

C. COMMUNITY REINVESTMENT GOALS

Financial institution’s annual Community Reinvestment Goals should include information on the number of small business loans, home mortgages, home improvement loans, and community development investments to be made within low and moderate- income neighborhoods within the City of Philadelphia.

1. Provide an overview of the financial institution’s annual Community Reinvestment Goals and confirm most recent CRA rating.

The PNC Financial Services Group, Inc. is committed to the principle of providing full and equal access to its credit products for all potential borrowers. In fact, PNC Bank has received an “Outstanding” rating under the Community Reinvestment Act, one that we are proud to have earned for every exam period since the inception of the CRA in 1977. In reviewing the HMDA data, we urge you to consider the following from a June 17, 2021, FFIEC press release:

- HMDA data comparisons across multiple years are limited by changes in HMDA definitions, values, and thresholds. Also, comparisons for certain geographic areas are limited due to the changes in MSA and census tract boundaries and updates to the population and housing characteristics of census tracts, especially those that follow the decennial census and five-year updates based on the ACS data.
- Among other uses, the data help the public assess how financial institutions are serving the housing needs of their local communities and facilitate federal financial regulators’ fair lending, consumer compliance, and Community Reinvestment Act examinations. For example, when these regulators evaluate an institution’s fair lending risk, they analyze HMDA data in conjunction with other information and risk factors, in accordance with the Interagency Fair Lending Examination Procedures.
- HMDA data are generally not used alone to determine whether a lender is complying with fair lending laws. The data do not include some legitimate credit risk considerations for loan approval and loan pricing decisions. Therefore, when regulators conduct fair lending examinations, they analyze additional information before reaching a determination about an institution’s compliance with fair lending laws.

2. Provide the number of small business loans, home mortgages, home improvement loans, and community development investments to be made within low and moderate-income neighborhoods within the City of Philadelphia.

Type	2022 Goals	2022 Results	2023 Goals
Small Business Loans	600	266	300
Home Mortgages	125	125	150
Home Improvement Loans	70	36	36
Community Development Investments	\$15MM	\$26MM	\$20MM

If applicable, explain why the previous year results did not meet the stated goal.

Small Business Loans: Based on changes in economy and expiration of PPP program, the need and demand for small business loans decreased.

Home Improvement Loans: Based on increases in interest rates in 2022, the need and demand for home improvement loans decreased.

Community Development Loans: We significantly exceeded goal in 2022 and expect to exceed goal again in 2023.

3. Provide the actual number and dollar amounts of residential mortgages, home improvement loans, community development investments, consumer loans, and small business loans, and other commercial loans made in neighborhoods within the City of Philadelphia.

Calendar Year 2022

Number of Loans by Income

Type	Low	Mod	Mid	Upper	Total
Residential Mortgage	30	95	109	181	415
Home Improvement	7	29	28	82	146
Small Business Loans	66	200	151	422	839
Community Development	N/A	N/A	N/A	N/A	25
Consumer Loans	N/A	N/A	N/A	N/A	N/A
Other Commercial Loans	N/A	N/A	N/A	N/A	N/A
Total:	103	324	288	685	1,425
How many business loans were originated?	N/A	N/A	N/A	N/A	N/A

Value of Loans (\$) by Income

Type	Low	Mod	Mid	Upper	Total
Residential Mortgage	5,552,628	15,392,968	19,969,450	49,824,495	90,740,041
Home Improvement	436,600	2,455,700	1,935,120	12,075,233	16,902,653
Small Business Loans	8,683,000	11,003,000	9,267,000	54,080,000	83,033,000
Community Development	N/A	N/A	N/A	N/A	562,334,230
Consumer Loans	N/A	N/A	N/A	N/A	N/A
Other Commercial Loans	N/A	N/A	N/A	N/A	N/A
Total:	14,672,228	28,851,668	31,171,570	115,979,728	753,009,924
% of Consumer Loans made through Credit Cards	N/A	N/A	N/A	N/A	N/A

4. Provide information on other types of community development investments made in neighborhoods within the City of Philadelphia (for example: Grants, Education, Public or related Commercial Development).

For decades, PNC has provided resources to seed ideas, foster community and economic development, and encourage leadership in nonprofit organizations where imagination and determination are at work enhancing people's lives every day. Our priority is to form relationships with community-based nonprofit organizations to enhance educational opportunities, with an emphasis on early childhood education, and to promote the growth of communities through economic development initiatives. Through the PNC Foundation, community reinvestment activity, participation in the Pennsylvania EITC/OSTC program, and charitable sponsorships – PNC provides millions of dollars in support throughout Philadelphia every year.

