or in connection with this Agreement.

(c) Headings; Entire Agreement. Headings used in this Agreement are provided for reference and convenience only, are not considered part of this Agreement, and will not be employed in the construction of this Agreement. This Agreement, including any appendices or exhibits attached hereto, constitutes the entire agreement between you and PNC with respect to the subject matters addressed herein, and supersedes all other discussions, negotiations, correspondence, representations, understandings and agreements between the parties concerning the subject matters hereof.

(d) Modification. Modifications or adjustments to the terms of this Agreement may be made by the Corporation as permitted in accordance with the Plan or as provided for in this Agreement. No other modification of the terms of this Agreement will be effective unless embodied in a separate, subsequent writing signed by you and by an authorized representative of the Corporation.

(e) No Waiver. Failure of PNC to demand strict compliance with any of the terms, covenants or conditions of this Agreement will not be deemed a waiver of such term, covenant or condition, nor will any waiver or relinquishment of any such term, covenant or condition on any occasion or on multiple occasions be deemed a waiver or relinquishment of such term, covenant or condition.

(f) Severability. The restrictions and obligations imposed by this Agreement are separate and severable, and it is the intent of both parties that if any restriction or obligation imposed by any of these provisions is deemed by a court of competent jurisdiction to be void for any reason whatsoever, the remaining provisions, restrictions and obligations will remain valid and binding upon you.

(g) Applicable Laws. Notwithstanding anything in this Agreement, PNC will not be required to comply with any term, covenant or condition of this Agreement if and to the extent prohibited by law, including but not limited to Federal banking and securities regulations, or as otherwise directed by one or more regulatory agencies having jurisdiction over PNC.

(h) Compliance with Section 409A of the Internal Revenue Code. It is the intention of the parties that the Award and this Agreement comply with the provisions of Section 409A of the Internal Revenue Code to the extent, if any, that such provisions are applicable. This Agreement will be administered in a manner consistent with this intent, including as set forth in Section 20 of the Plan. If the Award includes a "series of installment payments" (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), your right to the series of installment payments will be treated as a right to a series of separate payments and not as a right to a single payment.

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THE PNC FINANCIAL SERVICES GROUP, INC.
2016 INCENTIVE AWARD PLAN

RESTRICTED SHARE UNITS AWARD AGREEMENT

APPENDIX B

DEFINITIONS

Certain Definitions. Except as otherwise provided, the following definitions apply for purposes of this Agreement.

"Anticipatory Termination" means a termination of employment where PNC terminates your employment with PNC (other than for Misconduct or Disability) prior to the date on which a Change of Control occurs, and you reasonably demonstrated that such termination of employment (i) was at the request of a third party that has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control.

"Award Effective Date" has the meaning set forth in Section A of this Agreement.

"Change of Control" means:

(a) Any Person becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (x) the then-outstanding shares of Common Stock (the "Outstanding PNC Common Stock") or (y) the combined voting power of the then-outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the "Outstanding PNC Voting Securities"). The following acquisitions will not constitute a Change of Control for purposes of this definition: (1) any acquisition directly from the Corporation, (2) any acquisition by the Corporation, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any company controlled by, controlling or under common control with the Corporation (an "Affiliated Company"), (4) any acquisition pursuant to an Excluded Combination (as defined below) or (5) an acquisition of beneficial ownership representing between 20% and 40%, inclusive, of the Outstanding PNC Voting Securities or Outstanding PNC Common Stock if the Incumbent Board (as defined below) as of immediately prior to any such acquisition approves such acquisition either prior to or immediately after its occurrence;

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board (excluding any Board seat that is vacant or otherwise unoccupied). For purposes of this definition, any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the shareholders of the Corporation, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board will be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Corporation or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Corporation, or the acquisition of assets or stock of another entity by the Corporation or any of its subsidiaries (each, a "Business Combination"). A transaction otherwise meeting the definition of Business Combination will not be treated as a Change of Control if following completion of the transaction all or substantially all of the beneficial owners of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of Common Stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Corporation or all or substantially all of the Corporation's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities, as the case may be (such a Business Combination, an "Excluded Combination"); or

(d) Approval by the shareholders of the Corporation of a complete liquidation or dissolution of the Corporation.

"Competitive Activity" means any participation in, employment by, ownership of any equity interest exceeding one percent in, or promotion or organization of, any Person other than PNC (1) engaged in business activities similar to some or all of the business activities of PNC during your employment or (2) engaged in business activities that you know PNC intends to enter within the next 12 months (or, if after your Termination Date, within the first 12 months after your Termination Date), in either case whether you are acting as agent, consultant, independent contractor, employee, officer, director, investor, partner, shareholder, proprietor or in any other individual or representative capacity therein. For purposes of Competitive Activity as defined herein (and as such similar term is defined in any equity-based award agreement held by you), the term "subsidiary" will not include any company in which PNC holds an interest pursuant to its merchant banking authority.

"Detrimental Conduct" means:

(a) You have engaged in, without the prior written consent of PNC (with consent to be given or withheld at PNC's sole discretion), in any Competitive Activity in the Restricted Territory at any time during the period of your employment with PNC and the 12-month period following your Termination Date;

(b) any act of fraud, misappropriation, or embezzlement by you against PNC or one of its subsidiaries or any client or customer of PNC or one of its subsidiaries; or

(c) you are convicted (including a plea of guilty or of nolo contendere) of, or you enter into a pre-trial disposition with respect to, the commission of a felony that relates to or arises out of your employment or other service relationship with PNC.

You will be deemed to have engaged in Detrimental Conduct for purposes of this Agreement only if and when the Committee or other PNC Designated Person determines that you have engaged in conduct described in clause (a) or clause (b) above or that an event described in clause (c) above has occurred with respect to you. Detrimental Conduct will not apply to conduct by or activities of successors to the Award by will or the laws of descent and distribution in the event of your death.

No determination that you have engaged in Detrimental Conduct may be made (x) on or after your Termination Date if your termination of employment was an Anticipatory Termination or (y) between the time PNC enters into an agreement providing for a Change of Control and the time such agreement either terminates or results in a Change of Control.

"Good Reason" means the definition of Good Reason contained in the Change of Control Employment Agreement between you and PNC or any substitute employment agreement entered into between you and PNC then in effect or, if none, the occurrence of any of the following events without your consent:

(a) the assignment of any duties to you inconsistent in any material respect with your position (including status, offices, titles and reporting requirements), or any other material diminution in such position, authority, duties or responsibilities;

(b) any material reduction in your rate of base salary or the amount of your annual bonus opportunity (or, if less, the bonus opportunity established for PNC's similarly situated employees for any year), or a material reduction in the level of any other employee benefits for which you are eligible receive below those offered to PNC's similarly situated employees;

(c) PNC's requiring you to be based at any office or location outside of a fifty (50)-mile radius from the office where you were employed on the Grant Date;

(d) any action or inaction that constitutes a material breach by PNC of any agreement entered into between you and PNC; or

(e) the failure by PNC to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of PNC to assume expressly and agree to perform this Agreement in the same manner and to the same extent that PNC would be required to perform it if no such succession had taken place.

Notwithstanding the foregoing, none of the events described above shall constitute Good Reason unless and until (i) you first notify PNC in writing describing in reasonable detail the condition which constitutes Good Reason within 90 days of its initial occurrence, (ii) PNC fails to cure such condition within 30 days after receipt of such written notice, and (iii) you terminate employment within two years of its initial occurrence.

Your mental or physical incapacity following the occurrence of an event described above in clauses (a) through (e) shall not affect your ability to terminate employment for Good Reason, and your death following delivery of a notice of termination for Good Reason shall not affect your estate's entitlement to severance payments benefits provided hereunder upon a termination of employment for Good Reason.

