

**GROWING.**  
ONE CUSTOMER  
AT A TIME.

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## Letter from the Chairman and Chief Executive Officer to Our Shareholders

**Dear Shareholder,**

We invite you to attend the 2020 Annual Meeting of Shareholders of The PNC Financial Services Group, Inc. on Tuesday, April 28, 2020.

The meeting will be held in the James E. Rohr Auditorium in The Tower at PNC Plaza, 300 Fifth Avenue, Pittsburgh, Pennsylvania 15222, beginning at 11:00 a.m., Eastern Time.

We will consider the matters described in the proxy statement and also review significant developments since last year's annual meeting of shareholders.

We are again making our proxy materials available to you electronically. We hope this continues to offer you convenience while allowing us to reduce the number of copies we print.

The proxy statement contains important information and you should read it carefully. Your vote is important and we strongly encourage you to vote your shares using one of the voting methods described in the proxy statement. Please see the notice that follows for more information.

If you are unable to attend the annual meeting in person, you will be able to listen to the meeting by webcast or conference call.

We look forward to your participation and thank you for your support of PNC.

March 17, 2020

Sincerely,

William S. Demchak

*Chairman, President and Chief Executive Officer*

# PARTICIPATE IN THE FUTURE OF PNC — PLEASE CAST YOUR VOTE

Your vote is important to us and we want your shares to be represented at the annual meeting. Please cast your vote on the proposals listed below.

Under New York Stock Exchange rules, if you hold your shares through a broker, bank or other nominee (referred to as holding your shares in “street name”) and you do not provide any voting instructions, your broker has discretionary authority to vote on your behalf only with respect to proposals that are considered “routine” items. The only routine item on this year’s ballot is the ratification of our auditor selection. **If an item is non-routine and you do not provide voting instructions, no vote will be cast on your behalf with respect to that item.**

## Proposals requiring your vote

		More information	Board recommendation	Routine item?
Item 1	Election of 12 nominated directors	Page 12	FOR each nominee	No
Item 2	Ratification of independent registered public accounting firm for 2020	Page 84	FOR	Yes
Item 3	Advisory approval of the compensation of PNC’s named executive officers (say-on-pay)	Page 87	FOR	No
Item 4	Approval of the PNC Employee Stock Purchase Plan, as amended and restated effective January 1, 2020	Page 88	FOR	No

With respect to each item, a majority of the votes cast will be required for approval. Abstentions will not be included in the total votes cast and will not affect the results.

## Vote your shares

Please review the proxy statement closely and vote right away. We offer a number of ways for you to vote your shares. Voting instructions are included in the Notice of Internet Availability of Proxy Materials and the proxy card. If you hold shares in street name, you will receive information on how to give voting instructions to your broker, bank or other nominee. For registered holders, we offer the following methods to vote your shares and give us your proxy:

<b>Internet</b>  <a href="http://www.envisionreports.com/PNC">www.envisionreports.com/PNC</a>	<b>Telephone</b>  Follow the instructions on the proxy card.	<b>Mail</b>  Complete, sign and date the proxy card and return it in the envelope provided.
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## Attend our 2020 Annual Meeting of Shareholders

Directions to attend the annual meeting  
are available at  
[www.pnc.com/annualmeeting](http://www.pnc.com/annualmeeting)

Tuesday, April 28, 2020 at 11:00 a.m.  
The Tower at PNC Plaza — James E. Rohr Auditorium  
300 Fifth Avenue  
Pittsburgh, Pennsylvania 15222\*

\*As a precautionary measure related to coronavirus or COVID-19, it is possible we may hold the annual meeting solely by means of remote communication. If we determine to do so, we will announce the decision in advance, and details on how to participate in the annual meeting will be available at [www.pnc.com/annualmeeting](http://www.pnc.com/annualmeeting). We recommend that you visit the website to confirm the status of the annual meeting before planning to attend in person.

# Proxy Statement Summary

To assist you in reviewing the proposals to be acted upon at the annual meeting, we have included a summary of certain relevant information. This summary does not contain all of the information you should consider. You should review the entire proxy statement and the 2019 Annual Report before you vote.

You may read the proxy statement and the 2019 Annual Report at [www.envisionreports.com/PNC](http://www.envisionreports.com/PNC).

## Who can vote (page 94)

You are entitled to vote if you were a PNC shareholder on the record date of January 31, 2020.

## Voting methods (page 94)

We offer our shareholders a number of ways to vote, including by Internet, telephone or mail. Shareholders may also vote in person at the annual meeting.

## Attending the annual meeting (page 92)

To attend the annual meeting in person, you must be a PNC shareholder on the record date of January 31, 2020, or hold a valid legal proxy, and bring with you the required documentation as described in the proxy statement.

We encourage shareholders to pre-register in advance of the annual meeting. Registered holders should pre-register at [www.envisionreports.com/PNC](http://www.envisionreports.com/PNC) or by following the instructions on the proxy card. Street name holders should pre-register and print an admission ticket at [www.proxyvote.com](http://www.proxyvote.com).

## Items of business

### Item 1: Election of 12 nominated directors (page 12)

- The proxy statement contains important information about the experience, qualifications, attributes and skills of the 12 nominees to our Board of Directors (the "Board"). The Board's Nominating and Governance Committee performs an annual assessment to evaluate whether our directors have the skills and experience necessary to serve PNC, and that the Board and its committees are effective in carrying out their duties.
- The Board recommends that you vote **FOR** all 12 director nominees.

### Item 2: Ratification of independent registered public accounting firm for 2020 (page 84)

- Each year, the Board's Audit Committee selects our independent registered public accounting firm. For 2020, the Audit Committee selected PricewaterhouseCoopers LLP ("PwC") to fulfill this role.
- The Board recommends that you vote **FOR** the ratification of the Audit Committee's selection of PwC as our independent registered public accounting firm for 2020.












### Item 3: "Say-on-pay" (page 87)

- Each year, we ask our shareholders to cast a non-binding advisory vote on the compensation of our named executive officers — known generally as the "say-on-pay" vote. We have offered an annual say-on-pay vote since 2009. Last year, over 95% of the votes cast by our shareholders approved the compensation of our named executive officers, and we have averaged over 96% support in say-on-pay votes over the past five years.
- We recommend that you read the *Compensation Discussion and Analysis* (beginning on page 41), which explains how and why the Board's Personnel and Compensation Committee made its executive compensation decisions for 2019.
- The Board recommends that you vote **FOR** the approval, on a non-binding advisory basis, of the compensation of our named executive officers.

### Item 4: Approval of the PNC Employee Stock Purchase Plan (page 88)

- On January 30, 2020, the Board's Personnel and Compensation Committee adopted, subject to shareholder approval, the PNC Employee Stock Purchase Plan, as amended and restated January 1, 2020 (the "ESPP") to, among other things, increase the number of shares authorized for issuance under the ESPP by 2,000,000.
- The Board recommends that you vote **FOR** the approval of the ESPP.

## 2019 PNC performance (page 41)

-  PNC delivered a successful year in 2019. Diluted earnings per common share were \$11.39, a 6% increase over 2018, and we generated record revenue of \$17.8 billion while achieving positive operating leverage.
-  We increased our net income to \$5.4 billion, a 1% increase compared to 2018, and grew loans and deposits. Our return on average assets was 1.35% and our return on average common equity was 11.50%. At December 31, 2019, our tangible book value was \$83.30 per common share, an increase of 10% from year-end 2018.
-  We achieved a total shareholder return of 40.9%, which was above the peer median for 2019. Our total shareholder return has been in the top quartile of peers over each of the three-year and five-year periods ending December 31, 2019.
-  We continued to control expenses, improving our efficiency ratio to 59% and achieving our \$300 million continuous improvement program savings goal for the year.
-  We returned \$5.4 billion of capital to our shareholders in 2019 through share repurchases of \$3.5 billion and common stock dividends of \$1.9 billion, including raising the quarterly common stock dividend from \$0.95 to \$1.15 per share.
-  We successfully expanded our middle market corporate banking business into new markets (Boston and Phoenix).
-  We continued our retail national expansion strategy in markets outside of our existing branch network.
-  We continued to focus on the strategies of transforming the customer experience in our Retail Banking segment, enhancing product and service offerings within our Corporate & Institutional Banking segment, and launching new platforms and expanding capabilities within our Asset Management Group segment.
-  We made additional significant progress in leveraging technology to innovate and enhance our products, services, security and processes.
-  We continued to maintain a risk profile within our desired risk appetite.
-  We successfully executed against our internal talent mobility strategy, developed a comprehensive accessibility strategy and met our organizational diversity objectives for the year.

## 2019 compensation decisions (page 49)

The table below shows, for each named executive officer, the incentive compensation target for 2019 and the actual annual cash incentive and long-term equity-based incentives awarded in 2020 for 2019 performance.

	William S. Demchak	Robert Q. Reilly	Michael P. Lyons	E William Parsley, III	Karen L. Larrimer
Incentive compensation target	\$ 11,500,000	\$ 3,800,000	\$ 7,300,000	\$ 7,300,000	\$ 3,300,000
Incentive compensation awarded for 2019 performance	\$ 16,100,000	\$ 4,300,000	\$ 8,300,000	\$ 8,150,000	\$ 4,300,000
Annual cash incentive portion	\$ 5,780,000	\$ 1,800,000	\$ 2,900,000	\$ 2,840,000	\$ 1,800,000
Long-term incentive portion	\$ 10,320,000	\$ 2,500,000	\$ 5,400,000	\$ 5,310,000	\$ 2,500,000
Incentive compensation disclosed in the Summary compensation table <sup>(1)</sup>	\$ 14,030,000	\$ 4,150,000	\$ 8,150,000	\$ 8,090,000	\$ 3,850,000
Annual cash incentive portion (2019 performance)	\$ 5,780,000	\$ 1,800,000	\$ 2,900,000	\$ 2,840,000	\$ 1,800,000
Long-term incentive portion (2018 performance)	\$ 8,250,000	\$ 2,350,000	\$ 5,250,000	\$ 5,250,000	\$ 2,050,000

(1) Under SEC regulations, the incentive compensation amounts disclosed in the Summary compensation table on page 62 include the cash incentive award paid in 2020 for 2019 performance (the "Non-Equity Incentive Plan Compensation" column) and the long-term incentive award granted in 2019 for 2018 performance (the "Stock Awards" column). The amounts shown in the "Stock Awards" column of the Summary compensation table differ slightly from the amounts shown in the table above due to the impact of fractional shares, which are not included in the "Stock Awards" column as they are paid out in cash.

## PNC corporate governance (page 19)

- The entire Board is elected each year; we have no staggered elections.
- The election of directors is subject to a majority voting requirement; any director who does not receive a majority of the votes cast in an uncontested election must tender his or her resignation to the Board.
- Our corporate governance guidelines require the Board to have a substantial majority (at least two-thirds) of independent directors. All but one of our current directors and all but one of the nominees to the Board are independent, with the only exception in each case being our CEO.
- The Board has a Presiding Director, a lead independent director with specific duties.
- The Presiding Director approves Board meeting agendas.
- The Board meets regularly in executive session, with no members of management present.
- We have four primary standing Board committees:
  - Audit Committee
  - Personnel and Compensation Committee
  - Nominating and Governance Committee
  - Risk Committee
- The Risk Committee has formed two subcommittees:
  - Compliance Subcommittee
  - Technology Subcommittee
- In 2019, the Board met ten times and each director attended at least 75% of the aggregate number of meetings of the Board and all committees of the Board on which he or she served. The average attendance of all directors at Board and applicable committee meetings was over 97%. All of our directors then serving attended our 2019 annual meeting of shareholders.
- You can find additional information about our governance policies and principles at [www.pnc.com/corporategovernance](http://www.pnc.com/corporategovernance).