EDUCATION

PNC Grow Up Great is the company's signature philanthropic effort -- a \$500 million, multi-year, bilingual initiative that was first launched in 2004 as a means to prepare children from birth to age 5 for success in school and life. The program acknowledges the importance of the first five years of a child's life as being critical to long-term learning and achievement, and all program support is specifically directed towards children, families, early learning educators, and community partners in low-to-moderate income communities. In fact, research demonstrates that children who participate in high-quality early learning are far more likely to experience greater educational achievements; strive towards higher vocational aspirations; and even enjoy a greater quality of physical, mental, and emotional health than their peers. In this way, PNC Grow Up Great provides deeply meaningful support to the children, families, and communities in greatest need. At the same time, an investment in pre-K students makes good economic sense, planting the seeds for a dynamic workforce, and robust economy, of tomorrow.

More than \$225 Million PNC Foundation dollars have been invested in high quality learning since 2004, all in support of improving the state of early childhood education across Greater Philadelphia, and in communities and neighborhoods across the country. PNC's national Grow Up Great partners include such early education thought-leaders as Sesame Workshop, PBS Kids, Fred Rogers Productions, and the National Head Start Association, while an overview of PNC's local program efforts now follows.

- **Read by 4th's Early Language & Literacy Initiatives:** Educators and experts around the globe acknowledge the importance of early language and literacy supports for young children, recognizing that strong reading skills – and even before that, strong letter recognition and sound awareness – are the building blocks that will support academic success and allow a child to learn for a lifetime. PNC has long supported regional nonprofit partners that help families and caregivers incorporate greater language / literacy development skills into their everyday family life – including the Free Library of Philadelphia and the United Way – and for the last several years, has provided significant funding to Read by 4th, our city's Coalition for Grade Level Reading.

PNC support allows Read by 4th to carry out their Reading Promise Communications Framework -- a robust direct-to-families public education campaign designed to help spread information about the importance of early / pre-literacy, together with strategies that empower parents, grandparents, caregivers, and community members in creating literacy and learning rich environments whether at home, at school, or in any number of community settings – i.e., while at the library; visiting the corner store; waiting for the bus; helping to wash the family clothes in a neighborhood laundromat; and the like. Additionally, Read by 4th's annual Reading Promise Week, held each fall, takes place in neighborhoods throughout Philadelphia and builds on this Communications Framework in order to reach our city's youngest learners together with their parents, grandparents, caregivers, and other family members. This week-long celebration, which has grown since its inception three years ago -- from 30 to 55 distinct neighborhood events – seeks to build a literacy- rich culture for Philadelphia, one neighborhood and family at a time. Families with very young children (i.e., aged 0-5) a host of literacy games and activities, panel discussions, and other festive activities in their local communities, while also being connected with RB4 Reading Captains who share resources and information around raising readers in Philadelphia.

- **Enhanced School Readiness Programs following COVID-19 Interrupted Learning:** In addition to fostering family learning opportunities, PNC also remains committed to supporting early learning programs in schools and early learning centers across our region. As the city and world began to emerge from the first 1-2 years of the COVID-19 pandemic, early educators recognized a critical need to get pre-schoolers – many of whom had spent the majority of their young lives in relative seclusion – ready for school. To meet this need, PNC has provided increased grant support to important such regional educational providers as The Drexel University / West Philadelphia Action for Early Learning, which launched expanded Summer K-Bridge Programming for rising Kindergarteners in West and North Philadelphia. PNC additionally funded an expansion of the Please Touch Museum's Community-Based Early Intervention / School Readiness Program, which brings students and families from the West Philadelphia – Parkside community into the Museum for weekly programming. Preschool students in both programs spend their day in a dedicated classroom space that looks, feels, and follows the order and structure of a typical Kindergarten classroom. In this way, students don't just learn the important letter, number, and early science skills they need to succeed in Kindergarten; they also practice the types of behaviors (i.e., listening, taking turns talking, working independently and together with classmates on set activities) that foster learning in a school setting.
- **Social-Emotional Supports & A Trauma Informed Care Approach:** PNC likewise continues to support the regional education and social service providers that are providing enhanced Social-Emotional Supports for area families, students, and educators. Even prior to the COVID-19 pandemic, many PNC Grow Up Great partners began to incorporate a nationally recognized Trauma-Informed Care approach into all aspects of their early learning programming. These practices recognize that children living in under-resourced communities face serious challenges in their young lives – among them food insecurity, housing instability, and parent / family interaction with the criminal justice system. PNC has provided incremental grant support to the United Way, as well as Children's Hospital of Philadelphia (CHOP), First Up (formerly DVAEYC) and other industry leaders to increase the number and types of social-emotional supports and trainings available to young children, their parent, caregivers, pre-K educators, and others. Having these resources available

proved even more important given the highly challenging economic, public health, and social / political environment of the last 3+ years.