"Misconduct" means, as it relates to an Anticipatory Termination or following a Change of Control, (a) your willful and continued failure to substantially perform your duties with PNC (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to you by the Board or the CEO that specifically identifies the manner in which the Board or the CEO believes that you have not substantially performed your duties; or (b) your willful engagement in illegal conduct or gross misconduct that is materially and demonstrably injurious to PNC or any of its subsidiaries. For purposes of clauses (a) and (b), no act or failure to act, on your part, shall be considered willful unless it is done, or omitted to be done, by you in bad faith and without reasonable belief that your action or omission was in the best interests of PNC. Any act, or failure to act, based upon the instructions or prior approval of the Board, the CEO or your superior or based upon the advice of counsel for PNC, will be conclusively presumed to be done, or omitted to be done, by you in good faith and in the best interests of PNC.

Your cessation of employment will be deemed to be a termination of your employment with PNC for Misconduct only if and when there shall have been delivered to you, as part of the notice of your termination, a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board, at a Board meeting called and held for the purpose of considering such termination, finding on the basis of clear and convincing evidence that, in the good faith opinion of the Board, you are guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail. Such resolution shall be adopted only after (i) reasonable notice of such Board meeting is provided to you, together with written notice that PNC believes that you are guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail, and (ii) you are given an opportunity, together with counsel, to be heard before the Board.

"Person" means any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act.

"PNC Designated Person" means (a) the Committee or its delegate if you are (or were when you ceased to be an employee of PNC) either a Group 1 covered employee (Corporate Executive Group member) including any equivalent successor classification or subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to PNC securities (or both); or (b) the Committee, the CEO, or the Chief Human Resources Officer of PNC, or any other individual or group as may be designated by one of the foregoing to act as PNC Designated Person for purposes of this Agreement.

"Qualifying Termination" has the meaning set forth in Section B of this Agreement.

"Restricted Territory" means (a) if you are employed by (or, if you are not an employee, providing the majority of your services to) PNC in the United States or Canada as of the Termination Date, the United States and Canada, (b) if you are employed by (or, if you are not an employee, providing the majority of your services to) PNC in the United Kingdom as of the Termination Date, the United Kingdom or (c) if you are employed by (or, if you are not an employee, providing the majority of your services to) PNC in Germany as of the Termination Date, Germany or the United Kingdom.

"Retirement" means your termination of employment with PNC at any time for any reason (other than termination of employment by reason of your death, by PNC for Cause or by reason of termination of employment in connection with a divestiture of assets or a divestiture of one or more subsidiaries of PNC if the Committee or the CEO or his or her designee so determines prior to such divestiture) on or after the first date on which you have both attained at least age 55 and completed five years of service, where a year of service is determined in the same manner as the determination of a year of vesting service calculated under the provisions of The PNC Financial Services Group, Inc. Pension Plan.

"Termination Date" means the last day of your employment with PNC. If you are employed by a Subsidiary that ceases to be a Subsidiary or ceases to be a consolidated subsidiary of the Corporation under U.S. generally accepted accounting principles and you do not continue to be employed by or otherwise have a Service Relationship with PNC, then for purposes of this Agreement, your employment with PNC terminates effective at the time this occurs.

THE PNC FINANCIAL SERVICES GROUP, INC.
2016 INCENTIVE AWARD PLAN

RESTRICTED SHARE UNITS AWARD AGREEMENT

APPENDIX C

RISK PERFORMANCE-BASED VESTING CONDITIONS

The following table sets forth the risk performance-based vesting conditions of the Award:

1.	*Generally*	The Award is divided into three Tranches, with the first Tranche relating to the 2024 performance year, the second Tranche relating to the 2025 performance year, and the third tranche relating to the 2026 performance year (each such year, a "Performance Year"). Each Tranche must satisfy a risk-related performance metric based on whether PNC has met or exceeded the common equity Tier 1 capital spot ratio limit as then in effect and applicable to The PNC Financial Services Group, Inc. ("CET1 Ratio") (which may be on a pro forma fully phased-in basis, if applicable) as set forth in PNC's Enterprise Capital Management Policy (or any successor policy) and monitored at least quarterly. "PNC" for purposes of this Appendix C as it refers to risk performance-based vesting conditions means the Corporation and its consolidated subsidiaries for financial reporting purposes.
2.	*Applying the Risk Performance Metric*	*(a) CET1 Ratio Generally*. Each Tranche is subject to a risk performance factor based on whether PNC has met or exceeded the CET1 Ratio as of the last day of each Performance Year. The current CET1 Ratio is 7.0%. *(b) Determination of Annual CET1 Ratio*. As soon as practicable following the end of each Performance Year, PNC will present information to the Committee relating to (i) the CET1 Ratio compared to (ii) the actual CET1 Ratio achieved by PNC with respect to that Performance Year, based on PNC's publicly reported financial results for the period ending on the applicable end date. Except as

		otherwise provided in paragraph 5 in the event of your death or a Change of Control, this will generally be the public release of earnings results for PNC's fourth quarter that occurs after the year-end measurement date, so that the Committee will be able to make its determination in late January or early February following a Performance Year. • If PNC meets or exceeds the CET1 Ratio for a Performance Year, the risk performance metric is satisfied. • If PNC does not meet the CET1 Ratio for a Performance Year, the applicable Tranche is eligible for forfeiture as determined by the Committee prior to settlement of the Tranche.
3.	*Risk Performance Review Adjustment*	In addition, and independent from the CET1 Ratio performance metric described in paragraph 2 above, with respect to each Tranche and prior to the settlement of that Tranche, the Committee has the discretion to conduct a risk performance review relating to a risk-related action of potentially material consequence to PNC. If the Committee exercises its discretion to conduct a risk performance review, the Committee will review and determine if a downward adjustment for risk performance is appropriate for the applicable Tranche. Any determination to conduct a risk performance review will be made shortly after the close of the Performance Year, but no later than the 45th day following the close of the Performance Year, and any required review will be conducted no later than two and a half-months after the close of the Performance Year.
4.	*Determination of Final Number of RSUs*	Following the Performance Year, the Committee determines whether to approve the number of RSUs subject to the applicable Tranche, a lower number or zero based on application of the risk performance metric (described in paragraph 2) or any risk-related adjustment resulting from a risk performance review (described in paragraph 3), rounded down to the nearest whole Unit. **In no event can the size of the Tranche be greater than 100.00% of the target number of RSUs subject to that Tranche.**

5.	*Determination of Risk Performance Metric Upon Death or a Change of Control*	
	Death	Notwithstanding anything to the contrary in this Agreement, if your employment with PNC ceases by reason of your death, or if you die after a termination of employment with PNC due to Disability or Retirement or by reason of an Anticipatory Termination, in any case, prior to a Change of Control or the last Scheduled Vesting Date, then all risk performance-based conditions will be met with respect to the outstanding portion of your Award, *unless* the date of death occurs after a calendar year but prior to performance-adjustment by the Committee (including a Committee determination made immediately preceding the date of the Change of Control), in which case such Tranche will vest based on actual performance as determined by the Committee. For the avoidance of doubt, in the event of your death following a Change of Control, the risk performance metric for any then-outstanding Tranche will be determined as provided in the "Change of Control" paragraph below.
	Change of Control	Notwithstanding anything to the contrary in this Agreement and subject to your satisfaction of the service-based vesting requirements, any outstanding Tranches for which no performance factors have been determined at the time of a Change of Control will be risk performance-adjusted, as follows: • If a Change of Control occurs after a completed Performance Year, but prior to the Scheduled Vesting Date for that Tranche, the actual CET1 Ratio for that Performance Year will continue to apply to that Tranche, and • For any Performance Year not completed prior to a Change of Control, if the CET1 Ratio was not met as of the quarter-end date immediately preceding the Change of Control (or if the Change of Control falls on a quarter-end date, and such information is available and applicable for such date, the date of the Change of Control), then all remaining Tranches will be forfeited and expire as of the Change of Control. For the avoidance of doubt:

		• If the CET1 Ratio was not met as of the applicable quarter-end performance measurement date, the Award will be forfeited by you as of the Change of Control. • Tranches where the CET1 Ratio was met and that remain outstanding will be paid out, without further Dividend Equivalents or any interest, on the Scheduled Vesting Dates (or earlier, in the event of your death) upon your satisfaction of the service-based vesting requirements.
6.	*Committee Determination*	The Committee may make prospective adjustments to the Award. All determinations made by the Committee or otherwise by PNC hereunder shall be made in its sole discretion and shall be final, binding and conclusive for all purposes on all parties.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be signed on its behalf as of the Grant Date.