## Board nominees (page 14)

Name	Age	Director since	Independent	Primary Standing Board Committee & Subcommittee Memberships
Joseph Alvarado	67	2019	<input checked="" type="checkbox"/>	Audit; Compliance
Charles E. Bunch	70	2007	<input checked="" type="checkbox"/>	Compensation (Chair); Governance
Debra A. Cafaro	62	2017	<input checked="" type="checkbox"/>	Audit; Compensation
Marjorie Rodgers Cheshire	51	2014	<input checked="" type="checkbox"/>	Governance; Risk; Compliance (Chair)
William S. Demchak	57	2013	<input type="checkbox"/>	Risk
Andrew T. Feldstein	55	2013	<input checked="" type="checkbox"/>	Compensation; Governance (Chair); Risk
Richard J. Harshman	63	2019	<input checked="" type="checkbox"/>	Audit; Compensation
Daniel R. Hesse	66	2016	<input checked="" type="checkbox"/>	Risk; Technology (Chair)
Linda R. Medler	63	2018	<input checked="" type="checkbox"/>	Risk; Compliance; Technology
Martin Pfinsgraff	65	2018	<input checked="" type="checkbox"/>	Audit; Risk (Chair); Compliance
Toni Townes-Whitley	56	2019	<input checked="" type="checkbox"/>	Technology
Michael J. Ward	69	2016	<input checked="" type="checkbox"/>	Compensation; Governance

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# Notice of Annual Meeting of Shareholders

**Tuesday, April 28, 2020**

**11:00 a.m. (Eastern Time)**

**The Tower at PNC Plaza — James E. Rohr Auditorium, 300 Fifth Avenue, Pittsburgh, Pennsylvania 15222\***

## WEBCAST

A listen-only webcast of the annual meeting will be available at [www.pnc.com/annualmeeting](http://www.pnc.com/annualmeeting). An archive of the webcast will be available on our website for 30 days.

## CONFERENCE CALL

You may access the listen-only conference call of the annual meeting by calling 800-708-4508 or 303-223-4382 (international). A telephone replay will be available for one week by calling 800-633-8284 or 402-977-9140 (international), conference ID 21951608.

## ITEMS OF BUSINESS

1. Election of the 12 director nominees named in the proxy statement to serve until the next annual meeting and until their successors are elected and qualified;
2. Ratification of the Audit Committee's selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2020;
3. An advisory vote to approve the compensation of our named executive officers;
4. Approval of the PNC Employee Stock Purchase Plan, as amended and restated January 1, 2020; and
5. Such other business as may properly come before the meeting.

## RECORD DATE

The close of business on January 31, 2020 is the record date for determining shareholders entitled to receive notice of and to vote at the annual meeting and any adjournment.

## MATERIALS TO REVIEW

We began providing access to the proxy statement and a form of proxy card on March 17, 2020. We have made our proxy materials available electronically. Certain shareholders will receive a Notice of Internet Availability of Proxy Materials explaining how to access our proxy materials and vote. Other shareholders will receive a paper copy of the proxy statement and a proxy card.

## PROXY VOTING

Even if you plan to attend the annual meeting in person, we encourage you to cast your vote over the Internet or, if you have a proxy card, by mailing the completed proxy card or by telephone as instructed on your proxy card. This Notice of Annual Meeting and Proxy Statement and our 2019 Annual Report are available at [www.envisionreports.com/PNC](http://www.envisionreports.com/PNC).

## ATTENDING THE ANNUAL MEETING

To be admitted to the annual meeting, you must present proof of your stock ownership as of the record date and valid photo identification. We encourage shareholders to pre-register in advance of the annual meeting. Please follow the procedures for attending the annual meeting described beginning on page 92 of the proxy statement.

March 17, 2020

By Order of the Board of Directors,

Alicia G. Powell  
Corporate Secretary

\*As a precautionary measure related to coronavirus or COVID-19, it is possible we may hold the annual meeting solely by means of remote communication. If we determine to do so, we will announce the decision in advance, and details on how to participate in the annual meeting will be available at [www.pnc.com/annualmeeting](http://www.pnc.com/annualmeeting). We recommend that you monitor this website for updated information, including to confirm the status of the annual meeting before planning to attend in person.

# ELECTION OF DIRECTORS (ITEM 1)

Our Board of Directors (the "Board") determines the number of directors to nominate for election to the Board. Our By-laws contemplate a range in the size of the Board from five to 36 directors. For the annual meeting, the Board fixed the number of directors to be elected at 12.

Each of the 12 nominees currently serves on the Board. In this section, we include the following information regarding the nominees:

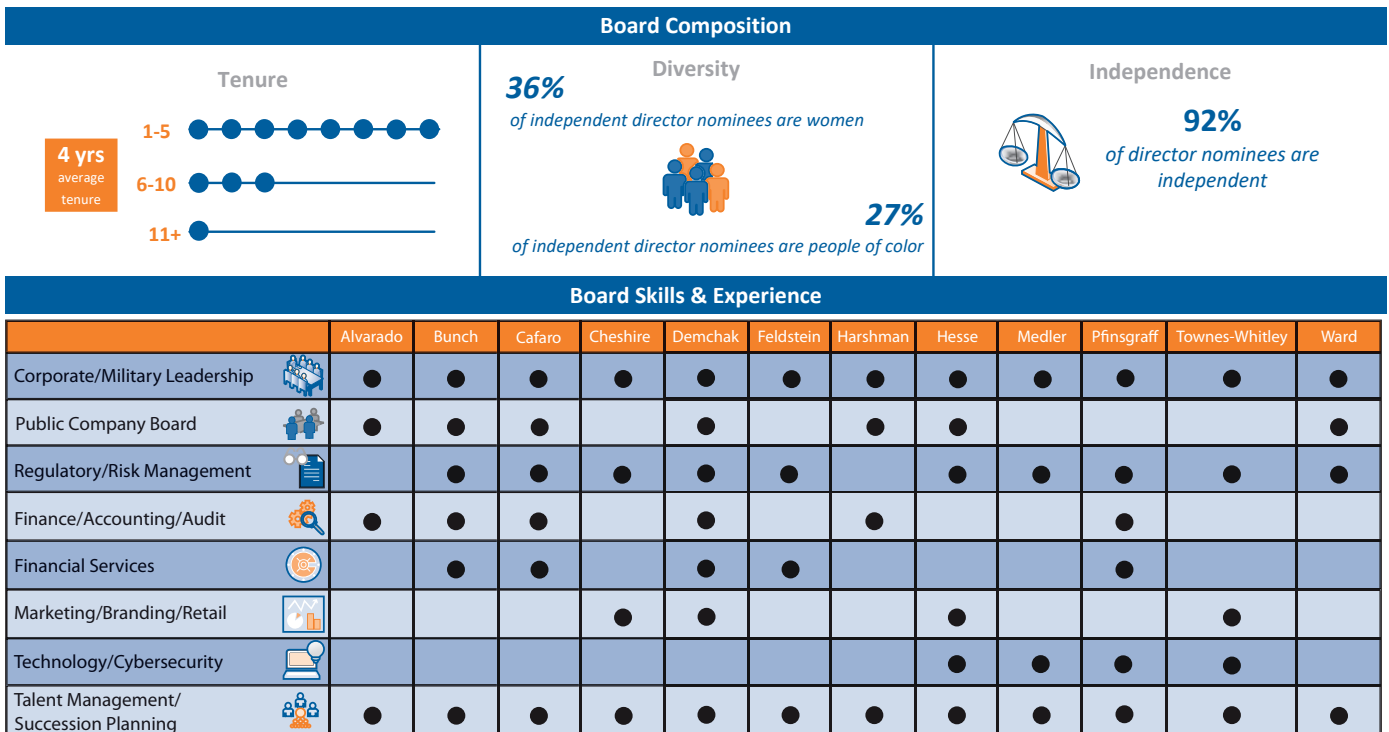
- Their names and ages
- The years they first became directors of PNC
- Their principal occupations and public company directorships over the past five years
- A brief discussion of the specific experience, qualifications, attributes or skills that led to the Board's conclusion that the individual should serve as a director

We recognize the value of a Board that is diverse in perspective and experience. We understand that diverse boards lead to better decisions and outcomes for our employees, customers and communities.

In developing the slate of director nominees, the Board's Nominating and Governance Committee evaluates potential directors for demographic, cognitive, gender and ethnic diversity, as well as breadth of background, skills and experience. The Committee considers the company's strategy and industry trends when anticipating the skills the Board will need in the future.

As the financial services industry has evolved, so has the Board. Our slate of director nominees includes senior leaders with substantial expertise in technology, cybersecurity, financial services, regulatory affairs, risk management, operations and strategic planning, finance and accounting, marketing and branding, talent management and succession planning. Of our 12 director nominees, all 12 have valuable senior leadership experience, 11 are independent, four are women and three are people of color. Further, the average tenure is just over four years. The Board's commitment to refreshment is evidenced by the addition of nine new directors and nine director retirements since our 2015 annual meeting of shareholders.

The following graphic highlights the composition, skills and experience of the Board as comprised of the 12 director nominees.



Each director elected at the annual meeting will serve for one year, until the next annual meeting of our shareholders and the election and qualification of his or her successor, or until his or her earlier resignation or removal from the Board. We do not stagger our elections — the entire Board will be considered for election at the annual meeting.

Each nominee consents to being named in this proxy statement and to serve if elected. The Board has no reason to believe that any nominee will be unavailable or unable to serve as a director.

In addition to information regarding the background and qualifications of each nominee, this proxy statement contains other important information related to your evaluation of the nominees, including:

- The Board's leadership structure
- How the Board operates
- Relationships between PNC and our directors
- How we evaluate director independence
- How we pay our directors
- Our director stock ownership requirement

See the following sections for additional details on these topics:

- Corporate Governance (page 19)
- Director and Executive Officer Relationships (page 32)
- Related Person Transactions (page 37)
- Director Compensation (page 39)
- Security Ownership of Management and Certain Beneficial Owners (page 82)

If you sign, date and return your proxy card but do not give voting instructions, or if you do not provide voting instructions when voting over the Internet, we will vote your shares FOR all of the nominees listed on pages 14 to 18. See *General Information—How a proposal gets approved* beginning on page 95 for information regarding the vote required for election of the director nominees.

**The Board of Directors recommends a vote FOR each of the nominees listed on pages 14 to 18.**

**Joseph Alvarado****Age 67****Director Since 2019****Experience, Qualifications, Attributes or Skills**

Joseph Alvarado is the former Chairman, President and Chief Executive Officer of Commercial Metals Company, a Fortune 500 global metals company that under his leadership was active in recycling,

manufacturing, fabricating and trading. In this role, Mr. Alvarado was responsible for the overall strategic leadership of CMC, with nearly 9,000 employees and operations in over 200 locations in more than 20 countries. Mr. Alvarado held the position of Executive Vice President and Chief Operating Officer of CMC from 2010 to 2011, during which time he had full profit and loss and operating responsibility for the company's diverse global businesses.