- **EITC / OSTC Program Support:** Lastly, PNC continues to participate in Pennsylvania’s Educational Improvement Tax Credit (EITC) program, and through use of state tax credits, we have contributed nearly \$22 Million to Philadelphia-based non-profit scholarship and educational improvement organizations since the program’s inception.

ECONOMIC DEVELOPMENT

Economic development organizations, including those which enhance the quality of life through neighborhood revitalization, cultural enrichment and human services are given support. Priority is given to community development initiatives that strategically promote the growth of low-and moderate-income communities and/or provide services to these communities.

- *Affordable Housing:* PNC understands the critical need for affordable housing for low-and moderate-income individuals. We are committed to providing support to nonprofit organizations that give counseling and services to help these individuals maintain their housing stock; offer transitional housing units and programs; and/or offer credit counseling assistance to individuals, helping them to prepare for homeownership.
- *Community Development:* Because small businesses are often critical components of community growth and help foster business development, the PNC Foundation provides support to nonprofit organizations that (i) offer technical assistance to, or loan programs for, small businesses located in low-and moderate-income areas or (ii) support small businesses that employ low-and moderate-income individuals.
- *Community Services:* Support is given to social services organizations that benefit the health, education, quality of life or provide essential services for low-and moderate-income individuals and families. The PNC Foundation supports job training programs and organizations that provide essential services for their families. PNC provides support for early learning and educational enrichment programs for children in low-and moderate-income families as well as for the construction of community facilities that benefit low-and moderate-income communities.
- *Arts & Culture:* PNC Foundation support is given for arts and cultural enrichment programs that benefit the community and promote broad arts engagement among Philadelphians of all ages, experiences, and backgrounds. Within the Greater Philadelphia region, PNC Arts Alive has awarded more than \$14 million in local grant funding since 2009, benefiting some 300 arts programs at 90 different arts organizations, all in an effort to increase access to the arts across Greater Philadelphia, Delaware & Southern New Jersey. At a time when contributions to arts organizations were on the decline, PNC Arts Alive doubled PNC’s investment in arts programming in our twelve-county region. Learn more about current PNC Arts Alive grantees at PNCArtsAlive.com.
 - In 2019, PNC further announced a new initiative of the *PNC Arts Alive* grant program, to now also include support for small to mid-size arts organizations, each conducting highly diverse, inclusive, and unique arts programming in neighborhoods beyond Center City Philadelphia’s typical cultural corridor. (i.e., a Latino Film Festival, with multiple venues both in Center City, and in the heart of the city’s LatinX Community in North Philadelphia). PNC’s 2020 & 2021 *PNC Arts Alive* grant portfolios were in fact PNC’s largest to date – a testament to the fact that PNC understands just how vital a thriving arts and cultural sector is to our region’s economy, as well as a means for bringing community members together for both individual and shared arts experiences.
- *Revitalization & Stabilization of Low-and Moderate-Income Areas:* The PNC Foundation supports nonprofit organizations that serve low-and moderate-income neighborhoods by improving living and working conditions. Support is given to organizations that help stabilize communities, eliminate blight and attract and retain businesses and residents to the community.