THE PNC FINANCIAL SERVICES GROUP, INC.

By:

William S Demchak

Chief Executive Officer

ATTEST:

By:

Corporate Secretary

ACCEPTED AND AGREED TO by GRANTEE

____

Grantee

Exhibit 10.32

THE PNC FINANCIAL SERVICES GROUP, INC.
2016 INCENTIVE AWARD PLAN
* * *
RESTRICTED SHARE UNITS AWARD AGREEMENT

This Agreement sets forth the terms and conditions of your restricted share unit award made pursuant to The PNC Financial Services Group, Inc. 2016 Incentive Award Plan and any sub-plans thereto (this "Agreement").

Appendix A to this Agreement sets forth additional terms and conditions of the Award, including restrictive covenant provisions. Appendix B to this Agreement sets forth certain definitions applicable to this Agreement generally. Appendix C to this Agreement sets forth the risk performance-based vesting conditions applicable to the Award and certain related definitions. Capitalized terms not otherwise defined in the body of this Agreement have the meaning ascribed to such terms in the Plan or Appendices A, B or C.

The Corporation and the Grantee named below (referenced in this Agreement as "you" or "your") agree as follows:

Subject to your timely acceptance of this Agreement (as described in Section A below), the Corporation grants to you the Award set forth below, subject to the terms and conditions of the Plan and this Agreement.

A.	GRANT AND ACCEPTANCE OF RSUs	
	GRANTEE	#ParticipantName#
	GRANT DATE	#GrantDate#
	AWARD	#QuantityGranted# Restricted share units ("RSUs"), each representing a right to receive one Share, and related Dividend Equivalents award, payable in cash.
	AWARD PROGRAM	Senior Leader Program
	AWARD ACCEPTANCE; AWARD EFFECTIVE DATE	You must accept this Award by delivering an executed unaltered copy of this Agreement to the Corporation within 30 days of your receipt of this Agreement. Upon such execution and delivery of this Agreement by both you and the Corporation, this Agreement is effective as of the Grant Date (the "Award Effective Date"). If you do not properly accept this Award, the Corporation may, in its sole discretion, cancel the Award at any time thereafter.

B.	VESTING REQUIREMENTS

B.1 ***An Award becomes vested only upon satisfaction of both the service-based vesting requirements and the risk performance-based vesting requirements set forth below.***

SERVICE-BASED VESTING REQUIREMENTS	The Award is divided into three approximately equal portions that will satisfy the service-based vesting requirements ratably over three years (each portion, a "Tranche") on three "Scheduled Vesting Dates", as follows: • the service-based vesting requirement for the first Tranche will be satisfied on the 1st anniversary of the Grant Date, • the service-based vesting requirement for the second Tranche will be satisfied on the 2nd anniversary of the Grant Date, and • the service-based vesting requirement for the third Tranche will be satisfied on the 3rd anniversary of the Grant Date; in each case, provided you remain continuously employed by PNC through and including the applicable Scheduled Vesting Date (or such earlier date as prescribed by Section B.2 below).
RISK PERFORMANCE-BASED VESTING REQUIREMENTS	Provided the service-based vesting requirements have been met, each Tranche will vest on the applicable Scheduled Vesting Date upon satisfaction of the risk performance metric applicable to that Tranche, as set forth in Appendix C to this Agreement.

B.2 **EFFECT OF TERMINATION OF EMPLOYMENT PRIOR TO SCHEDULED VESTING DATES ON VESTING REQUIREMENTS**

RETIREMENT	Notwithstanding anything to the contrary in this Agreement, if your employment with PNC is terminated due to your Retirement, and not for Cause (as determined by a PNC Designated Person), then the service-based vesting requirements of the Award will be satisfied as of your Termination Date, but the Award will not vest

and become payable until the Scheduled Vesting Date(s), subject to satisfaction of the risk performance-based vesting requirements and your continued compliance with the terms and conditions of this Agreement.

DISABILITY	Notwithstanding anything to the contrary in this Agreement, if your employment with PNC is terminated by PNC due to your Disability, and not for Cause (as determined by a PNC Designated Person), then the service-based vesting requirements of the Award will be satisfied as of your Termination Date, but the Award will not vest and become payable until the Scheduled Vesting Date(s), subject to satisfaction of the risk performance-based vesting requirements and your continued compliance with the terms and conditions of this Agreement.
DEATH	Notwithstanding anything to the contrary in this Agreement, if your employment with PNC ceases by reason of your death, or if you die after a termination of employment with PNC due to Disability or Retirement or by reason of an Anticipatory Termination, but prior to a Change of Control or any Scheduled Vesting Date(s), then the service-based requirements of the Award will be satisfied as of your date of death, and the risk performance-based vesting requirements will be satisfied as further described in Appendix C.
ANTICIPATORY TERMINATION	Notwithstanding anything to the contrary in this Agreement, if your termination of employment with PNC is an Anticipatory Termination, then the service-based vesting requirements of the Award will be satisfied as of the Termination Date, but the Award will not vest and become payable until the Scheduled Vesting Date(s), subject to satisfaction of the risk performance-based vesting requirements and your continued compliance with the terms of this Agreement.
TERMINATION FOLLOWING A CHANGE OF CONTROL	Notwithstanding anything to the contrary in this Agreement, if you have been continuously employed by PNC, including any successor entity, through the date of a Change of Control, and your employment with PNC is terminated following

such Change of Control but prior to a Scheduled Vesting Date(s), either (a) by PNC other than for Misconduct or (b) by you for Good Reason (a "Qualifying Termination"), then the service-based requirements of the Award will be satisfied as of your Termination Date, and the risk performance-based vesting requirements will be satisfied with respect to any outstanding Tranches as described in Appendix C.

For the avoidance of doubt, upon the occurrence of a Change of Control, the Award will not become vested until the service-based vesting requirements are satisfied, either on the Scheduled Vesting Dates as set forth in Section B.1. or as a result of your Retirement, your termination of employment by reason of death, Disability or an Anticipatory Termination or the occurrence of a Qualifying Termination.

C.		**FORFEITURE**
C.1	**FORFEITURE UPON FAILURE TO MEET VESTING REQUIREMENTS**	Except as otherwise provided in Section B.2 above, if you cease to be an employee of PNC prior to an applicable Scheduled Vesting Date and the satisfaction of the risk performance-based vesting requirements, you will not have satisfied the vesting requirements and the outstanding portion of the Award will be automatically forfeited and cancelled as of your Termination Date.
C.2	**FORFEITURE IN CONNECTION WITH DETRIMENTAL CONDUCT**	At any time prior to a Scheduled Vesting Date, to the extent that PNC (acting through a PNC Designated Person) determines in its sole discretion (a) that you have engaged in Detrimental Conduct and (b) to forfeit and cancel all or a specified portion of the outstanding Award as a result of such determination, then such portion will be forfeited and cancelled effective as of the date of such determination. Upon such determination, neither you nor your successors, heirs, assigns or legal representatives will have any further rights or interest in the Award under this Agreement.