Prior to his career with CMC, Mr. Alvarado served as Operating Partner for Wingate Partners and The Edgewater Funds from 2009 to 2010, where he consulted on new deal evaluation and portfolio company management. Mr. Alvarado worked for a number of other businesses throughout his 42-year career within the steel, metal processing, energy and chemical industries. Mr. Alvarado held the position of President at United States Steel Tubular Products, Inc. from 2007 to 2009, President and Chief Operating Officer at Lone Star Technologies from 2004 to 2007, Vice President, Long Product Sales and Marketing, North America at ArcelorMittal from 1998 to 2004, and Executive Vice President, Commercial for Birmingham Steel from 1997 to 1998. Mr. Alvarado also held various positions at Inland Steel Company from 1976 to 1997, the latest of which was President, Inland Steel Bar Company (a division of Inland Steel Company) from 1995 to 1997.

Mr. Alvarado received a BA in Economics from the University of Notre Dame and an MBA from Cornell University's SC Johnson Graduate School of Management.

The Board values Mr. Alvarado's extensive business knowledge and experience in accounting, sales, manufacturing, planning and global operations.

**PNC Board Committee Memberships**

Audit Committee

Compliance Subcommittee

**Public Company Directorships**

Arcosa, Inc.

Commercial Metals Company (until January 2018)

Kennametal, Inc.

Trinseo S.A.

Spectra Energy Corp (until February 2017)

**Charles E. Bunch****Age 70****Director Since 2007****Experience, Qualifications, Attributes or Skills**

Charles E. Bunch is the retired Executive Chairman and former Chief Executive Officer of PPG Industries, Inc., a Pittsburgh-based global supplier of paints, coatings, optical products, specialty materials, chemicals,

glass and fiberglass.

Mr. Bunch received an undergraduate degree from Georgetown University and an MBA from the Harvard Business School.

Mr. Bunch's service as a public company CEO, his extensive management and finance experience, and his involvement in the Pittsburgh community add significant value to the Board. In addition, Mr. Bunch brings regulatory and banking industry experience to the Board as he formerly served as a Director and the Chairman of the Federal Reserve Bank of Cleveland, our principal banking regulator.

**PNC Board Committee Memberships**

Executive Committee

Nominating and Governance Committee

Personnel and Compensation Committee (Chair)

**Public Company Directorships**

ConocoPhillips

Marathon Petroleum Corporation

Mondelēz International, Inc.

PPG Industries, Inc. (until September 2016)

**Debra A. Cafaro****Age 62****Director Since 2017****Experience, Qualifications, Attributes or Skills**

Debra A. Cafaro is Chairman of the Board and Chief Executive Officer of Ventas, Inc., an S&P 500 company that is a leading owner of seniors housing, healthcare and research properties.

Building on an early career in law and her 21-year tenure at Ventas, Ms. Cafaro is broadly engaged across business, public policy and non-profit sectors. She is Chair of the Real Estate Roundtable and the Economic Club of Chicago, and is a member of the Business Council. She serves on the boards of the University of Chicago, Chicago Symphony Orchestra and World Business Chicago, and on the management committee of the Pittsburgh Penguins. Ms. Cafaro has been recognized multiple times by *Harvard Business Review* as one of the top 100 global CEOs and by *Modern Healthcare* as one of the top 100 leaders in healthcare.

Ms. Cafaro received a JD cum laude in 1982 from the University of Chicago Law School and a BA magna cum laude from the University of Notre Dame in 1979.

The Board values Ms. Cafaro's extensive corporate leadership, knowledge and experience. Her years of experience as a public company CEO in the financial sector provide insight into the oversight of financial and accounting matters. Her vision as a strategic thinker adds depth and strength to the Board in its oversight of PNC's continued growth. The Board also values Ms. Cafaro's active involvement in the Chicago and Pittsburgh communities.

**PNC Board Committee Memberships**

Audit Committee

Personnel and Compensation Committee

**Public Company Directorships**

Ventas, Inc.

Weyerhaeuser Company (until February 2016)

**Marjorie Rodgers Cheshire**

**Age 51**  
**Director Since 2014**

**Experience, Qualifications,  
 Attributes or Skills**

Marjorie Rodgers Cheshire is President and Chief Operating Officer of A&R Development Corp., a diversified real estate investment company which owns large-scale multifamily, commercial and mixed-use properties. Since

its founding, A&R has developed more than 50 projects with an aggregate construction value of more than \$900 million.

Prior to joining A&R, Ms. Cheshire spent many years in the media and sports industries. Her most recent position was as Senior Director of Brand & Consumer Marketing for the National Football League. Prior to that, Ms. Cheshire held positions as Vice President of Business Development for Oxygen Media, Director and Special Assistant to the Chairman & CEO of ESPN, and Manager of Strategic Marketing for ABC Daytime.

Ms. Cheshire also worked as a consultant with The Boston Consulting Group, a strategic consulting firm serving Fortune 500 companies.

Ms. Cheshire received a BS in Economics from the Wharton School of the University of Pennsylvania and an MBA from the Stanford University Graduate School of Business. She is Chairman of the Board of Baltimore Equitable Insurance, and is a Trustee of Baltimore School for the Arts, Johns Hopkins Medicine and The Johns Hopkins Hospital.

The Board values Ms. Cheshire's executive management experience and her background in real estate, marketing and media, as well as her involvement in the Baltimore community and her familiarity with this important market for PNC.

**PNC Board Committee Memberships**

Nominating and Governance Committee

Risk Committee

Compliance Subcommittee (Chair)

**Public Company Directorships**

None

**William S. Demchak**

**Age 57**  
**Director Since 2013**

**Experience, Qualifications,  
 Attributes or Skills**

William S. Demchak is Chairman, President and Chief Executive Officer of The PNC Financial Services Group, Inc., one of the largest diversified financial services companies in the United States.

Mr. Demchak joined PNC in 2002 as Chief Financial Officer. In July 2005, he was named Head of PNC's Corporate & Institutional Banking segment responsible for PNC's middle market and large corporate businesses, as well as capital markets, real estate finance, equity management and leasing. Mr. Demchak was promoted to Senior Vice Chairman in 2009 and named Head of PNC Businesses in August 2010. He was elected President in April 2012, Chief Executive Officer in April 2013 and Chairman in April 2014.

Before joining PNC in 2002, Mr. Demchak served as the Global Head of Structured Finance and Credit Portfolio for JPMorgan Chase. He also held key leadership roles at JPMorgan prior to its merger with the Chase Manhattan Corporation in 2000. He was actively involved in developing JPMorgan's strategic agenda and was a member of the company's capital and credit risk committees.

Mr. Demchak is a member and past Chairman of the board of directors of the Bank Policy Institute and is a member of The Business Council. In addition, he serves as Chairman of the Allegheny Conference on Community Development and is on the boards of directors of the Extra Mile Education Foundation and the Pittsburgh Cultural Trust.

Mr. Demchak received a BS from Allegheny College and an MBA with an emphasis in accounting from the University of Michigan.

The Board believes that the current CEO should also serve as a director. Under the leadership structure discussed elsewhere in this proxy statement, a CEO-director acts as a liaison between directors and management, and assists the Board in its oversight of the company. Mr. Demchak's experiences and strong leadership provide the Board with insight into the business and strategic priorities of PNC.

**PNC Board Committee Memberships**

Executive Committee

Risk Committee

**Public Company Directorships**

BlackRock, Inc.



**Andrew T. Feldstein**

**Age 55**  
**Director Since 2013**

**Experience, Qualifications, Attributes or Skills**

Andrew T. Feldstein is the Chief Executive Officer of BlueMountain Capital Management, a subsidiary of Assured Guaranty. Mr. Feldstein also serves as Chief Investment Officer for both Assured and

BlueMountain. BlueMountain is a leading alternative asset manager with \$18 billion in assets under management. Assured is the leading provider of financial guaranty insurance.

Prior to co-founding BlueMountain in 2003, Mr. Feldstein spent over a decade at JPMorgan where he was a Managing Director and served as Head of Structured Credit, Head of High Yield Sales, Trading and Research, and Head of Global Credit Portfolio.

Mr. Feldstein is a Trustee of Third Way, a public policy think tank, and a member of the Harvard Law School Leadership Council.

Mr. Feldstein received a BA from Georgetown University and a JD from Harvard Law School.

The Board values Mr. Feldstein's extensive financial and risk management expertise. As founder and CEO of BlueMountain Capital and through his senior management positions at JPMorgan, Mr. Feldstein has built a reputation for innovation and significant insight into risk management. The Board believes that these skills are particularly valuable to its effective oversight of risk management and will also be a valuable resource to PNC as it continues to grow its business and strengthen its balance sheet.

**PNC Board Committee Memberships**

Executive Committee (Chair)  
 Nominating and Governance Committee (Chair)  
 Personnel and Compensation Committee  
 Risk Committee

**Public Company Directorships**

None

**Richard J. Harshman**

**Age 63**  
**Director Since 2019**

**Experience, Qualifications, Attributes or Skills**

Richard J. Harshman is the retired Executive Chairman and former President and Chief Executive Officer of Allegheny Technologies Incorporated, a Pittsburgh-based global manufacturer of technically advanced

specialty materials and complex parts and components. Mr. Harshman previously served in other roles at ATI, including President and Chief Operating Officer from August 2010 to May 2011, Executive Vice President and Chief Financial Officer from December 2000 to August 2010, and other roles of increasing responsibility since August 1996. Mr. Harshman began his career as an Internal Auditor at Teledyne, Inc., an ATI predecessor company, in 1978.

Mr. Harshman is active within the Pittsburgh community, including through his service with several non-profit boards. Mr. Harshman is Chair of the board of trustees of Robert Morris University, Chair of the board of trustees of the Pittsburgh Cultural Trust and a current member and past chair of the board of directors of the Allegheny Conference on Community Development, in addition to his service with other Pittsburgh-based non-profit organizations.

Mr. Harshman received a BS in Accounting from Robert Morris University and was previously licensed as a Certified Public Accountant by the California Board of Accountancy.

The Board values Mr. Harshman's depth of experience with the operational and financial aspects of leading a public company, including as chief executive officer, chief financial officer and chief operating officer. The Board also values Mr. Harshman's active involvement in the Pittsburgh community.

**PNC Board Committee Memberships**

Audit Committee  
 Personnel and Compensation Committee

**Public Company Directorships**

Allegheny Technologies Incorporated (until May 2019)  
 Ameren Corporation (Lead Director)

**Daniel R. Hesse**

**Age 66**  
**Director Since 2016**

**Experience, Qualifications, Attributes or Skills**

Daniel R. Hesse is the former President and Chief Executive Officer of Sprint Corporation, one of the United States' largest wireless carriers.

Mr. Hesse received a BA from the University of Notre Dame, an MBA from Cornell University and an MS from Massachusetts Institute of Technology where he was awarded the Brooks Thesis Prize.

Mr. Hesse brings extensive corporate leadership experience to the Board, having served in a variety of executive positions, including as CEO of Sprint Corporation. His years of experience in the wireless communications industry provide insight into the dynamic and strategic issues overseen by the Board. The broad spectrum of technological issues in this industry give him a strong understanding to assist the Board in its oversight of technological issues.

**PNC Board Committee Memberships**

Risk Committee  
 Technology Subcommittee (Chair)

**Public Company Directorships**

Akamai Technologies, Inc.