- **PNC's Response to the COVID-19 Pandemic and Racial & Social Justice Initiatives:** In 2020, 2021, and again in 2022, PNC and the PNC Foundation announced significant investments in addressing some of the most pressing needs and issues that emerged from the lengthy COVID-19 Pandemic.
 - In April 2020, PNC announced **\$30 million** in charitable support of COVID-19 relief efforts nationwide, with support primarily directed towards basic needs and hardship relief programs across all markets in which PNC operates. Here in Greater Philadelphia, PNC has made significant commitments to supporting **Philabundance, the PHL COVID-19 Fund of the Philadelphia Foundation, Habitat for Humanity Philadelphia, PIDC's COVID-19 Small Business Relief Fund, the Wistar Institute, the Veterans Multi-Service Center, the Opportunities Industrialization Center, the COVID-19 Arts Aid PHL Fund of the Greater Philadelphia Cultural Alliance,** as well as several local (county) response funds.
 - In June 2020, PNC then announced a commitment of more than **\$1 billion** to help end systemic racism and support economic empowerment of African Americans and low- and moderate-income communities. PNC has a long history of supporting economic empowerment efforts, having earned an "Outstanding" rating under the Community Reinvestment Act each year since the examinations began more than 40 years ago, and earning national recognition for the impact of PNC Grow Up Great. PNC's expanded commitment now provides more than \$50 million in additional charitable support for national and local work to help eliminate systemic racism and promote social justice; expand financial education and workforce development initiatives; and enhance low-income neighborhood revitalization and affordable housing. PNC's commitment also includes more than \$1 billion in community development financing and capital for neighborhood revitalization, consumers and small businesses; enhancements to PNC's existing matching gift program to include support for qualifying non-profit organizations that support economic empowerment and social justice educational efforts; and a commitment to fully engage PNC employees in support of qualifying social justice and economic empowerment non-profits through volunteerism.
 - This \$1 billion commitment was expanded again, in April 2021, with an **\$88 billion Community Benefits Plan** that will provide loans, investments, and other financial support to bolster economic opportunity for low- and moderate-income (LMI) individuals and communities; people and communities of color; and other underserved populations over a four-year period. The Community Benefits Plan has been rolled out in markets across the country, with plans to originate at least \$47 billion in residential mortgage and home equity loans for LMI and minority borrowers; originate some \$26.5 billion in loans for small businesses within LMI communities, majority-minority census tracts, and for businesses with less than \$1 million in revenue; provide \$14.5 billion in community development loans and investments, including at least \$400 million for Community Development Financial Institutions; and increase PNC's charitable giving to \$500 million during that four years, using both philanthropic grants and sponsorships.
 - Locally, these PNC funding initiatives have directly supported economic empowerment programs at the Urban Affairs Coalition, AchieveABILITY, Parkside Business & Community in Partnership, Philadelphia Futures (now Heights Philadelphia), Called to Serve CDC, and Women of the Dream.

COMMUNITY ENGAGEMENT

Many of PNC's senior executives contribute hundreds of hours to a full range of the City's not-for-profit organizations. Several examples include:

- PNC Regional President, Joe Meterchick, demonstrates his commitment to the Greater Philadelphia community through his service on several not-for-profit boards, including: the Greater Philadelphia Chamber of Commerce, the CEO Council for Growth, Select Greater Philadelphia, the Children's Hospital of Philadelphia Corporate Council, and the Philadelphia Convention & Visitors Bureau.
- Monica Burch, Senior Vice President and Market Manager of Community Development Banking, demonstrates her commitment to the Greater Philadelphia community by her service on several not-for-profit boards, including: LISC Philadelphia, Urban Affairs Coalition, and City of Philadelphia (Housing Advisory Board).
- Marc Jenkins, Senior Vice President & Market Leader for PNC Private Bank, serves as a Board Member for Project Home.
- Virginia Susini, Senior Vice President, is a member of the Please Touch Museum & Fringe Arts Board of Directors
- Hugh McStravick, Senior Vice President and Director of Client and Community Relations, is on the board of the Arts & Business Council of Greater Philadelphia and the Greater Philadelphia Culture Alliance.
- Brian Vesey, Executive Vice President for PNC Corporate Bank, serves on the board of BLOCS and the Philadelphia Museum of Art's Corporate Partners Board.
- **PNC Employee Volunteerism:** Additionally, all full-time PNC employees are given 40 hours of paid time off each year to volunteer for either PNC Grow Up Great programs or PNC's expanded Racial & Social Justice work. Since the PNC Grow Up Great Volunteer Program was launched in 2004, PNC employees have contributed more than 60,000 local volunteer hours to date, as well as more than 1 million employee volunteer hours nationwide. Past regional PNC volunteer efforts have included such projects as building and supplying new pre-school libraries at more than ten early learning centers city-wide; collecting and distributing hundreds of thousands of brand new pre-school age appropriate books, plus the school supplies needed by families and teachers during the annual back-to-school rush; building and installing several "Little Lending Libraries" outside of early learning centers in the city's hardest hit neighborhoods; and even assembling and distributing hundreds of household / family wellness kits, containing such items as tissues, paper towel, hand sanitizer and the like. PNC also maintains a presence at dozens of Philadelphia area community and family events each year, in an effort to connect more Philadelphia families with the incredibly rich and entirely free PNC Grow Up Great learning resources developed in partnership with Sesame Workshop and the Fred Rogers Company.