D.		DIVIDEND EQUIVALENTS
D.1	**GENERALLY**	As of the Award Effective Date, you will be entitled to earn accrued cash Dividend Equivalents on the final number of vested RSUs for each Tranche, in an amount equal to the cash dividends that would have been paid (without interest or reinvestment) between the Grant Date and the Scheduled Vesting Date for that Tranche (or such earlier date in the event of your death or a Change of Control), as though you were the record holder of such RSUs, and such RSUs had been issued and outstanding shares on the Grant Date through the Scheduled Vesting Date for that Tranche (or such earlier date in the event of your death or a Change of Control).
D.2	**ACCRUED DIVIDEND EQUIVALENT PAYMENTS**	(a) Generally. Accrued Dividend Equivalents will vest and be paid out in cash, less the payment of any applicable withholding taxes pursuant to Section 6 of Appendix A, if and when the applicable Tranche vests and pays out (at which point such Dividend Equivalents will terminate). Dividend Equivalents are subject to the same vesting requirements and payout size adjustments as the Tranche to which they relate. If the RSUs to which such Dividend Equivalents relate are forfeited and cancelled, such related Dividend Equivalents will also be forfeited and cancelled without payment of any consideration by PNC. (b) Payment Upon a Change of Control. Accrual of Dividend Equivalents will cease as of the Change of Control. Upon a Change of Control, Dividend Equivalents accrued (without reinvestment or interest) between the Grant Date and the Change of Control will vest and be paid out in cash, less the payment of any applicable withholding taxes pursuant to Section 6 of Appendix A, if and when the applicable Tranche vests and pays out, as if you were the record holder of the number of Shares equal to the number of vested RSUs underlying such Tranche from the Grant Date through the date of the Change of Control.

E.	PAYMENT OF THE AWARD	
E.1	**PAYMENT TIMING**	Except as otherwise provided below, vested RSUs that remain outstanding will be settled as soon as practicable following (i) the applicable Scheduled Vesting Date (but no later than March 15th following the year the applicable Scheduled Vesting Date occurs), or (ii) your date of death, if your date of death is prior to the last Scheduled Vesting Date (but no later than December 31st of the year following the year of your death).
E.2	**FORM OF PAYMENT; AMOUNT**	(a) Payment Generally. Except as provided in subsection (b) below, vested RSUs will be settled at the time set forth in this Section E.1 by delivery to you of that number of whole Shares equal to the number of RSUs less the payment of any applicable withholding taxes pursuant to Section 6 of Appendix A. (b) Payment On or After a Change of Control. Upon vesting on or after a Change of Control, vested RSUs will be settled at the time set forth in Section E.1 by payment to you of cash in an amount equal to that number of whole Shares equal to the number of vested RSUs, multiplied by the then current Fair Market Value of a share of Common Stock on the date of the Change of Control (subject to any applicable adjustment pursuant to Section 2 of Appendix A), less the payment of any applicable withholding taxes pursuant to Section 6 of Appendix A. Related accrued Dividend Equivalent payments will be paid to you in cash as described in Section D.2(b). No interest will be paid with respect to any such payments made pursuant to this Section E.
F.	**RESTRICTIVE COVENANTS**	Upon your acceptance of this Award, you shall become subject to the restrictive covenant provisions set forth in Section 1 of Appendix A.
G.	**CLAWBACK**	The Award, and any right to receive and retain any Shares (if applicable), cash or other value pursuant to the Award, is subject to rescission, cancellation or recoupment, in whole or in part, if and to the

extent so provided under the Corporation's Incentive Compensation Adjustment and Clawback Policy and Dodd-Frank Recoupment Policy, as in effect from time to time with respect to the Award, or any other applicable clawback, adjustment or similar policy in effect on or established by the Board or the Committee from time to time and to any clawback or recoupment that may be required by applicable law or regulation (each a "Clawback Policy," and together, the "Clawback Policies"). In the event of a clawback, recoupment or forfeiture event under an applicable Clawback Policy, the amount required to be clawed back, recouped or forfeited under such policy, shall be deemed not to have been earned under the terms of the Plan, and the Corporation is entitled to recover from you the amount specified under the Clawback Policy to be clawed back, recouped, or forfeited (which amount, as applicable, shall be deemed an advance that remained subject to your satisfaction of all eligibility conditions for earning the RSUs). The RSUs are not considered earned, and the eligibility requirements with respect to the RSUs are not considered met, until all requirements of the Plan, this Agreement, and any Clawback Policies are met.

By accepting this Award, you agree that you are obligated to provide all assistance necessary to the Corporation to recover or recoup the Shares, cash or other value pursuant to the Award which are subject to recovery or recoupment pursuant to applicable law, government regulation, stock exchange listing requirement or PNC policy, including the Clawback Policies. Such assistance shall include completing any documentation necessary to recover or recoup the Shares, cash or other value pursuant to the Award from any accounts you maintain with PNC or any pending or future compensation.

A copy of the Incentive Compensation Adjustment and Clawback Policy is included in the materials distributed to you with this Agreement. A copy of the Dodd-Frank Recoupment Policy is included as Exhibit 97 on the Corporation's Annual Report filed on Form 10-K.

THE PNC FINANCIAL SERVICES GROUP, INC.
2016 INCENTIVE AWARD PLAN

RESTRICTED SHARE UNITS AWARD AGREEMENT

APPENDIX A

ADDITIONAL PROVISIONS

1. Restrictive Covenants. You and PNC acknowledge and agree that you have received adequate consideration with respect to enforcement of the provisions of this Section 1 by virtue of accepting this Award (regardless of whether the Award or any portion thereof is ultimately settled and paid to you); that such provisions are reasonable and properly required for the adequate protection of the business of PNC and its subsidiaries; and that enforcement of such provisions will not prevent you from earning a living.

(a) Non-Solicitation; No-Hire. You agree to comply with the provisions of this Section 1(a) during the period of your employment with PNC and the 12-month period following your Termination Date, regardless of the reason for such termination of employment, as follows:

i. *Non-Solicitation*. You will not, directly or indirectly, either for your own benefit or purpose or for the benefit or purpose of any Person other than PNC, solicit, call on, do business with, or actively interfere with PNC's relationship with, or attempt to divert or entice away, any Person that you should reasonably know (A) is a customer of PNC for which PNC provides any services as of your Termination Date, or (B) was a customer of PNC for which PNC provided any services at any time during the 12 months preceding your Termination Date, or (C) was, as of your Termination Date, considering retention of PNC to provide any services.

ii. *No-Hire*. You will not, directly or indirectly, either for your own benefit or purpose or for the benefit or purpose of any Person other than PNC, employ or offer to employ, call on, or actively interfere with PNC's relationship with, or attempt to divert or entice away, any employee of PNC. You also will not assist any other Person in such activities.

Notwithstanding Section 1(a)(i) and Section 1(a)(ii) above, if your termination of employment with PNC is an Anticipatory Termination, then commencing immediately after your Termination Date, the provisions of Section 1(a)(i) and Section 1(a)(ii) will no longer apply and will be replaced with the following provision:

"No-Hire. You agree that you will not, for a period of one year after your Termination Date, employ or offer to employ, solicit, actively interfere with PNC's or any PNC affiliate's relationship with, or attempt to divert or entice away, any officer of PNC or any affiliate of PNC."