**Linda R. Medler**

**Age 63**  
**Director Since 2018**

**Experience, Qualifications,  
 Attributes or Skills**

Linda R. Medler, Brigadier General, United States Air Force (Retired), is Founder, President and CEO of L A Medler & Associates, LLC, providing cyber strategy and operational consulting services to

commercial clients and numerous U.S. Department of Defense customers and academic institutions. Ms. Medler served until December 2017 as the Chief Information Security Officer and Director of IT Security for Raytheon Missile Systems, a major business unit of Raytheon Company, a technology and innovation leader specializing in defense, civil government and cybersecurity solutions. She initially joined Raytheon Missile Systems in June 2015 as the Director of Cyber, where she was responsible for developing a roadmap to incorporate cyber resiliency into the company's products.

In 2014, Ms. Medler completed 30 years of total military service, including 27 years of service in the U.S. Air Force, retiring as a Brigadier General. She began her military service as an enlisted U.S. Marine. Her last position held was Director of Capability and Resource Integration for the United States Cyber Command. Her previous assignments included Director of Communications and Networks for the Joint Staff, Joint Chiefs of Staff Deputy CIO, Chief of Staff for Air Force Materiel Command, and Commander/Vice Commander for the 75th Air Base Wing.

Ms. Medler received a BBA in Management & Computer Information Systems from the University of Arkansas at Little Rock, an MS in National Security & Strategic Studies from the Naval War College, and an MBA in Management Information Systems Concentration from the University of Arizona.

The Board values Ms. Medler's extensive leadership experience and her deep knowledge of cybersecurity and information technology. Her years of experience leading cybersecurity, information technology and multi-function organizations facing a broad range of technology and operational issues provide the Board with additional skills to facilitate oversight of the cybersecurity and technology issues facing PNC.

**PNC Board Committee Memberships**

Risk Committee  
 Compliance Subcommittee  
 Technology Subcommittee

**Public Company Directorships**

None

**Martin Pfinsgraff**

**Age 65**  
**Director Since 2018**

**Experience, Qualifications,  
 Attributes or Skills**

Martin Pfinsgraff retired as Senior Deputy Comptroller Large Bank Supervision of the Office of the Comptroller of the Currency in February 2017. He held the position of Deputy Comptroller for Credit and Market

Risk from 2011 to 2013. Mr. Pfinsgraff served on the Executive Committee of the OCC and as a member of the Senior Supervisors Group, an international committee comprised of supervisors from 10 Organisation for Economic Co-operation and Development member countries and the European Central Bank.

Prior to his career with the OCC, Mr. Pfinsgraff held various positions from 2000 to 2009 at iJet International, a provider of operating risk management solutions, including Chief Operating Officer and Chief Financial Officer. Mr. Pfinsgraff held various positions with Prudential Securities from 1989 through 2000, the latest of which was President Capital Markets, Prudential Securities from 1997 to 2000.

Mr. Pfinsgraff received a BBA in Psychology from Allegheny College and an MBA from Harvard Business School.

The Board values Mr. Pfinsgraff's leadership experience as well as his extensive knowledge of the financial services industry and the regulatory requirements applicable to the industry. His experience in banking regulation, risk management and finance, along with his years of executive leadership, provide the Board with additional skills to oversee complex regulatory, risk management and financial matters.

**PNC Board Committee Memberships**

Audit Committee  
 Executive Committee  
 Risk Committee (Chair)  
 Compliance Subcommittee

**Public Company Directorships**

None

**Toni Townes-Whitley**

**Age 56**  
**Director Since 2019**

**Experience, Qualifications,  
 Attributes or Skills**

Toni Townes-Whitley is President, U.S. Regulated Industries at Microsoft Corporation, a technology company that enables digital transformation for the era of an intelligent cloud and an intelligent edge. In

this role Ms. Townes-Whitley leads Microsoft's U.S. sales team and manages a P&L of approximately \$11 billion across the public sector and regulated industries, including healthcare, financial services, education and government, driving digital transformation across customers and partners. Prior to taking on her current role in July 2018, Ms. Townes-Whitley was Corporate Vice President for Global Industry at Microsoft, a role she held since 2015.

Before starting with Microsoft, Ms. Townes-Whitley worked for CGI Corporation, an IT and business consulting services firm, from 2010 to 2015. During her tenure at CGI, Ms. Townes-Whitley held the positions of President and Chief Operating Officer from 2011 to 2015 and Senior Vice President, Civilian Agency Program from 2010 to 2011. From 2002 to 2010, Ms. Townes-Whitley held various positions at Unisys Corporation, a global information technology company that provides a portfolio of IT services, software and technology, including Vice President, Global Public Sector, Vice President, North America Consulting & Systems Integration, and Lead Partner, Federal Civilian Business Unit.

Ms. Townes-Whitley is an active participant in industry client and partner organizations, and a presenter on IT innovation and societal impact. Ms. Townes-Whitley sits on the executive committee of the World Business Council for Sustainable Development, is a board member on the Northern VA Tech Council and Thurgood Marshall Foundation, and serves as an advisor to the Women's Center of Northern Virginia.

Ms. Townes-Whitley received a BA in Economics from Princeton University's Woodrow Wilson School.

The Board values Ms. Townes-Whitley's significant experience and involvement in the information technology industry and the value she adds to the Board's oversight of technological issues facing PNC.

**PNC Board Committee Memberships**

Technology Subcommittee

**Public Company Directorships**

None

**Michael J. Ward**

**Age 69**  
**Director Since 2016**

**Experience, Qualifications,  
 Attributes or Skills**

Michael J. Ward is the former Chairman and Chief Executive Officer of CSX Corporation, one of the world's largest railroad companies.

Mr. Ward received a BS from the University

of Maryland and an MBA from the Harvard Business School.

Mr. Ward has extensive operations, sales, marketing and finance experience from his various management roles with CSX and its subsidiaries. As a public company CEO with years of corporate leadership experience in a regulated industry, he brings knowledge and insight to the Board in its oversight of complex issues. His management of an executive team and a large group of employees adds value to his oversight of compensation issues.

**PNC Board Committee Memberships**

Nominating and Governance Committee  
 Personnel and Compensation Committee

**Public Company Directorships**

Ashland Inc. (until September 2016)  
 Ashland Global Holdings, Inc. (until May 2019)  
 CSX Corporation (until March 2017)  
 Contura Energy, Inc. (until August 2019)

# CORPORATE GOVERNANCE

The Board is committed to maintaining strong corporate governance practices. Through the Nominating and Governance Committee, the Board evaluates its corporate governance policies and practices against evolving best practices. This section highlights some of our corporate governance policies and practices. Visit [www.pnc.com/corporategovernance](http://www.pnc.com/corporategovernance) for additional information about corporate governance at PNC, including our:

- Corporate governance guidelines
- By-laws
- Code of Business Conduct and Ethics
- Board committee charters

To receive free printed copies of any of these documents, please send a request to:

Corporate Secretary  
The PNC Financial Services Group, Inc.  
300 Fifth Avenue  
Pittsburgh, Pennsylvania 15222  
or  
[corporate.secretary@pnc.com](mailto:corporate.secretary@pnc.com)

This proxy statement is also available at  
[www.pnc.com/proxystatement](http://www.pnc.com/proxystatement)

## Recent corporate governance developments

One of our current directors, Richard B. Kelson, reached the Board-adopted mandatory retirement age of 72 in connection with the 2019 annual meeting of shareholders, but the Board approved a limited waiver of this mandatory retirement to enable him to be nominated for election as a director at the 2019 annual meeting of shareholders. As this waiver ends in connection with the annual meeting, Mr. Kelson is not included as a nominee for election as a director.

## Corporate governance guidelines

The Board has approved corporate governance guidelines that address important principles adopted by the Board, including:

- The qualifications a director should possess
- The director nomination process
- The Board's leadership structure
- The responsibilities of our lead independent director (the "Presiding Director")
- How the Board committees serve to support the Board's duties
- A description of ordinary course relationships that will not impair a director's independence
- The importance of the Board meeting in executive session without management present
- The importance of the Board having access to management
- The majority voting requirement for director elections
- The mandatory director retirement age (72)
- How the Board evaluates our CEO's performance
- How the Board considers management succession planning
- Our views on directors holding board positions at other public companies
- How the Board continually evaluates its own performance and composition
- Our approach to director orientation and education
- The Board's role in strategic planning
- The Board's responsibility for oversight of our policies, programs and strategies regarding significant corporate social responsibility issues, including matters related to environmental, social and governance concerns

The Nominating and Governance Committee reviews the corporate governance guidelines at least annually. Any changes recommended by the Committee are reviewed and approved by the Board.

## Our Board leadership structure

Based on an assessment of its current needs and composition, as well as the skills and qualifications of the directors, the Board believes that the appropriate Board leadership structure should include the following attributes:

- A substantial majority (at least two-thirds) of independent directors
- A Presiding Director
- Regular executive sessions of all independent directors without management present

The current leadership structure of the Board includes all three attributes. The Board has not adopted a policy with respect to separating the Chairman and CEO positions. The Board believes the leadership structure should be flexible enough to accommodate different approaches based on an evaluation of relevant facts and circumstances. The Board considers its structure and leadership each year, and the Personnel and Compensation Committee discusses whether to separate the positions of Chairman and CEO as part of its ongoing evaluation of management succession plans.

William S. Demchak, our current CEO, also serves as Chairman of the Board. Andrew T. Feldstein, the Chair of the Nominating and Governance Committee, currently serves as Presiding Director. We describe the responsibilities of the Presiding Director in more detail below.

**Substantial majority of independent directors.** We have long maintained a Board with a substantial majority of directors who are not PNC employees and who otherwise qualify as independent under the rules of the New York Stock Exchange (the "NYSE"). The NYSE requires at least a majority of our directors be independent from management.

Mr. Demchak is the only director who is not independent under the NYSE's "bright-line" tests for independence because he is our CEO. The Board has affirmed the independence of each of the other 11 nominees for director. See *Director and Executive Officer Relationships* beginning on page 32 for a description of how we evaluate the independence of our directors, including information about the NYSE's bright-line tests for independence.

**Presiding Director responsibilities.** The Presiding Director, the lead independent director for the Board, is selected by the Board's independent and non-management directors. The Board approved the following responsibilities for the Presiding Director, which are included in our corporate governance guidelines:

- Preside at meetings of the Board in the event of the Chairman's unavailability
- Preside at regularly scheduled executive sessions of the Board's independent directors
- When the Presiding Director considers it appropriate, convene and preside at meetings or executive sessions of the Board's independent directors
- If the Board includes non-management directors who are not independent, when the Presiding Director considers it appropriate to do so, convene and preside at meetings or executive sessions including such non-management directors
- Confer with the Chairman or CEO immediately following the meetings or executive sessions of the Board's independent or non-management directors to convey the substance of the discussions held during those sessions, subject to any limitations specified by the independent directors
- Act as the principal liaison between the Chairman and the CEO and the Board's independent and non-management directors
- Be available for confidential discussions with any director who may have concerns that he or she believes have not been properly considered by the Board as a whole
- Following consultation with the Chairman, CEO and other directors as appropriate, approve the Board's meeting agendas, in order to promote the effectiveness of the Board's operation and decision making and help ensure there is sufficient time for discussion of all agenda items
- Be available for consultation and direct communication with major shareholders as appropriate
- Discharge such other responsibilities as the Board's independent directors may assign from time to time

During the course of the year, the Presiding Director may suggest, revise or otherwise discuss agenda items for Board meetings with the Chairman or CEO. In between meetings, each director is encouraged to raise any topics or issues with the Presiding Director that the director believes should be discussed in executive session.