PNC Foundation Award Grantees

The Foundation has contributed millions of dollars in support to the following Philadelphia organizations over the last several years:

ACHIEVEABILITY	MT AIRY USA / MT AIRY CDC
ACADEMY OF MUSIC OF PHILADELPHIA INC	NORTH BROAD RENAISSANCE
AFFORDABLE HOUSING CENTERS OF PENNSYLVANIA	NORTHWEST PHILADELPHIA INTERFAITH HOSPITALITY NETWORK INC
AFRICAN AMERICAN MUSEUM IN PHILADELPHIA	NUEVA ESPERANZA
AL-BUSTAN SEEDS OF CULTURE	OPERA PHILADELPHIA
ARTREACH INC	ORCHESTRA 2001
ASIAN ARTS INITIATIVE	OPPORTUNITIES INDUSTRIALIZATION CENTER INC
ASOCIACION PUERTORRIQUENOS EN MARCHA	OXFORD CIRCLE CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION INC
AVENUE NORTH RENAISSANCE	PARKWAY COUNCIL FOUNDATION
BARNES FOUNDATION	PATHWAYS TO HOUSING PA
BLACK BRAIN CAMPAIGN	PENNSYLVANIA ACADEMY OF THE FINE ARTS (PAFA)
CAMPAIGN FOR WORKING FAMILIES	PEOPLE'S EMERGENCY CENTER
CAREER WARDROBE	PHILABUNDANCE
CENTER CITY DISTRICT FOUNDATION	PHILADELPHIA ASSOCIATION OF COMMUNITY DEVELOPMENT CORPORATIONS
CENTER IN THE PARK	PHILADELPHIA CHINATOWN DEVELOPMENT CORP CHINATOWN COMMUNITY PARK
CHILDREN'S HOSPITAL OF PHILADELPHIA FOUNDATION	PHILADELPHIA CLEF CLUB OF PERFORMING ARTS INC.
CHILDRENS LITERACY INITIATIVE	PHILADELPHIA COUNCIL FOR COMMUNITY ADVANCEMENT
CHILDRENS VILLAGE	PHILADELPHIA DANCE COMPANY
CLAY STUDIO	PHILADELPHIA FOUNDATION / PHL COVID-19 RELIEF FUND
CODED BY KIDS	PHILADELPHIA MURAL ARTS ADVOCATES
COMMUNITY FIRST FUND	PHILADELPHIA MUSEUM OF ART
COMMUNITY LEGAL SERVICES INC.	PHILADELPHIA ORCHESTRA ASSOCIATION
CHAMBER ORCHESTRA OF PHILADELPHIA	PHILADELPHIA THEATRE COMPANY
CONGRESO DE LATINOS UNIDOS INC	PIDC COMMUNITY CAPITAL
CONSUMER CREDIT COUNSELING SERVICE OF DELAWARE VALLEY	PLEASE TOUCH MUSEUM
DA VINCI ART ALLIANCE	REBUILDING TOGETHER PHILADELPHIA
DREXEL UNIVERSITY	REINVESTMENT FUND, INC.
ED SNIDER YOUTH HOCKEY FOUNDATION	SAMUEL S. FLEISHER ART MEMORIAL INC.
EDUCATION WORKS INC.	SOUTHEAST ASIAN MAA COALITION INC
ENTERPRISE CENTER	SOUTHWEST COMMUNITY DEVELOPMENT CORPORATION
ESPERANZA HEALTH CENTER INC.	TALLER PUERTORRIQUENO INC
FAIRMOUNT PARK CONSERVANCY	TECH IMPACT
FEDERATION EARLY LEARNING SERVICES	THE BUSINESS CENTER AT NEW COVENANT CAMPUS
FIRST PERSON ARTS INC.	THE CAREER WARDROBE
FIRST UP	THE CENTER FOR EMERGING VISUAL ARTISTS LTD
FRANKLIN INSTITUTE	THE FREE LIBRARY OF PHILADELPHIA
FRINGEARTS	THE FUND FOR THE SCHOOL DISTRICT OF PHILADELPHIA
FUND FOR PHILADELPHIA INC	THE SALVATION ARMY
GERMANTOWN UNITED COMMUNITY DEVELOPMENT CORPORATION	UNITED WAY OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
GREATER PHILADELPHIA CHAMBER OF COMMERCE REGIONAL FOUNDATION	UNIVERSITY OF PENNSYLVANIA
GREATER PHILADELPHIA CULTURAL ALLIANCE	URBAN AFFAIRS COALITION
HABITAT FOR HUMANITY PHILADELPHIA INC.	URBAN LEAGUE OF PHILADELPHIA
HOUSING ALLIANCE OF PENNSYLVANIA	VETERANS MULTI-SERVICE CENTER INC
INLIQUID, INC.	WALNUT STREET THEATRE CORP.
IT TAKES PHILLY / BLACK DOCTORS COVID-19 CONSORTIUM	WEST PHILADELPHIA FINANCIAL SERVICES INSTITUTION
KENCREST SERVICES	WHYY INC
KIMMEL CENTER INC	WOMENS OPPORTUNITIES RESOURCE CENTER
LOCAL INITIATIVES SUPPORT CORPORATION (LISC)	YEAR UP, INC.
MANN CENTER FOR THE PERFORMING ARTS	ZOOLOGICAL SOCIETY OF PHILADELPHIA
MATERNITY CARE COALITION	