(b) Confidentiality. During your employment with PNC and thereafter regardless of the reason for termination of such employment, you will not disclose or use in any way any confidential business or technical information or trade secret acquired in the course of such employment, all of which is the exclusive and valuable property of PNC whether or not conceived of or prepared by you, other than (i) information generally known in PNC's industry or acquired from public sources, (ii) as required in the course of employment by PNC, (iii) as required by any court, supervisory authority, administrative agency or applicable law, or (iv) with the prior written consent of PNC. Nothing in this Agreement, including this Section 1(b), is intended to limit you from affirmatively reporting to, communicating directly with, or providing information and documents — with the exception of information or documents that are subject to a legal or other applicable privilege—to any governmental entity, regulator, or self-regulatory organization (including the Securities and Exchange Commission or Commodity Futures Trading Commission) regarding possible violations of law or regulation. You further understand and agree that you are not required to contact or receive consent from PNC before engaging in such communications with any such authorities. However, if you receive a court order or valid and effective subpoena, interrogatory, or similar legal process not involving a governmental agency or regulatory body that requires disclosure of any confidential business or technical information or trade secret, before making any disclosure you must promptly notify PNC in writing of the order or other legal process.

(c) Ownership of Inventions. You will promptly and fully disclose to PNC any and all inventions, discoveries, improvements, ideas or other works of inventorship or authorship, whether or not patentable, that have been or will be conceived and/or reduced to practice by you during the term of your employment with PNC, whether alone or with others, and that are (i) related directly or indirectly to the business or activities of PNC or (ii) developed with the use of any time, material, facilities or other resources of PNC ("Developments"). You agree to assign and hereby do assign to PNC or its designee all of your right, title and interest, including copyrights and patent rights, in and to all Developments. You will perform all actions and execute all instruments that PNC or any subsidiary will deem necessary to protect or record PNC's or its designee's interests in the Developments. The obligations of this Section 1(c) will be performed by you without further compensation and will continue beyond your Termination Date.

(d) Enforcement Provisions. You understand and agree to the following provisions regarding enforcement of Section 1 of this Agreement:

i. *Equitable Remedies*. A breach of the provisions of Sections 1(a) – 1(c) will cause PNC irreparable harm, and PNC will therefore be entitled to seek issuance of immediate, as well as permanent, injunctive relief restraining you, and each and every person and entity acting in concert or participating with you, from initiation and/or continuation of such breach.

ii. *Tolling Period*. If it becomes necessary or desirable for PNC to seek compliance with the provisions of Section 1(a) by legal proceedings, the period during which you will comply with said provisions will extend for a period of 12 months from the date PNC institutes legal proceedings for injunctive or other relief.

iii. *Reform*. If any of Sections 1(a) – 1(c) are determined by a court of competent jurisdiction to be unenforceable because unreasonable either as to length of time or area to which the restriction applies, it is the intent of both parties that the court reduce and reform the restriction so as to apply the greatest limitations considered enforceable by the court.

iv. *Waiver of Jury Trial*. Each of you and PNC hereby waives any right to trial by jury with regard to any suit, action or proceeding under or in connection with any of Sections 1(a) – 1(c).

v. *Application of Defend Trade Secrets Act*. Regardless of any other provision in this Agreement, you may be entitled to immunity and protection from retaliation under the Defend Trade Secrets Act of 2016 for disclosing trade secrets under certain limited circumstances, as set forth in PNC's Defend Trade Secrets Act policy. The policy is available for viewing on PNC's intranet under the "PNC Ethics" page.

2. **Capital Adjustments upon a Change of Control**. Upon the occurrence of a Change of Control, (a) the number, class and kind of RSUs then outstanding under the Award will automatically be adjusted to reflect the same changes as are made to outstanding shares of Common Stock generally, (b) the value per share unit of any share-denominated award amount will be measured by reference to the per share value of the consideration payable to a holder of Common Stock in connection with such Corporate Transaction or Transactions if applicable, and (c) with respect to stock-payable RSUs only, if the effect of the Corporate Transaction or Transactions on a holder of Common Stock is to convert that shareholder's holdings into consideration that does not consist solely (other than as to a minimal amount) of shares of Common Stock, then the entire value of any payment to be made to you will be made solely in cash at the applicable time specified in this Agreement.

3. **Fractional Shares**. No fractional Shares will be delivered to you. If the outstanding vested RSUs being settled in Shares include a fractional interest, such fractional interest will be eliminated by rounding down to the nearest whole share unit.

4. **No Rights as a Shareholder**. You will have no rights as a shareholder of the Corporation by virtue of this Award unless and until Shares are issued and delivered in settlement of the Award pursuant to and in accordance with this Agreement.

5. **Transfer Restrictions**.

(a) The Award may not be sold, assigned, transferred, exchanged, pledged, or otherwise alienated or hypothecated.

(b) If you are deceased at the time any outstanding vested RSUs are settled and paid out in accordance with the terms of this Agreement, such delivery of Shares, cash payment or other payment (as applicable) shall be made to the executor or administrator of your estate or to your other legal representative or, as permitted under the election procedures of the Plan's third-party administrator, to your designated beneficiary, in each case, as determined in good faith by the Corporation. Any delivery of Shares, cash payment or other payment made in good faith by the Corporation to your executor, other legal representative or permissible designated beneficiary, or retained by the Corporation for taxes pursuant to Section 6 of this Appendix A, shall extinguish all right to payment hereunder.

6. Withholding Taxes.

(a) You shall be solely responsible for any applicable taxes (including, without limitation, income and excise taxes), penalties and interest that you incur in connection hereunder. The Corporation will, at the time any withholding tax obligation arises in connection herewith, retain an amount sufficient to satisfy the minimum amount of taxes then required to be withheld by PNC in connection therewith from amounts then payable hereunder to you.

(b) If any such withholding is required prior to the time amounts are payable to you hereunder or if such amounts are not sufficient to satisfy such obligation in full, the withholding will be taken from other compensation then payable to you or as otherwise determined by PNC.

(c) The Corporation will withhold cash from any amounts then payable to you hereunder that are settled in cash. Unless the Committee or PNC Designated Person determines otherwise, with respect to stock-payable RSUs only, the Corporation will retain whole Shares from any amounts then payable to you hereunder (or pursuant to any other RSUs previously awarded to you under the Plan) in the form of Shares. For purposes of this Section 6(c), Shares retained to satisfy applicable withholding tax requirements will be valued at their Fair Market Value on the date the tax withholding obligation arises (as such date is determined by the Corporation).

7. Employment. Neither the granting of the Award nor any payment with respect to such Award authorized hereunder nor any term or provision of this Agreement shall constitute or be evidence of any understanding, expressed or implied, on the part of PNC to employ you for any period or in any way alter your status as an employee at will.

8. Miscellaneous.

(a) Subject to the Plan and Interpretations. In all respects the Award and this Agreement are subject to the terms and conditions of the Plan, which has been made available to you and is incorporated herein by reference. The terms of the Plan will not

be considered an enlargement of any benefits under this Agreement. If the Plan and this Agreement conflict, the provisions of the Plan will govern. Interpretations of the Plan and this Agreement by the Committee are binding on you and PNC.

(b) Governing Law and Jurisdiction. This Agreement is governed by and construed under the laws of the Commonwealth of Pennsylvania, without reference to its conflict of laws provisions. Any dispute or claim arising out of or relating to this Agreement or claim of breach hereof will be brought exclusively in the Federal court for the Western District of Pennsylvania or in the Court of Common Pleas of Allegheny County, Pennsylvania. By execution of this Agreement, you and PNC hereby consent to the exclusive jurisdiction of such courts and waive any right to challenge jurisdiction or venue in such courts with regard to any suit, action, or proceeding under or in connection with this Agreement.