As Chair of the Nominating and Governance Committee, the Presiding Director leads the Board and committee annual self-evaluation process and the evaluation of the independence of directors. The Nominating and Governance Committee also reviews, and the Presiding Director as Chair of the Committee oversees reports to the Board on, significant developments in corporate governance.

**Regular executive sessions of independent directors.** Our independent directors have met and will continue to meet in regularly scheduled executive sessions without management present. The NYSE requires our independent directors to meet in executive session at least once a year. Under the Board's own policy, our independent directors meet in executive session at least quarterly. The Presiding Director leads these executive sessions.

## Communicating with the Board

Shareholders and other interested parties who wish to communicate with the Board, any director (including the Presiding Director), the non-management or independent directors as a group, or any Board committee may send an email to [corporate.secretary@pnc.com](mailto:corporate.secretary@pnc.com) or a letter to the following address:

Presiding Director  
The PNC Financial Services Group, Inc.  
Board of Directors  
P.O. Box 2705  
Pittsburgh, Pennsylvania 15230-2705

The Corporate Secretary will process such communications as set forth herein. The Corporate Secretary will forward email communications to the appropriate director(s) named. The Corporate Secretary will not open a written communication sent to the above P.O. Box if it is addressed to the Board, any director (including the Presiding Director) or group of directors, the non-management or independent directors as a group, or any Board committee. The Corporate Secretary will forward the communication to the named director or the Presiding Director who will determine how to respond. Depending on the content, the Presiding Director may forward the communication to a PNC employee, a third party, another director, a Board committee or the full Board.

The Corporate Secretary may elect not to forward email or written communications that she believes are: (i) a commercial, charitable or other solicitation; (ii) a complaint about PNC products or services that would be customarily handled in the ordinary course of business; (iii) abusive, improper or otherwise irrelevant to the Board's duties and responsibilities; or (iv) subject to the policies or procedures that specify the proper handling of a communication that addresses such subject matter.

## Our Code of Business Conduct and Ethics

PNC has adopted, and the Audit Committee has approved, a Code of Business Conduct and Ethics that applies generally to all employees and directors.

The Code of Business Conduct and Ethics addresses these important topics, among others:

- Our commitment to ethics and values
- Fair dealing with customers, suppliers, competitors and employees
- Conflicts and potential conflicts of interest, including self-dealing, insider trading and other trading restrictions, outside employment and transactions with PNC
- Gifts and entertainment
- Creating business records, document retention and protecting confidential information
- Protection and proper use of our assets, including intellectual property and electronic media
- Communicating with the public
- Political involvement, including campaigning and political contributions and spending
- Compliance with laws and regulations
- Protection from retaliation

The Code of Business Conduct and Ethics is available on our website at [www.pnc.com/corporategovernance](http://www.pnc.com/corporategovernance). Any shareholder may also request a free printed copy by writing to our Corporate Secretary at the address provided on page 19.

Our adoption of the Code of Business Conduct and Ethics is intended to satisfy the Securities and Exchange Commission (the "SEC") requirement to adopt a code that applies to a company's CEO and senior financial officers. The Audit Committee must approve any waivers of or exceptions to code provisions granted to our directors or executive officers. We will post on our website any future amendments to, or waivers from, a provision of the Code of Business Conduct and Ethics that applies to any of our directors or executive officers (including our Chairman and CEO, CFO and Controller).

PNC has also adopted, and the Audit Committee has approved, Ethics Guidelines for Directors to supplement the Code of Business Conduct and Ethics.

## Orientation and education

All of our new directors undergo a director orientation and education program. In addition to written materials provided to new directors, in-person sessions are held with each new director. These in-person sessions generally include meetings with senior management to familiarize new directors with our strategic plans, significant financial, accounting and risk management issues, capital markets activities, compliance programs, the Code of Business Conduct and Ethics and related policies,

## CORPORATE GOVERNANCE

principal officers, and internal and independent auditors, as well as specified matters related to the Board committees or subcommittees to which the new director has been appointed.

We also provide a continuing education program for our directors that considers their knowledge and experience and our risk profile, and includes training on complex products and services, our lines of business, significant risks to the company, applicable laws, regulations and supervisory requirements, and other relevant topics identified by the Board and management. The continuing education program is provided through a combination of in-person sessions and coordination of attendance by directors at outside seminars, including those offered by regulators, relevant to the duties of a director. The in-person sessions may be held in connection with, or as part of, a meeting of the Board or a Board committee.

## Board committees

The Board currently has five standing committees. The four primary standing committees — Audit, Nominating and Governance, Personnel and Compensation, and Risk — meet on a regular basis. The Executive Committee, which is composed of our CEO and the chairs of the four primary standing committees, meets as needed. The Executive Committee may act on behalf of the Board and would report to the full Board following any action taken. Our Presiding Director chairs the Executive Committee, which did not meet in 2019.

Our By-laws provide that, unless otherwise stated in its charter, each committee may form and delegate its authority to subcommittees of one or more committee members. The Risk Committee has formed a Technology Subcommittee to facilitate Board-level oversight of technology risk, cybersecurity, information security, physical security, business continuity and significant technology initiatives and programs, including those that can position the use of technology to drive strategic advantage. The Risk Committee has also formed a Compliance Subcommittee to facilitate Board-level oversight of compliance risk, significant compliance-related initiatives and programs, and the maintenance of a strong compliance risk management culture. Our By-laws also authorize the Board to establish other committees.

Each committee operates under a written charter approved by the Board, and each subcommittee operates under a written charter approved by the applicable committee. Each committee and subcommittee annually reviews and reassesses its charter. The Nominating and Governance Committee assesses the Executive Committee charter. Each committee and subcommittee, other than the Executive Committee, performs an annual self-evaluation to determine whether it is functioning effectively and fulfilling its charter duties.

We describe the main responsibilities of the Board's four primary standing committees below. The descriptions of the committee functions in this proxy statement are qualified by reference to the applicable committee charter and our relevant By-law provisions. The charters for the four primary standing committees are available on our website at [www.pnc.com/corporategovernance](http://www.pnc.com/corporategovernance).



## Audit Committee



### Chair

Richard B. Kelson

### Other members:

Joseph Alvarado

Debra A. Cafaro

Richard J. Harshman

Martin Pfinsgraff

The Audit Committee consists entirely of directors who are independent as defined in the NYSE's corporate governance rules and in SEC regulations related to audit committee members. When the Board meets on April 28, 2020 to organize its committees, only independent directors will be appointed to the Committee.

As Mr. Kelson reached the Board-established mandatory retirement age, he will not stand for re-election to the Board at the annual meeting, and following the annual meeting will no longer be a member of the Audit Committee. The new Chair of the Committee, who will be independent as defined in the NYSE's corporate governance rules, will be selected when the Board meets on April 28, 2020 to organize its committees.

The Board has determined that each Audit Committee member is financially literate and possesses accounting or related financial management expertise. The Board made these determinations in its business judgment, based on its interpretation of the NYSE's requirements for audit committee members. Acting on the recommendation of the Nominating and Governance Committee, the Board determined that each of Mr. Alvarado, Ms. Cafaro, Mr. Harshman, Mr. Kelson and Mr. Pfinsgraff is an "audit committee financial expert," as that term is defined by the SEC.

The Audit Committee satisfies the requirements of SEC Rule 10A-3, which addresses the following topics:

- The independence of committee members
- The responsibility for selecting and overseeing our independent auditors
- The establishment of procedures for handling complaints regarding our accounting practices
- The authority of the committee to engage advisors
- The determination of appropriate funding for payment of the independent auditors and any outside advisors engaged by the committee and for the payment of the committee's ordinary administrative expenses

The Board most recently approved the charter of the Audit Committee on November 14, 2019, and it is available on our website at [www.pnc.com/corporategovernance](http://www.pnc.com/corporategovernance).

The Audit Committee's primary purposes are to assist the Board by:

- Monitoring the integrity of our consolidated financial statements
- Monitoring the effectiveness of our internal control over financial reporting
- Monitoring compliance with our Code of Business Conduct and Ethics
- Overseeing conduct risk management
- Evaluating a periodic, independent assessment of the bank's overall risk governance and risk management practices
- Monitoring compliance with certain legal and regulatory requirements
- Evaluating and monitoring the qualifications and independence of our independent auditors
- Evaluating and monitoring the performance of our internal audit function and our independent auditors

At each in-person meeting of the full Board, the Chair of the Audit Committee presents a report of the items discussed and actions approved at previous meetings of the Committee.

The Audit Committee's responsibility is one of oversight. Management is responsible for preparing our consolidated financial statements, for maintaining internal controls and for our compliance with laws and regulations, and the independent auditors are responsible for auditing our consolidated financial statements. The Committee is responsible for holding management accountable for establishing and maintaining an adequate and effective internal control system and processes. The Committee typically approves the internal and external audit plans, and reviews and discusses audit reports and results with representatives of our internal audit function and our independent auditors.

The Audit Committee has the authority to retain independent legal, accounting, economic or other advisors. The Committee is directly responsible for the selection, appointment, compensation and oversight of our independent auditors (including the resolution of any disagreements that may arise between management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditors report directly to

the Committee. We describe the role of the Committee as it relates to the independent auditors, including consideration of the rotation of the independent audit firm, in more detail on page 84.

With respect to work performed by the independent auditors, the Audit Committee must approve all audit engagement fees and terms, as well as all permitted non-audit engagements. The Committee (or its delegate) pre-approves all audit services, audit-related services and permitted non-audit services to be performed by the independent auditors. The Committee also considers whether the provision of any audit services, audit-related services or permitted non-audit services will impair the auditors' independence. We describe the Committee's procedures for the pre-approval of audit services, audit-related services and permitted non-audit services on page 85.

The Audit Committee receives periodic reports on finance, reserve adequacy, ethics, and internal and external audit.

The Audit Committee also appoints our General Auditor, who leads our internal audit function and is functionally accountable to the Committee. The Committee holds regular executive sessions with management, the General Auditor, the Chief Ethics Officer and the independent auditors. The Committee reviews the performance and approves the compensation of the General Auditor, and annually reviews the General Auditor succession plan with the CEO and the Board.

Under our corporate governance guidelines, Audit Committee members may serve on the audit committees of no more than three public companies at the same time, including PNC.

The Audit Committee has approved the report on page 86 as required under its charter and in accordance with SEC regulations.



## Nominating and Governance Committee



### Chair

Andrew T. Feldstein

### Other members:

Charles E. Bunch

Marjorie Rodgers Cheshire

Michael J. Ward

The Nominating and Governance Committee consists entirely of independent directors. When the Board meets on April 28, 2020 to organize its committees, only independent directors will be appointed to the Nominating and Governance Committee.

The Board most recently approved the charter of the Nominating and Governance Committee on November 14, 2019, and it is available on our website at [www.pnc.com/corporategovernance](http://www.pnc.com/corporategovernance).

At each in-person meeting of the full Board, the Chair of the Nominating and Governance Committee presents a report of the items discussed and actions approved at previous meetings of the Committee. The primary purpose of the Nominating and Governance Committee is to assist the Board in promoting the best interests of PNC and its shareholders through the implementation of sound corporate governance principles and practices. The Committee also assists the Board by identifying individuals qualified to become Board members. The Committee recommends to the Board the director nominees for each annual meeting of shareholders, and may also recommend the appointment of qualified individuals as directors between annual meetings.

In addition to conducting its annual committee self-evaluation, the Nominating and Governance Committee oversees the annual evaluation of the performance of the Board and other Board committees and reports to the Board on the evaluation results as necessary or appropriate. The Committee also annually reviews and recommends any changes to the Executive Committee charter.