Additionally, PNC's Community Relations and Community Development team jointly provides millions of dollars in charitable sponsorship support to a wide range of not-for-profit organizations in Philadelphia.

Commitment to Local Businesses:

PNC is an active member of the Greater Philadelphia Chamber of Commerce, and sponsors a number of programs through the Chamber including: The Small Business Award, The Paradigm Awards, The Arts & Business Council.

PNC provides support to Visit Philadelphia, and is an annual sponsor of the annual Hospitality Leaders Luncheon.

PNC annually supports the Independence Business Alliance's Business Leaders Luncheon and provides an annual cash award to an LGBT-owned business that demonstrates a well-defined plan for growth, including innovation, sustainability, and ongoing contribution to the community.

PNC has supported businesses in the Philadelphia community through branch hosted events designed to educate and support their growth. Events included panel discussions on marketing, human resource management and obtaining credit.

5. Briefly describe any lending outreach programs geared toward minorities, low-income individuals, women, or immigrants. This description should include the targeted community, the type of product (i.e., commercial, home lending, unsecured consumer) and any program outcomes.

PNC is proud of its lending and investment record in Philadelphia and is committed to its local communities. PNC's Community Development Banking group works to boost the quality of life in low and moderate-income neighborhoods through financial education, consumer products, community development lending, investing and economic development.

In Philadelphia, PNC:

- Financed over \$588 million in community development loans and investments during 2022.
- Provided approximately \$101,500 in closing cost assistance grants to 27 home buyers in FY 2022.
- Provided more than \$115,000 to housing counseling agencies in the Philadelphia Region during 2022.

MORTGAGE

PNC offers a wide array of residential home purchase and refinance mortgages to help homeowners achieve homeownership and their financial goals.

These products include:

- PNC Community Mortgage is a product developed specifically for low-and moderate-income (LMI) borrowers and for properties located within LMI census tracts. Because this loan is held in PNC's portfolio, and not subject to any secondary market investor requirements, borrowers can qualify with only a 3% down payment (with flexible down payment options and no mortgage insurance requirement) using alternative credit history information (such as rental payments). Up to a \$5,000 grant for closing costs is available.
- Fixed and adjustable rate conforming mortgages, including Fannie Mae's HomeReady® Mortgage and Freddie Mac's Home Possible® Mortgage;
- Federal Housing Administration (FHA) and Veterans Administration (VA) guaranteed mortgages; and
- Jumbo (non-conforming) mortgages.
- Home equity lines of credit and home equity installment loans to assist customers improve and remain in their home, or meet other financial needs.

SMALL BUSINESS

- In April 2022 PNC Bank launched a new Minority Business Development Group, intended to deliver products, solutions and resources focused on advancing the financial wellness of emerging minority businesses.
- Comprised of bankers and advocacy partners, the Minority Business Development Group will help prepare minority-owned businesses for effective growth, development and sustainability. The group will invest in and leverage innovative technology and financial solutions to empower, educate and accelerate entrepreneurial success.

BANKING SERVICES

PNC is the first bank to offer two products that meet the Cities for Financial Empowerment's Bank On national certification— Foundation Checking and PNC SmartAccess® Prepaid Visa® Card accounts. Bank On's 2021-2022 Standards require low cost, no overdraft, and full-functioning features.