(c) Headings; Entire Agreement. Headings used in this Agreement are provided for reference and convenience only, are not considered part of this Agreement, and will not be employed in the construction of this Agreement. This Agreement, including any appendices or exhibits attached hereto, constitutes the entire agreement between you and PNC with respect to the subject matters addressed herein, and supersedes all other discussions, negotiations, correspondence, representations, understandings and agreements between the parties concerning the subject matters hereof.

(d) Modification. Modifications or adjustments to the terms of this Agreement may be made by the Corporation as permitted in accordance with the Plan or as provided for in this Agreement. No other modification of the terms of this Agreement will be effective unless embodied in a separate, subsequent writing signed by you and by an authorized representative of the Corporation.

(e) No Waiver. Failure of PNC to demand strict compliance with any of the terms, covenants or conditions of this Agreement will not be deemed a waiver of such term, covenant or condition, nor will any waiver or relinquishment of any such term, covenant or condition on any occasion or on multiple occasions be deemed a waiver or relinquishment of such term, covenant or condition.

(f) Severability. The restrictions and obligations imposed by this Agreement are separate and severable, and it is the intent of both parties that if any restriction or obligation imposed by any of these provisions is deemed by a court of competent jurisdiction to be void for any reason whatsoever, the remaining provisions, restrictions and obligations will remain valid and binding upon you.

(g) Applicable Laws. Notwithstanding anything in this Agreement, PNC will not be required to comply with any term, covenant or condition of this Agreement if and to the extent prohibited by law, including but not limited to Federal banking and securities regulations, or as otherwise directed by one or more regulatory agencies having jurisdiction over PNC.

(h) Compliance with Section 409A of the Internal Revenue Code. It is the intention of the parties that the Award and this Agreement comply with the provisions of Section 409A of the Internal Revenue Code to the extent, if any, that such provisions are applicable. This Agreement will be administered in a manner consistent with this intent, including as set forth in Section 20 of the Plan. If the Award includes a "series of installment payments" (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), your right to the series of installment payments will be treated as a right to a series of separate payments and not as a right to a single payment.

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THE PNC FINANCIAL SERVICES GROUP, INC.
2016 INCENTIVE AWARD PLAN

RESTRICTED SHARE UNITS AWARD AGREEMENT
SENIOR LEADER PROGRAM (SECTION 16)

APPENDIX B

DEFINITIONS

Certain Definitions. Except as otherwise provided, the following definitions apply for purposes of this Agreement.

"Anticipatory Termination" means a termination of employment where PNC terminates your employment with PNC (other than for Misconduct or Disability) prior to the date on which a Change of Control occurs, and you reasonably demonstrated that such termination of employment (i) was at the request of a third party that has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control.

"Award Effective Date" has the meaning set forth in Section A of this Agreement.

"Change of Control" means:

(a) Any Person becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (x) the then-outstanding shares of Common Stock (the "Outstanding PNC Common Stock") or (y) the combined voting power of the then-outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the "Outstanding PNC Voting Securities"). The following acquisitions will not constitute a Change of Control for purposes of this definition: (1) any acquisition directly from the Corporation, (2) any acquisition by the Corporation, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any company controlled by, controlling or under common control with the Corporation (an "Affiliated Company"), (4) any acquisition pursuant to an Excluded Combination (as defined below) or (5) an acquisition of beneficial ownership representing between 20% and 40%, inclusive, of the Outstanding PNC Voting Securities or Outstanding PNC Common Stock if the Incumbent Board (as defined below) as of immediately prior to any such acquisition approves such acquisition either prior to or immediately after its occurrence;

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board (excluding any Board seat that is vacant or otherwise unoccupied). For purposes of this definition, any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the shareholders of the Corporation, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board will be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Corporation or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Corporation, or the acquisition of assets or stock of another entity by the Corporation or any of its subsidiaries (each, a "Business Combination"). A transaction otherwise meeting the definition of Business Combination will not be treated as a Change of Control if following completion of the transaction all or substantially all of the beneficial owners of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of Common Stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Corporation or all or substantially all of the Corporation's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities, as the case may be (such a Business Combination, an "Excluded Combination"); or

(d) Approval by the shareholders of the Corporation of a complete liquidation or dissolution of the Corporation.

"Competitive Activity" means any participation in, employment by, ownership of any equity interest exceeding one percent in, or promotion or organization of, any Person other than PNC (1) engaged in business activities similar to some or all of the business activities of PNC during your employment or (2) engaged in business activities that you know PNC intends to enter within the next 12 months (or, if after your Termination Date, within the first 12 months after your Termination Date), in either case whether you are acting as agent, consultant, independent contractor, employee, officer, director, investor, partner, shareholder, proprietor or in any other individual or representative capacity therein. For purposes of Competitive Activity as defined herein (and as such similar term is defined in any equity-based award agreement held by you), the term "subsidiary" will not include any company in which PNC holds an interest pursuant to its merchant banking authority.

"Detrimental Conduct" means:

(a) You have engaged in, without the prior written consent of PNC (with consent to be given or withheld at PNC's sole discretion), in any Competitive Activity in the Restricted Territory at any time during the period of your employment with PNC and the 12-month period following your Termination Date;

(b) any act of fraud, misappropriation, or embezzlement by you against PNC or one of its subsidiaries or any client or customer of PNC or one of its subsidiaries; or

(c) you are convicted (including a plea of guilty or of nolo contendere) of, or you enter into a pre-trial disposition with respect to, the commission of a felony that relates to or arises out of your employment or other service relationship with PNC.

You will be deemed to have engaged in Detrimental Conduct for purposes of this Agreement only if and when the Committee or other PNC Designated Person determines that you have engaged in conduct described in clause (a) or clause (b) above or that an event described in clause (c) above has occurred with respect to you. Detrimental Conduct will not apply to conduct by or activities of successors to the Award by will or the laws of descent and distribution in the event of your death.

No determination that you have engaged in Detrimental Conduct may be made (x) on or after your Termination Date if your termination of employment was an Anticipatory Termination or (y) between the time PNC enters into an agreement providing for a Change of Control and the time such agreement either terminates or results in a Change of Control.

"Good Reason" means the definition of Good Reason contained in the Change of Control Employment Agreement between you and PNC or any substitute employment agreement entered into between you and PNC then in effect or, if none, the occurrence of any of the following events without your consent:

(a) the assignment to of any duties to you inconsistent in any material respect with your position (including status, offices, titles and reporting requirements), or any other material diminution in such position, authority, duties or responsibilities;

(b) any material reduction in your rate of base salary or the amount of your annual bonus opportunity (or, if less, the bonus opportunity established for the PNC's similarly situated employees for any year), or a material reduction in the level of any other employee benefits for which you are eligible receive below those offered to the PNC's similarly situated employees;

(c) PNC's requiring you to be based at any office or location outside of a fifty (50)-mile radius from the office where you were employed on the Grant Date;

(d) any action or inaction that constitutes a material breach by the PNC of any agreement entered into between you and PNC; or

(e) the failure by PNC to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of PNC to assume expressly and agree to perform this Agreement in the same manner and to the same extent that PNC would be required to perform it if no such succession had taken place.

Notwithstanding the foregoing, none of the events described above shall constitute Good Reason unless and until (i) you first notify PNC in writing describing in reasonable detail the condition which constitutes Good Reason within 90 days of its initial occurrence, (ii) PNC fails to cure such condition within 30 days after receipt of such written notice, and (iii) you terminate employment within two years of its initial occurrence.