***How we evaluate directors and director candidates.*** At least annually, the Nominating and Governance Committee assesses the skills, qualifications and experience of our directors and recommends a slate of director nominees to the Board. In evaluating existing directors and new director candidates, the Committee assesses the needs of the Board and the qualifications of the individual. From time to time, the Committee also considers whether to change the composition of the Board. See the discussion on pages 12 to 18 for additional information regarding each of our current director nominees.

The Board and its committees must satisfy SEC, NYSE and banking regulatory standards. At least a majority of our directors must be independent under NYSE standards. Our corporate governance guidelines impose a more rigorous standard and require that a substantial majority (at least two-thirds) of our directors be independent. We require a sufficient number of independent directors to satisfy the membership needs of Board committees that also require independence.

The Nominating and Governance Committee expects directors to gain a sound understanding of our strategic vision, our mix of businesses and our approach to regulatory relations and risk management. The Board must possess a mix of qualities and skills adequate to address the various risks facing PNC. For a discussion of the Board's oversight of risk, see *Corporate Governance—Board committees—Risk Committee* on page 30.

When evaluating each director, as well as new director candidates for nomination, the Committee considers the following criteria set forth in our Corporate Governance Guidelines:

- A sustained record of high achievement in financial services, business, industry, government, academia, the professions, or civic, charitable or non-profit organizations
- Manifest competence and integrity
- A strong commitment to the ethical and diligent pursuit of shareholders' best interests
- The strength of character necessary to challenge management's recommendations and actions when appropriate and to confirm the adequacy and completeness of management's responses to such challenges to his or her satisfaction
- The Board's strong desire to maintain its diversity in terms of race and gender
- Personal qualities that will help to sustain an atmosphere of mutual respect and collegiality among the members of the Board

The Nominating and Governance Committee also considers the current needs of the Board and its committees, meeting attendance and participation, and the value of a director's contribution to the effectiveness of the Board and its committees.

Although the Board has not adopted a formal policy on diversity, the Board recognizes the value of a diverse Board. Therefore, the Nominating and Governance Committee considers the diversity of directors in the context of the Board's overall needs, including the diversity of perspective, experience, knowledge, education, age and skills of each director. The Committee

evaluates diversity in a broad sense, recognizing the benefits of demographic and cognitive diversity, and the breadth of diverse backgrounds, skills and experiences the directors bring to the Board.

**How we identify new directors.** The Nominating and Governance Committee utilizes as a discussion tool a matrix of certain skills and experiences the Committee believes would be beneficial to have represented on the Board and its committees. The Committee considers PNC's strategy and industry trends in developing a view of those skills and characteristics that would benefit the Board. The Committee is also focused on what skills are required or beneficial for those serving in key Board positions such as committee chairs, and considers succession planning for those positions. The Committee leverages the matrix, and considers the Board-approved evaluation criteria and various regulatory requirements described above, when identifying potential director candidates, which it does in a number of ways. The Committee may consider recommendations made by our current or former directors or members of executive management. The Committee may also identify potential directors through contacts in the business, civic, academic, legal and non-profit communities. When appropriate, the Committee may retain a search firm to identify candidates. In 2018, the Committee retained a third party search firm to further develop the pool of director candidates, and emphasized to the search firm the importance of diversity in its consideration of director candidates.

In addition, the Nominating and Governance Committee will consider director candidates recommended by our shareholders for nomination at the next year's annual meeting of shareholders. For the Committee to consider a director candidate recommended by a shareholder, the shareholder must submit the recommendation in writing to the Corporate Secretary at our principal executive offices. The submission must include the information described under "Director Nomination Process" in Section 3 of our corporate governance guidelines, which can be found at [www.pnc.com/corporategovernance](http://www.pnc.com/corporategovernance). To be considered for the 2021 annual meeting of shareholders, the submission must be received by November 17, 2020.

The Nominating and Governance Committee will evaluate director candidates recommended by a shareholder in the same manner as candidates identified by the Committee or recommended by others. The Committee will not consider any candidate with an obvious impediment to serving as one of our directors.

The Nominating and Governance Committee will meet to review and discuss relevant available information regarding a director candidate, considering the Board-approved evaluation criteria, the candidate's contribution to the diversity of the Board and PNC's evolving strategic needs. If the Committee decides not to recommend a candidate for nomination or appointment, or for additional evaluation, no further action is taken. The Chair of the Committee will later report that decision to the full Board, and in the case of a shareholder-recommended candidate, the Corporate Secretary will communicate the decision to the shareholder.

If the Nominating and Governance Committee decides to recommend a director candidate to the Board as a nominee for election at an annual meeting of shareholders or for appointment by the Board, the Chair of the Committee will report that decision to the full Board. Following a discussion regarding the recommendation, the full Board will vote on whether to nominate the candidate for election or appoint the candidate to the Board, as applicable. Invitations to join the Board are extended by the Chairman of the Board and the Presiding Director, jointly acting on behalf of the Board.

Shareholders who wish to nominate a director candidate directly at an annual meeting of shareholders or nominate and include a director candidate in our annual meeting proxy materials must do so in accordance with the procedures contained in our By-laws, as described in *Shareholder Proposals for the 2021 Annual Meeting* on page 97 under the headings *Advance notice procedures* and *Proxy access procedures*, respectively.

## Personnel and Compensation Committee



### Chair

Charles E. Bunch

### Other members:

Debra A. Cafaro

Andrew T. Feldstein

Richard J. Harshman

Richard B. Kelson

Michael J. Ward

The Personnel and Compensation Committee consists entirely of independent directors. The Committee membership is intended to satisfy the independence standards established by applicable federal income tax and securities laws, as well as NYSE standards. When the Board meets on April 28, 2020 to organize its committees, only independent directors will be appointed to the Committee.

As Mr. Kelson reached the Board-established mandatory retirement age, he will not stand for re-election to the Board at the annual meeting, and following the annual meeting will no longer be a member of the Personnel and Compensation Committee.

The Board most recently approved the charter of the Personnel and Compensation Committee on November 14, 2019, and it is available on our website at [www.pnc.com/corporategovernance](http://www.pnc.com/corporategovernance).

The Personnel and Compensation Committee's principal purpose is to discharge the Board's oversight responsibilities relating to the compensation of our executive officers and other specified responsibilities related to personnel and compensation matters affecting PNC. The Committee may also evaluate and approve, or recommend for approval, benefit, incentive compensation, severance, equity-based or other compensation plans, policies and programs.

The Personnel and Compensation Committee has the authority to retain independent legal, compensation, accounting or other advisors. The charter provides the Committee with the sole authority to retain and terminate an independent compensation consultant acting on the Committee's behalf, and to approve the consultant's fees and other retention terms. The Committee retained an independent compensation consultant in 2019 and prior years. See *Role of compensation consultants* below.

The Personnel and Compensation Committee reviews with management the *Compensation Discussion and Analysis* section of the proxy statement, which begins on page 41. The *Compensation Committee Report* is included on page 59. The Committee also evaluates the relationship between risk management and our incentive compensation programs and plans. See *Compensation and Risk* beginning on page 60.

The Personnel and Compensation Committee has responsibility for periodically reviewing our talent and human capital strategy, including our commitment to diversity and inclusion, and for reviewing and evaluating our executive management succession plan (except for the review and evaluation of the General Auditor and Chief Risk Officer succession plans, which are performed by the Audit Committee and the Risk Committee, respectively). The executive management succession plan, including for the CEO, is reviewed with the full Board from time to time. The Committee reviews a detailed succession planning report at least annually. The materials in the report typically include a discussion of the individual performance of each executive officer, as well as succession plans and development initiatives for other emerging talent. These materials provide necessary background and context to the Committee, and give each Committee member a familiarity with the employee's position, duties, responsibilities and performance.

**How we make decisions.** The Personnel and Compensation Committee meets at least four times a year. Before each meeting, the Chair of the Committee reviews the agenda, materials and issues with members of management and the Committee's independent compensation consultant, as appropriate. The Committee may invite legal counsel or other external consultants to advise the Committee during meetings and preparatory sessions.

The Personnel and Compensation Committee regularly meets in executive sessions without management present. At each in-person meeting of the full Board, during an executive session of the Board, the Chair of the Committee presents a report of the items discussed and actions approved at previous meetings of the Committee.

The Personnel and Compensation Committee has adopted guidelines for information that will be presented to the Committee. The guidelines contemplate, among other things, that any material change to a compensation program, plan or arrangement will be considered over the course of at least two separate meetings of the Committee, with any vote occurring no earlier than the second meeting.

The Personnel and Compensation Committee reviews all of the elements of our compensation programs periodically and adjusts those programs as appropriate. Each year, the Committee makes decisions regarding the amount of annual compensation and equity-based or other longer-term compensation for our executive officers and other designated senior employees. For the most part, these decisions are made in the first quarter of each year, following an evaluation of the prior year's performance.

**Delegations of authority.** The Personnel and Compensation Committee has delegated authority to management to make certain decisions or take certain actions with respect to compensation or benefit plans or arrangements, other than those that are solely or predominantly for the benefit of executive officers. For employee benefit, bonus, incentive compensation, severance, equity-based and other compensation or incentive plans and arrangements, the Committee has delegated to the Chief Human Resources Officer (or her designee) the ability to adopt a new plan or arrangement or amend an existing one if:

- the adoption or amendment is not expected to result in a significant increase in incremental expense to PNC (defined as an incremental annual expense that exceeds \$50 million for that plan category), the plan is broadly available to employees and the new plan or amendment would not confer a disproportionate benefit upon executives; or
- the new plan or amendment is of a technical or administrative nature, is required by a change in applicable law, is not otherwise material or, with respect to employee benefit plans, will not result in a significant impact on PNC's overall employee benefits program.

This delegation also includes the authority to take certain actions to implement, administer, interpret or construe, or make eligibility determinations under, the plans and arrangements, including the ability to appoint a plan manager, administrator or committee and to adopt policies and procedures with respect to the plan, except with respect to plans that are overseen by the PNC administrative committee under its charter.

For grants of equity or equity-based awards, the Personnel and Compensation Committee has delegated to the CEO and the Chief Human Resources Officer (or the designee of either) the responsibility to make decisions with respect to equity grants for individuals who are not designated by the Committee as executives, including the determination of participants and grant sizes, allocation of the pool from which grants will be made, establishment and documentation of the terms and conditions of such grants, approval of amendments to outstanding grants (subject to any limitations set forth in the applicable plan or the Committee's delegation of authority) and exercise of any discretionary authority provided to PNC or the Committee pursuant to the terms of the grants and the applicable plan.

The Audit Committee and the Risk Committee (or in the case of equity-based grants, a qualified subcommittee of the Risk Committee) have the authority to award compensation under applicable plans to our General Auditor and our Chief Risk Officer, respectively.

**Management's role in compensation decisions.** Our executive officers, including the CEO and the Chief Human Resources Officer, often review compensation information with the Personnel and Compensation Committee during Committee meetings and may present management's views or recommendations. The Committee evaluates these recommendations, generally in consultation with an independent compensation consultant retained by the Committee who attends each meeting.

The Chair of the Personnel and Compensation Committee typically meets with management and an independent compensation consultant before each meeting of the Committee to discuss agenda topics, areas of focus or outstanding issues. The Chair of the Committee schedules other meetings with the Committee's independent compensation consultant without management present as needed. Occasionally, management will schedule meetings with the Chair of the Committee or other Committee members to discuss substantive issues. For more complicated issues, these one-on-one meetings provide a dedicated forum for Committee members to ask questions outside of the meeting environment.