- Foundation Checking is available to customers opening new accounts that are entering or re-establishing themselves in the banking system.
- PNC SmartAccess is our prepaid Visa® card offering, which enables our customers to securely, easily access and manage their money. The card lets our customers deposit money, make purchases, pay bills, get cash and more.

In 2021 PNC launched Low Cash ModeSM, a groundbreaking digital offering that helps Virtual Wallet® customers avoid overdraft fees through unprecedented account transparency and control to manage low-cash moments or mis-timed payments.

PROJECT H.O.M.E.

Since its beginning in 1988, Project H.O.M.E. has been a leader in providing comprehensive and effective services to persons who experience chronic homelessness. Since its inception, under the leadership of Sister Mary Scullion, the organization has been a leader in Philadelphia in responding to the root causes of homelessness by helping to rebuild low-income neighborhoods and by engaging in political advocacy to bring about positive public policies for low-income and homeless persons.

PNC Bank has had a longstanding history with Project HOME and the communities in which it provides services. In 2004, PNC Bank established a \$2.5 million major alliance with Project H.O.M.E under the State of Pennsylvania Neighborhood Assistance Project (NAP) tax credit program and in 2014 the commitment was extended for an additional \$1.25 million. Under the alliance, PNC Bank is providing support to the organization's comprehensive neighborhood revitalization efforts and the additional \$1.5 million is payable over a six-year period.

URBAN AFFAIRS COALITION

In November 2021 PNC and the Urban Affairs Coalition (UAC) announced the expansion of a more than two-decade long relationship through a PNC Foundation grant and donation of the bank's former branch location at Broad and Loudon Streets. Representing the largest corporate commitment the UAC has received during its history, the three-year PNC Foundation grant, combined with the transfer of the building and related improvements, as well as employee volunteerism plans, amount to an estimated \$1.5 million.

The UAC's plans call for the transformation of the former bank branch into the PNC North Broad Community Connection Center that is expected to open in 2023 and will serve as a hub for the organization's array of services. These include financial education resources and first-time home buyer programs; shared community and co-working facilities for small businesses; nonprofit capacity-building resources; and more. Located in the heart of the North Broad commercial corridor, the center is designed to advance the community-driven economic development of this historically underserved, low- to moderate-income neighborhood.

6. **Disparities in Lending:** Attach a long-term strategic plan to address disparities in the Bank's or Financial Institution's lending and investment activities that may be indicated in the [City's 2021 annual lending study](#).

Label this document "Appendix II – Long-Term Strategic Plan." If disparities are not indicated in the study, then a strategic plan on programs, lending, and branching patterns should be submitted. Label this document "Appendix II – Long-Term Strategic Plan".

All depositories are required to respond per Chapter 19-200 as referenced:

"Each depository shall also provide the City with a long-term strategic plan to address disparities in its lending and investment activities. The strategic plan shall address how the depository will match or exceed peer lending performance in targeting capital access and credit needs disclosed in disparity studies commissioned by the City."

APPENDIX II

LONG TERM STRATEGIC PLAN

PNC is pleased to submit our Long-Term Strategic Plan as requested by the city Treasurer's Office, commissioned by the City of Philadelphia examining the Lending Practices of Depository Banks.

As Required by Chapter 19-200 of the Philadelphia City Code as referenced: "Each depository shall also provide the City with a long-term strategic plan to address disparities in its lending and investment activities. The strategic plan shall address how the depository will match or exceed peer lending performance in targeting capital access and credit needs disclosed in disparity studies commissioned by the City." The findings pertaining to PNC in Section K of the 2020 annual study beginning on page 228 were reviewed.

OUR IMPACT

As a Main Street bank, we believe that being a part of the community is about more than our physical location. We take pride in how we relate to and serve our employees, customers and communities, as these relationships are at the heart of our business model. For this reason, among others, being a good partner in each of the neighborhoods we serve is vital. This means listening to our communities so that we can better understand and support their needs, and developing strong relationships with organizations focused on early childhood education, community development, the arts and culture, and health and human services.

Recognizing the importance of our support, we are committed to making business decisions that positively impact our communities. After all, we recognize that we are only as strong as our communities and that when our communities prosper, so does PNC. Of course, the corollary is also true in that a strong regional bank, such as PNC, can support our communities through job creation, local infrastructure, small business loans, financial education and sponsorships. These financial services, together with philanthropic giving and volunteerism, create a series of benefits that strengthen communities.

ECONSULT LENDING RESULTS REVIEW

Per the Econsult Lending Study for 2021 (dated June 2023), page 177, PNC improved to a rank of #4 with a composite score of 3.85, compared to 2.62 in 2020.