Your mental or physical incapacity following the occurrence of an event described above in clauses (a) through (e) shall not affect your ability to terminate employment for Good Reason, and your death following delivery of a notice of termination for Good Reason shall not affect your estate's entitlement to severance payments benefits provided hereunder upon a termination of employment for Good Reason.

"Misconduct" means, as it relates to an Anticipatory Termination or following a Change of Control, (a) your willful and continued failure to substantially perform your duties with PNC (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to you by the Board or the CEO that specifically identifies the manner in which the Board or the CEO believes that you have not substantially performed your duties; or (b) your willful engagement in illegal conduct or gross misconduct that is materially and demonstrably injurious to PNC or any of its subsidiaries. For purposes of clauses (a) and (b), no act or failure to act, on your part, shall be considered willful unless it is done, or omitted to be done, by you in bad faith and without reasonable belief that your action or omission was in the best interests of PNC. Any act, or failure to act, based upon the instructions or prior approval of the Board, the CEO or your superior or based upon the advice of counsel for PNC, will be conclusively presumed to be done, or omitted to be done, by you in good faith and in the best interests of PNC.

Your cessation of employment will be deemed to be a termination of your employment with PNC for Misconduct only if and when there shall have been delivered to you, as part of the notice of your termination, a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board, at a Board meeting called and held for the purpose of considering such termination, finding on the basis of clear and convincing evidence that, in the good faith opinion of the Board, you are guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail. Such resolution shall be adopted only after (i) reasonable notice of such Board meeting is provided to you, together with written notice that PNC believes that you are guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail, and (ii) you are given an opportunity, together with counsel, to be heard before the Board.

"Person" means any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act.

"PNC Designated Person" means (a) the Committee or its delegate if you are (or were when you ceased to be an employee of PNC) either a Group 1 covered employee (Corporate Executive Group member) including any equivalent successor classification or subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to PNC securities (or both); or (b) the Committee, the CEO, or the Chief Human Resources Officer of PNC, or any other individual or group as may be designated by one of the foregoing to act as PNC Designated Person for purposes of this Agreement.

"Qualifying Termination" has the meaning set forth in Section B of this Agreement.

"Restricted Territory" means (a) if you are employed by (or, if you are not an employee, providing the majority of your services to) PNC in the United States or Canada as of the Termination Date, the United States and Canada, (b) if you are employed by (or, if you are not an employee, providing the majority of your services to) PNC in the United Kingdom as of the Termination Date, the United Kingdom or (c) if you are employed by (or, if you are not an employee, providing the majority of your services to) PNC in Germany as of the Termination Date, Germany or the United Kingdom.

"Retirement" means your termination of employment with PNC at any time for any reason (other than termination of employment by reason of your death, by PNC for Cause or by reason of termination of employment in connection with a divestiture of assets or a divestiture of one or more subsidiaries of PNC if the Committee or the CEO or his or her designee so determines prior to such divestiture) on or after the first date on which you have both attained at least age 55 and completed five years of service, where a year of service is determined in the same manner as the determination of a year of vesting service calculated under the provisions of The PNC Financial Services Group, Inc. Pension Plan.

"Termination Date" means the last day of your employment with PNC. If you are employed by a Subsidiary that ceases to be a Subsidiary or ceases to be a consolidated subsidiary of the Corporation under U.S. generally accepted accounting principles and you do not continue to be employed by or otherwise have a Service Relationship with PNC, then for purposes of this Agreement, your employment with PNC terminates effective at the time this occurs.

THE PNC FINANCIAL SERVICES GROUP, INC.
2016 INCENTIVE AWARD PLAN

RESTRICTED SHARE UNITS AWARD AGREEMENT

APPENDIX C

RISK PERFORMANCE-BASED VESTING CONDITIONS
SENIOR LEADER PROGRAM (SECTION 16)

The following table sets forth the risk performance-based vesting conditions of the Award:

1.	*Generally*	The Award is divided into three Tranches, with the first Tranche relating to the 2024 performance year, the second Tranche relating to the 2025 performance year, and the third tranche relating to the 2026 performance year (each such year, a "Performance Year"). Each Tranche must satisfy a risk-related performance metric based on whether PNC has met or exceeded the common equity Tier 1 capital spot ratio limit as then in effect and applicable to The PNC Financial Services Group, Inc. ("CET1 Ratio") (which may be on a pro forma fully phased-in basis, if applicable) as set forth in PNC's Enterprise Capital Management Policy (or any successor policy) and monitored at least quarterly. Each Tranche of the Award will also be subject to an annual risk review based on business unit financial performance (or at the discretion of the Committee). "PNC" for purposes of this Appendix C as it refers to risk performance-based vesting conditions means the Corporation and its consolidated subsidiaries for financial reporting purposes.
2.	*Applying the Risk Performance Metric*	*(a) CET1 Ratio Generally*. Each Tranche is subject to a risk performance factor based on whether PNC has met or exceeded the CET1 Ratio as of the last day of each Performance Year. The current CET1 Ratio is 7.0%. *(b) Determination of Annual CET1 Ratio*. As soon as practicable following the end of each Performance Year, PNC will present information to the Committee relating to (i) the CET1 Ratio compared to (ii) the actual CET1 Ratio

		achieved by PNC with respect to that Performance Year, based on PNC's publicly reported financial results for the period ending on the applicable end date. Except as otherwise provided in paragraph 5 in the event of your death or a Change of Control, this will generally be the public release of earnings results for PNC's fourth quarter that occurs after the year-end measurement date, so that the Committee will be able to make its determination in late January or early February following a Performance Year. • If PNC meets or exceeds the CET1 Ratio for a Performance Year, the risk performance metric is satisfied. • If PNC does not meet the CET1 Ratio for a Performance Year, the applicable Tranche is eligible for forfeiture as determined by the Committee prior to settlement of the Tranche.
3.	*Risk Performance Review Adjustments*	In addition, and independent from the CET1 Ratio performance metric described in paragraph 2 above, with respect to each Tranche and prior to the settlement of that Tranche, the Committee conducts a risk performance review either (1) as a result of business unit financial performance (as described below) or (2) at the discretion of the Committee, relating to a risk-related action of potentially material consequence to PNC. A risk performance review is triggered under (1) above if (a) one of the specific business unit or enterprise level review triggers set forth below is met and (b) that review trigger is applicable to you because either it (i) applies to your business unit or functional area as of the Grant Date and the Committee has not determined in its discretion to apply a different review trigger to you for the Performance Year, or (ii) the Committee has determined in its discretion to apply such specific business unit or enterprise level review trigger to you for the Performance Year. The specific business unit or enterprise level review triggers are as follows: • PNC's Retail Banking segment reports a loss for the Performance Year • PNC's Corporate & Institutional Banking segment reports a loss for the Performance Year • PNC's Asset Management Group segment reports a loss for the Performance Year