During Personnel and Compensation Committee meetings, the CEO often reviews corporate and individual performance as part of the compensation discussions, and other members of executive management may be invited to speak to the Committee about specific elements of performance or risk management. Our Chief Risk Officer regularly presents to the Committee regarding risk management, including its impact on the Committee's discussions and decisions regarding executive compensation. The Committee reviews compensation decisions for the Chief Human Resources Officer and the CEO in executive session, without either officer present for the discussion of their compensation. Any decisions on CEO compensation are also discussed with the full Board, with no members of management present for the discussion.

**Role of compensation consultants.** The Personnel and Compensation Committee has the sole authority to retain and terminate any compensation consultant directly assisting it. The Committee also has the sole authority to approve fees and other engagement terms. The Committee receives comparative compensation data from management, from proxy statements and other public disclosures, and through surveys and reports prepared by compensation consultants.

The Personnel and Compensation Committee retained Meridian Compensation Partners, LLC ("Meridian") as its independent compensation consultant for 2019. In this capacity, Meridian reported directly to the Committee. In 2019, one or more representatives of Meridian attended all of the in-person and telephonic meetings of the Committee, and met regularly with the Committee without members of management present. Meridian also reviewed meeting agendas and materials prepared by management.

Meridian and members of management assisted the Personnel and Compensation Committee in its review of proposed compensation packages for our executive officers. For the 2019 performance year, Meridian prepared discussion materials for the compensation of the CEO, which were reviewed in executive session. Meridian also prepared other benchmarking

reviews and pay for performance analyses for the Committee. PNC paid no fees to Meridian in 2019 other than fees paid in connection with work performed by Meridian for the Committee.

The Personnel and Compensation Committee evaluated whether the work of Meridian raised any conflicts of interest. The Committee considered various factors, including the six factors mandated by SEC rules, and determined that no conflict of interest was raised by the work performed by Meridian for the Committee.

Management retains other compensation consultants for its own use. In 2019, management retained McLagan to provide certain market data in the financial services industry. Management also engages Willis Towers Watson, a global professional services firm, to provide various actuarial and management consulting services from time to time, including:

- Preparing specific actuarial calculations on values under our retirement plans
- Preparing surveys of competitive pay practices
- Analyzing our director compensation packages and providing related reports to management and the Nominating and Governance Committee
- Providing insurance brokerage and consulting services to mitigate certain property and casualty risks
- Providing guidance on certain aspects of total rewards, talent management and other human resources initiatives

Reports prepared by Willis Towers Watson and McLagan that relate to executive compensation may also be shared with the Personnel and Compensation Committee.

**Compensation committee interlocks and insider participation.** During 2019, the members of the Personnel and Compensation Committee included Charles E. Bunch, Debra A. Cafaro, Andrew T. Feldstein, Richard J. Harshman, Richard B. Kelson and Michael J. Ward. None of these directors were officers or employees of PNC during 2019, nor are they former officers of PNC or any of our subsidiaries. During 2019, no executive officer of PNC served on the board of directors or compensation committee (or other board committee performing equivalent functions) of an entity that had an executive officer who served on the Board or the Personnel and Compensation Committee.

Certain members of the Personnel and Compensation Committee, their immediate family members or entities with which they are affiliated were our customers or had transactions with us (or our subsidiaries) during 2019. Transactions that involved loans or commitments by subsidiary banks were made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of collectability or present other unfavorable features, and otherwise complied with regulatory restrictions applicable to such transactions.

For additional information, see *Director and Executive Officer Relationships—Regulation O policies and procedures* beginning on page 35.



## Risk Committee



### Chair

Martin Pfinsgraff

### Other members:

Marjorie Rodgers Cheshire  
William S. Demchak  
Andrew T. Feldstein  
Daniel R. Hesse  
Linda R. Medler

The Board performs its risk oversight function primarily through the Risk Committee, which includes both independent and management directors.

The Board most recently approved the charter of the Risk Committee on November 14, 2019, and it is available on our website at [www.pnc.com/corporategovernance](http://www.pnc.com/corporategovernance).

The Risk Committee's purpose is to require and oversee the establishment and implementation of our enterprise-wide risk governance framework, including related policies, procedures, activities and processes to identify, measure, monitor and manage direct and indirect risks at PNC, consisting primarily of credit, market, liquidity, compliance, operational, business, strategic, model, conduct and reputational risks. Accounting and financial reporting risk exposures and related reputational risks are the responsibility of the Audit Committee. The Risk Committee's responsibility is one of oversight, and the Committee has no duty to assure compliance with laws and regulations.

The Risk Committee serves as the primary point of contact between the Board and the management-level committees dealing with risk management. The Committee receives regular reports on enterprise-wide risk management and capital and liquidity management, as well as credit, operational, line of business, model and reputational risks. At each in-person meeting of the full Board, the Chair of the Risk Committee presents a report of the items discussed and actions approved at previous meetings of the Committee.

The Risk Committee also appoints our Chief Risk Officer, who leads our risk management function. The Committee reviews the performance and approves the compensation of the Chief Risk Officer, except with respect to his equity-based grants, which are approved by a qualified subcommittee of the Risk Committee. The Committee reviews the Chief Risk Officer succession plan with the CEO annually and with the Board from time to time.

The Risk Committee, along with the Personnel and Compensation Committee, reviews the risk components of our incentive compensation plans. For a discussion of the relationship between compensation and risk, see *Compensation and Risk* beginning on page 60.

**Subcommittees.** The Risk Committee may form subcommittees as appropriate from time to time.

The Risk Committee has formed a Technology Subcommittee to assist in fulfilling the Committee's oversight responsibilities with respect to technology risk, cybersecurity, information security, physical security, business continuity and significant technology initiatives and programs, including those that can position the use of technology to drive strategic advantage. The members of the Technology Subcommittee are:

### Chair

Daniel R. Hesse

### Other members:

Linda R. Medler  
Toni Townes-Whitley

The Risk Committee has also formed a Compliance Subcommittee to assist in fulfilling the Committee's oversight responsibilities with respect to compliance risk, significant compliance-related initiatives and programs, and the maintenance of a strong compliance risk management culture. The members of the Compliance Subcommittee are:

### Chair

Marjorie Rodgers Cheshire

### Other members:

Joseph Alvarado  
Richard B. Kelson  
Linda R. Medler  
Martin Pfinsgraff

## Board meetings in 2019

The table below sets forth the membership of each of the Board's four primary standing committees and each subcommittee as of December 31, 2019 and indicates the number of meetings held by each committee and subcommittee during 2019. The table also identifies the Chair of each committee and subcommittee, the Presiding Director, any management directors and each director who has been designated by the Board as an "audit committee financial expert" as defined under SEC regulations.

The Board held ten meetings in 2019. Each director attended at least 75% of the aggregate number of meetings of the Board and all committees of the Board on which the director served. The average attendance of all directors at Board and applicable committee meetings was over 97%. The Board has adopted a policy that strongly encourages each director to attend the annual meeting of shareholders in person. We remind each director of this policy prior to the date of the annual meeting. All of our directors then serving attended our 2019 annual meeting of shareholders.

	Joseph Alvarado	Charles E. Bunch	Debra A. Cafaro	Marjorie Rodgers Cheshire	William S. Demchak	Andrew T. Feldstein	Richard J. Harshman	Daniel R. Hesse	Richard B. Kelson	Linda R. Medler	Martin Pfinsgraff	Toni Townes-Whitley	Michael J. Ward	Meetings Held
	(1)		(1)		(2)	(3)	(1)		(1)		(1)			
Audit	●		●				●		●●		●			10
Nominating and Governance		●		●		●●							●	5
Personnel and Compensation		●●	●			●	●		●				●	6
Risk				●	●	●		●		●	●●			9
Compliance	●			●●					●	●	●			8
Technology								●●		●		●		5

●● Chair

(1) Designated as an "audit committee financial expert" under SEC regulations

(2) Management director

(3) Presiding Director (lead independent director)

# DIRECTOR AND EXECUTIVE OFFICER RELATIONSHIPS

This section discusses relationships between PNC (including its subsidiaries) and our directors, executive officers, their immediate family members, and certain of their affiliated entities. These relationships include transactions we considered in determining the independence of our directors.

In this section, we describe the NYSE independence standards for directors and our Board-adopted independence guidelines.

## Director independence

The Board must affirmatively determine that a director has no “material relationship” with PNC for the director to qualify as independent under NYSE rules. A material relationship between a director and PNC can exist as a result of a relationship between PNC and an organization affiliated with the director.

Material relationships may include commercial, industrial, banking, consulting, legal, accounting, charitable and family relationships. The ownership of a significant amount of PNC stock, by itself, will not prevent a finding of independence under NYSE rules.

NYSE rules describe specific relationships that will always impair independence. The absence of one of the enumerated relationships under this “bright-line” test does not mean that a director is deemed independent. The Board must consider all relevant facts and circumstances in determining whether a material relationship exists.

**The NYSE bright-line independence tests.** Each of the following relationships will automatically impair a director’s independence under the NYSE bright-line tests:

- A director was employed by PNC within the last three years
- A director’s immediate family member was an executive officer of PNC within the last three years
- A director or immediate family member received more than \$120,000 in direct compensation from PNC, except for certain permitted payments (such as director fees), during any 12-month period within the last three years
- Certain employment relationships between a director or an immediate family member and PNC’s internal or external auditors
- A director or immediate family member has within the last three years been an executive officer of a company during the same time that a PNC executive officer served on that company’s compensation committee
- A director is an employee or an immediate family member is an executive officer of a company that has made payments to, or received payments from, PNC in excess of certain amounts in any of the last three fiscal years

For purposes of these bright-line tests, references to PNC include certain of PNC’s subsidiaries.

Additional information about the NYSE bright-line director independence tests, including commentary regarding the application of the tests, can be found on the NYSE’s website at [www.nyse.com](http://www.nyse.com).

**Our Board guidelines on independence.** To help assess director independence, the Board adopted guidelines that describe four categories of relationships that will not be deemed to be material. If a relationship involving a director meets the criteria outlined in the guidelines, the Board may affirm the director’s independence without further analysis of that relationship, provided that the director otherwise meets the relevant independence tests. These guidelines are included in our corporate governance guidelines, which can be found on our website at [www.pnc.com/corporategovernance](http://www.pnc.com/corporategovernance).

The four categories of relationships described in the director independence guidelines include:

- Ordinary course business relationships, such as lending, deposit, banking or other financial service relationships, or other relationships involving the provision of products or services by or to PNC or its subsidiaries and involving a director, an immediate family member, or an affiliated entity of a director or immediate family member, where such relationships satisfy the criteria described in the guidelines
- Contributions made by PNC, its subsidiaries or a PNC-sponsored foundation to a charitable organization of which a director or an immediate family member is an executive officer, director or trustee, subject to the conditions described in the guidelines
- Relationships involving a director’s relative who is not an immediate family member
- Relationships or transactions between PNC or its subsidiaries and a company or charitable organization where a director or an immediate family member serves solely as a non-management board member or trustee or where an immediate family member is employed in a non-officer position



The director independence guidelines also allow investors to understand the considerations underlying the Board's independence determinations.

In applying these guidelines, an "immediate family member" includes a person's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than domestic employees) who shares such person's home.