All Loans (page 188 of the Econsult Lending Study):

- Issued 919 loans in 2021, an increase of 29.3% from 2020.
- Applications increased by 26.7% and the denial rate increased by 15.4% from 2020.
- PNC denied Black loan applications less frequently relative to White applicants than the city average.
- For every White application denied, the bank denied 1.66 Black applications, below the 2.28 citywide average denial rate.
- Fell below the city averages for percentage of loans issued to Hispanic, Asian, LMI, and female borrowers as well as borrowers in LMI tracts.
- Issued a lower percentage of loans to Hispanic borrowers (7.7%) than the city as a whole (9.6%). The bank denied Hispanic applications relative to White applications at a higher rate (1.87) than the city average (1.74).

Home Purchase Loans:

- Issued 43 home purchase loans, a decrease of 42.2% from 2020.
- Applications decreased by 14.9% and the number of denials (4) remained the same from 2020.
- Ranked last (8th) in the percentage of loans issued to Black borrowers and applicants in minority tracts at 7.0% and 18.6%, respectively.

Home Refinance Loans:

- Issued 35 home refinance loans from the 41 applications received in 2021.
- Ranked the last (8th) in the percentage of home refinance loans issued to Black, Hispanic, and Asian applicants, as well as those in Minority tracts in 2021.
- Fell below citywide average for the percentage of loans issued to Black, Hispanic, Asian, and female borrowers as well as borrowers living in LMI and minority tracts

It is important to note that we actively participate in first time home buyer workshops with organizations including but not limited to Southwest Community Development Corporation, Nueva Esperanza, Mt. Airy USA, Affordable Housing Centers of Pennsylvania and Asociacion Puertorriqueños en Marcha, Inc. to engage with low to moderate income individuals and minorities.

Home Loans Strategy

PNC recognizes that homeownership provides a critical way for LMI and minority borrowers to build wealth and help stabilize communities. Our plan to enhance home loan results is driven by our 2021 announced \$88 Billion Community Benefits Plan. To further increase home lending in LMI and diverse communities and to promote home ownership and economic empowerment, PNC expects to:

- Expand the geographic reach, internal training and marketing of PNC's community mortgage product in states in which PNC currently operates and those it will enter through its BBVA USA acquisition.
- Increase PNC mortgage financing access for LMI borrowers.
- Increased grants for eligible purchase transactions/limited cash-out refinance transactions;
- Grant allocation for eligible borrowers in LMI census tracts;
- Reduction in minimum FHA FICO and PNC Community FICO credit score requirements to enable more LMI borrowers to qualify; and
- Increased mortgage loan officer staffing, training, outreach and continued incentives to work with LMI borrowers/borrowers seeking low-dollar mortgages
- Increase home lending outreach in LMI and minority communities (with a focus on Black and Latino communities) and pursue new partnerships with community organizations, to expand the availability of affordable home lending products throughout PNC's current and expanded footprint.

COMMUNITY DEVELOPMENT STRATEGIC INITIATIVES

PNC Community Development Banking complements the PNC Foundation's work by helping to improve the quality of life in low- and moderate-income neighborhoods through affordable housing, community development lending, economic development, financial education and customized financial solutions. Community Development Banking also assists groups that work with government agencies to help identify other sources for technical, financial and investment support.

We invest in our community in a number of ways:

Opportunity Zone Financing

- In 2017, Congress designated specific areas as "Opportunity Zones" to encourage the reinvestment of capital gains into low- or moderate-income communities. We are proud to be one of the first banks in the country to use this new tool and have pioneered a real estate equity/debt hybrid product that provides low-cost capital to real estate projects.

Affordable Housing Line of Credit

- We offer a revolving line of credit that enables nonprofits and other developers to purchase and rehabilitate affordable single-family housing (up to four units).

Loans to and Investments in Community Development Financial Institutions (CDFIs)

- Our support of CDFIs helps provide credit and financial services to underserved communities, generating economic growth and opportunity.

Note Purchase Program

- Habitat for Humanity actively works to provide home ownership opportunities to lower-income people. We secure these mortgage loans, giving Habitat for Humanity a source of capital to continue promoting home ownership.

Tax Credit Solutions

- Tax credits, when properly maximized, can be a powerful force in energizing communities. Our PNC Real Estate team uses years of experience in affordable housing and economic development to work with the Low-Income Housing Tax Credit, Affordable Housing Preservation, New Markets Tax Credit and Historic Tax Credit