		If you are not assigned to one of the above-named business units as of the Grant Date, the review trigger will be applicable to you only in the event the Committee determines in its discretion to apply such review trigger, as described in (ii) above. If your affiliated business unit or functional area as of the Grant Date is eliminated or no longer reportable due to restructuring or other business reason, the specific review trigger applicable to you will be based on your newly assigned business unit or functional area. For purposes of this Agreement, whether or not a specified business unit has a loss for a given Performance Year will be determined on the basis of the reported earnings or loss, as the case may be, of the reportable business segment that includes the results of such business unit, based on PNC's publicly reported financial results for that year. If a risk performance review is triggered as a result of business financial performance under (1) or if the Committee exercises its discretion to conduct a risk performance review under (2) above, the Committee will review and determine if a downward adjustment for risk performance is appropriate either for the applicable Tranche or to a specific Grantee. Any determination to conduct a risk performance review will be made shortly after the close of the Performance Year, but no later than the 45th day following the close of the Performance Year, and any required review will be conducted no later than two and a half-months after the close of the Performance Year.
4.	*Determination of Final Number of RSUs*	Following the Performance Year, if (1) the risk performance metric is satisfied and if no risk review is conducted with respect to that year, or (2) the Committee determines not to apply a downward adjustment for risk performance, then the final Award will be the number of RSUs subject to the applicable Tranche. If the risk performance metric is not satisfied, or if a review is conducted, and the Committee applies a downward adjustment for risk performance, than the final award will be a lower number of RSUs subject to the

		applicable Tranche (rounded down to the nearest whole Unit) or zero, as determined by the Committee. If the Committee elects to forfeit a Tranche as it relates to all members of PNC's Group 1 executives by reason of the CET1 Ratio risk performance metric not being satisfied, such Tranche will also be forfeited for all members of the Senior Leader program. **In no event can the size of the Tranche be greater than 100.00% of the target number of RSUs subject to that Tranche.**
5.	*Determination of Risk Performance Metric Upon Death or a Change of Control*	
	Death	Notwithstanding anything to the contrary in this Agreement, if your employment with PNC ceases by reason of your death, or if you die after a termination of employment with PNC due to Disability or Retirement or by reason of an Anticipatory Termination, in any case, prior to a Change of Control or the last Scheduled Vesting Date, then all risk performance-based conditions will be met with respect to the outstanding portion of your Award, *unless* the date of death occurs after a calendar year but prior to performance-adjustment by the Committee (including a Committee determination made immediately preceding the date of the Change of Control), in which case such Tranche will vest based on actual performance as determined by the Committee. For the avoidance of doubt, in the event of your death following a Change of Control, the risk performance metric for any then-outstanding Tranche will be determined as provided in the "Change of Control" paragraph below.
	Change of Control	Notwithstanding anything to the contrary in this Agreement and subject to your satisfaction of the service-based vesting requirements, any outstanding Tranches for which no performance factors have been determined at the time of a Change of Control will be risk performance-adjusted, as follows: • If a Change of Control occurs after a completed Performance Year, but prior to the Scheduled Vesting Date for that Tranche, the actual CET1 Ratio for that Performance Year will continue to apply to that Tranche, and

		• For any Performance Year not completed prior to a Change of Control, if the CET1 Ratio was not met as of the quarter-end date immediately preceding the Change of Control (or if the Change of Control falls on a quarter-end date, and such information is available and applicable for such date, the date of the Change of Control), then all remaining Tranches will be forfeited and expire as of the Change of Control. For the avoidance of doubt: • If the CET1 Ratio was not met as of the applicable quarter-end performance measurement date, the Award will be forfeited by you as of the Change of Control. • Tranches where the CET1 Ratio was met and that remain outstanding will be paid out, without further Dividend Equivalents or any interest, on the Scheduled Vesting Dates (or earlier, in the event of your death) upon your satisfaction of the service-based vesting requirements.
6.	*Committee Determination*	The Committee may make prospective adjustments to the Award. All determinations made by the Committee or otherwise by PNC hereunder shall be made in its sole discretion and shall be final, binding and conclusive for all purposes on all parties.

PNC

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be signed on its behalf as of the Grant Date.

THE PNC FINANCIAL SERVICES GROUP, INC.

By:

William S Demchak

Chief Executive Officer

ATTEST:

By:

Corporate Secretary

ACCEPTED AND AGREED TO by GRANTEE

____

Grantee

August 2, 2024

Board of Directors of The PNC Financial Services Group, Inc.
One PNC Plaza
249 Fifth Avenue
Pittsburgh, PA 15222

Dear Directors:

We are providing this letter to you for inclusion as an exhibit to The PNC Financial Service Group, Inc.'s (the "Company") Quarterly Report on Form 10-Q for the period ended June 30, 2024 (the "Form 10-Q") pursuant to Item 601 of Regulation S-K.

We have been provided a copy of the Company's Form 10-Q. Note 1 therein describes a change in accounting principle from classifying Interest-earning deposits with banks as an earning asset to classifying Interest-earning deposits with banks as Cash and Cash Equivalents when reconciling on the Statement of Cash Flows. It should be understood that the preferability of one acceptable method of accounting over another for the classification of Interest-earning deposits has not been addressed in any authoritative accounting literature, and in expressing our concurrence below we have relied on management's determination that this change in accounting principle is preferable. Based on our reading of management's stated reasons and justification for this change in accounting principle in the Form 10-Q, and our discussions with management as to their judgment about the relevant business planning factors relating to the change, we concur with management that such change represents, in the Company's circumstances, a change to a preferable accounting principle in conformity with Accounting Standards Codification 250, *Accounting Changes and Error Corrections*.

We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2023. Accordingly, our comments are subject to change upon completion of an audit of the financial statements covering the period of the accounting change.

Very truly yours,

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Pittsburgh, Pennsylvania

EXHIBIT 22

Subsidiary Issuers of Guaranteed Securities

The 100% owned finance subsidiary of The PNC Financial Services Group, Inc. (“PNC”) identified in the table below, has issued the securities listed opposite each of such subsidiary issuer in the table below. PNC has fully and unconditionally guaranteed (or effectively provided for the full and unconditional guarantee of) all such securities:

Subsidiary Issuer	Guaranteed Securities
PNC Capital Trust C	Floating rate preferred trust securities

EXHIBIT 31.1

In accordance with Exchange Act Rules 13a-14(f) and 15d-14(f), this certification does not relate to Interactive Data Files as defined in Rule 11 of Regulation S-T.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, William S. Demchak, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 of The PNC Financial Services Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2024

/s/ William S. Demchak

William S. Demchak

Chairman and Chief Executive Officer

EXHIBIT 31.2

In accordance with Exchange Act Rules 13a-14(f) and 15d-14(f), this certification does not relate to Interactive Data Files as defined in Rule 11 of Regulation S-T.

Certification of Chief Financial Officer

I, Robert Q. Reilly, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 of The PNC Financial Services Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2024

/s/ Robert Q. Reilly

Robert Q. Reilly

Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

In accordance with Exchange Act Rules 13a-14(f) and 15d-14(f), this certification does not relate to Interactive Data Files as defined in Rule 11 of Regulation S-T.

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 of The PNC Financial Services Group, Inc. (the "Corporation") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William S. Demchak, Chairman and Chief Executive Officer of the Corporation, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation for the dates and periods covered by the Report.

This certificate is being made for the exclusive purpose of compliance by the Chief Executive Officer of the Corporation with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002, and it may not be used by any person or for any reason other than as specifically required by law.

/s/ William S. Demchak

William S. Demchak
Chairman and Chief Executive Officer

August 2, 2024

EXHIBIT 32.2

In accordance with Exchange Act Rules 13a-14(f) and 15d-14(f), this certification does not relate to Interactive Data Files as defined in Rule 11 of Regulation S-T.

CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 of The PNC Financial Services Group, Inc. (the "Corporation") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert Q. Reilly, Executive Vice President and Chief Financial Officer of the Corporation, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation for the dates and periods covered by the Report.

This certificate is being made for the exclusive purpose of compliance by the Chief Financial Officer of the Corporation with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002, and it may not be used by any person or for any reason other than as specifically required by law.

/s/ Robert Q. Reilly

Robert Q. Reilly
Executive Vice President and Chief Financial Officer

August 2, 2024