If a director has a relationship that would not be considered material under our guidelines for independence but is one of the relationships described in the NYSE's bright-line tests, the NYSE rules govern and the director will not qualify as independent.

***The Board's independence determinations.*** At a meeting held on February 13, 2020, the Board made an independence determination for each of our directors, including our director nominees. In making these determinations, the Board relied on the evaluation and recommendations made by the Nominating and Governance Committee. The Board considered relevant facts and circumstances, including an evaluation of the relationships described in this proxy statement.

In some cases, the relationships the Board evaluated included relationships a director has as a partner, member, shareholder, officer or employee of an organization that has a relationship with PNC. The relationships evaluated may have also included relationships where an immediate family member of a director is a partner, member, shareholder or officer of an organization that has a relationship with PNC.

The Board based its independence decisions on information known as of February 13, 2020. Each director has been asked to provide updates regarding any changes in circumstances that could impact the director's status as an independent director. The Nominating and Governance Committee and the Board will consider information received throughout the year that may impact director independence.

***Non-independent directors.*** The Board determined that Mr. Demchak is a non-independent director under the NYSE's bright-line tests because he is an executive officer of PNC.

***Independent directors.*** Based on its evaluation of the facts and circumstances of relevant relationships, the Board affirmatively determined that each director and director nominee other than Mr. Demchak qualifies as independent under NYSE rules.

## Transactions with directors

**Customer relationships.** We provide financial services to most of our directors. We also provide financial services to some of their immediate family members and affiliated entities. We offer these services in the ordinary course of our business and provide the services on substantially the same terms and conditions, including price, as we provide to other similarly situated customers. We also extend credit to some of our directors and their immediate family members and affiliated entities. Federal banking law ("Regulation O") governs these extensions of credit. We discuss the impact of Regulation O and our process for managing these extensions of credit under *Director and Executive Officer Relationships—Regulation O policies and procedures* beginning on page 35.

**Business relationships.** We enter into other business relationships with certain entities affiliated with our directors or their immediate family members. These relationships are entered into in the ordinary course of business.

**Certain charitable contributions.** We make contributions to charitable organizations where our directors or their immediate family members serve as directors, trustees or executive officers. We also have a matching gift program whereby we will match a non-employee director's personal gifts to qualifying charities up to a limit of \$5,000 per year.

The table below reflects banking relationships between PNC and a director, an immediate family member of a director or their affiliated entities. Affiliated entities include companies of which a director is, or was during 2019, a partner, executive officer or employee, companies of which an immediate family member of a director is, or was during 2019, a partner or executive officer, and companies in which a director or immediate family member holds a significant ownership or voting position. The table below also reflects relationships where PNC contributed to a charitable organization of which a director or an immediate family member of a director was a trustee, director or executive officer. All of these transactions satisfy the Board's director independence guidelines as transactions that do not impair independence.

		Joseph Alvarado	Charles E. Bunch	Debra A. Cafaro	Marjorie Rodgers Cheshire	William S. Demchak	Andrew T. Feldstein	Richard J. Harshman	Daniel R. Hesse	Richard B. Kelson	Linda R. Medler	Martin Pfinsgraff	Toni Townes-Whitley	Michael J. Ward
Personal or Family Relationships	Deposit, Wealth Management and Similar Banking Products <sup>(1)</sup>		●	●	●	●	●	●	●	●	●		●	
	Credit Relationships <sup>(2)</sup>		●	●	●	●	●	●	●	●			●	●
	Charitable Contributions <sup>(3)</sup>			●	●	●	●	●	●	●	●	●		●
Affiliated Entity Relationships	Deposit, Wealth Management and Similar Banking Products <sup>(1)</sup>			●	●		●	●		●				
	Credit Relationships or Commercial Banking Products <sup>(4)</sup>			●	●		●			●			●	

(1) Includes deposit accounts, trust accounts, certificates of deposit, safe deposit boxes, workplace banking and wealth management products.

(2) Includes extensions of credit, including mortgages, commercial loans, home equity loans, credit cards and similar products, as well as credit and credit-related products.

(3) Does not include matching gifts provided to charities personally supported by the director, because under the Board's director independence guidelines, matching gifts are not a "material relationship" and are not included in considering the value of contributions against our guidelines. Matching gifts are capped at \$5,000 for non-employee directors and are included in the "All Other Compensation" column in the Director compensation in 2019 table.

(4) Includes extensions of credit, including commercial loans, credit cards and similar products, as well as credit-related products and other commercial banking products, including treasury management, purchasing card programs, foreign exchange and global trading services.

## Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics contains several provisions that regulate related person transactions. The Code of Business Conduct and Ethics applies generally to all employees, including our executive officers, and directors.

**Doing business with PNC.** An employee or an immediate family member may want to engage in a business arrangement, such as the sale or lease of property or the provision of services, with PNC. For these transactions, we require prior approval from a supervisor and our Corporate Ethics Office. If a director desires to engage in a business arrangement with PNC, approval is required from our Corporate Ethics Office and the appropriate Board committee.

**Financial services to employees.** Our employees and their extended families are encouraged to use PNC for their personal financial services. These services must be provided on the same terms as are available to the general public, all employees in a market or business, or all similarly situated employees.

**Transacting PNC business.** We prohibit directors and employees from transacting business on behalf of PNC with a supplier or customer in which the director, employee or an extended family member has a significant personal or financial interest. We also prohibit directors and employees from transacting business on behalf of PNC with respect to their own accounts, extended family member accounts or accounts for anyone whose close relationship may reasonably be viewed as creating a conflict of interest. Our phrase “extended family member” is similar to the SEC’s definition of “immediate family member” in Item 404(a) of Regulation S-K. We have established procedures in certain of our businesses to permit employees to transact business with family members, subject to appropriate oversight and compliance with applicable laws and regulations, including Regulation O.

**Employing relatives.** We employ relatives of certain executive officers and directors, in some cases under circumstances that constitute related person transactions. For additional information, see *Director and Executive Officer Relationships—Family relationships* on page 36. We track the employment and compensation of relatives of our executive officers and directors, and we have policies that restrict special treatment in the hiring or compensation of a relative of an executive officer or director. Our employment of a director’s relative is also a factor in the determination of the director’s independence under NYSE rules and our own adopted guidelines regarding director independence. See *Director and Executive Officer Relationships—Director independence* beginning on page 32.

**Waivers.** Employees may generally request waivers or exceptions from certain provisions of the Code of Business Conduct and Ethics from our Corporate Ethics Office. In the case of directors and executive officers, any proposed waiver or exception must be approved by both our Corporate Ethics Office and the appropriate Board committee. In 2019, no directors or executive officers requested a waiver of any of the provisions described above.

**Ethics Guidelines for Directors.** The Audit Committee has adopted Ethics Guidelines for Directors that contain comprehensive guidance regarding the various PNC policies governing the conduct of our directors. The guidelines are designed to supplement and assist directors in understanding relevant policies, including our Code of Business Conduct and Ethics described above, our Regulation O policies and procedures and our Related Person Transactions Policy, each described in more detail below, our Director Pre-Clearance of Securities Policy and our Anti-Corruption Policy. The Ethics Guidelines for Directors were most recently approved on November 13, 2019.

## Regulation O policies and procedures

We maintain additional policies and procedures to help ensure our compliance with Regulation O, which imposes various conditions on a bank’s extension of credit to directors and executive officers and related interests. Any extensions of credit we make must comply with our policies and procedures in accordance with Regulation O. Our Regulation O policies and procedures require:

- Extensions of credit to covered individuals or entities be made on substantially the same terms (including interest rates and collateral) as those prevailing at the time for comparable transactions with those who are not covered. For credit extensions under a benefit or compensatory program widely available to all employees, we may not give preference to any covered individual
- The covered extension of credit be made following credit underwriting procedures no less stringent than those prevailing at the time for comparable transactions with non-covered individuals or entities. The extension of credit may not involve more than the normal risk of repayment or present other unfavorable features
- The amount of covered extensions of credit do not exceed individual and aggregate lending limits, depending on the identity of the borrower and the nature of the loan

Our subsidiary bank, PNC Bank, National Association, has a Regulation O Credit Officer who reviews extensions of credit to determine our compliance with these policies. If an extension of credit would result in an aggregate credit extension of more than \$500,000, the bank’s Board of Directors must approve it. In addition, a director can only meet our guidelines for

## DIRECTOR AND EXECUTIVE OFFICER RELATIONSHIPS

independence with respect to extensions of credit if the credit complied with Regulation O at the time PNC extended it. The bank's Board of Directors receives a report of all extensions of credit made to directors and executive officers and their related interests under Regulation O. All loans to directors and executive officers and their related interests outstanding during 2019 complied with our Regulation O policies and procedures.

## Family relationships

No family relationships exist among any of our directors or executive officers. There are family relationships between certain of our directors and executive officers and some of the approximately 52,000 PNC employees. These employees, including those discussed below, participate in compensation and incentive plans or arrangements on the same basis as other similarly situated employees.

A brother-in-law of Gregory Jordan, one of our executive officers, is employed by PNC and had been for many years before Mr. Jordan joined PNC in 2013. He does not share a household with Mr. Jordan, is not an executive officer of PNC and does not report directly to an executive officer of PNC. His compensation paid in 2019 exceeded the \$120,000 related person transaction threshold and as a result was reviewed by the Audit Committee.

A son of Michael Hannon, one of our executive officers, is employed by PNC. He does not share a household with Mr. Hannon, is not an executive officer of PNC and does not report directly to an executive officer of PNC. His compensation paid in 2019 exceeded the \$120,000 related person transaction threshold and as a result was reviewed by the Audit Committee.

The daughter of Charles E. Bunch, one of our non-management directors, has been employed by PNC for several years. She does not share a household with Mr. Bunch, is not an executive officer of PNC and does not report directly to an executive officer of PNC. Her compensation paid in 2019 exceeded the \$120,000 related person transaction threshold and as a result was reviewed by the Nominating and Governance Committee. As provided in the NYSE's commentary regarding application of its bright-line director independence tests, the compensation received by Mr. Bunch's daughter for her service as an employee of PNC need not be considered in determining his independence.

## Indemnification and advancement of costs

We indemnify directors, executive officers and in some cases employees and agents against certain liabilities. The covered person may have incurred a liability as a result of service on our behalf or at our request. We may also advance the costs of certain claims or proceedings on behalf of a covered person. If we advance costs, the covered person agrees to repay us if it is determined that the person was not entitled to indemnification. The insurance policies we maintain for our directors and executive officers also provide coverage against certain liabilities.

The indemnification provisions, the advancement of costs and our insurance coverage may provide benefits to our directors and executive officers. During 2019, we did not advance legal costs to any director or executive officer.

# RELATED PERSON TRANSACTIONS

## Related person transactions policy

A related person transaction is generally any transaction in which PNC or its subsidiaries is or will be a participant, the amount involved exceeds \$120,000, and a director (or nominee), executive officer, family member or any beneficial owner of more than 5% of our common stock has or will have a direct or indirect material interest. Our policy for the review and approval of related person transactions was most recently approved on August 7, 2019.

This policy provides guidance on the framework for reviewing potential related person transactions and approving or ratifying related person transactions, and establishes our Presiding Director as the individual who decides how transactions should be evaluated.

In general, a potential related person transaction that involves a director would be reviewed by the Nominating and Governance Committee, as the transaction could also impact independence. A transaction that involves an executive officer or beneficial owner of more than 5% of our common stock would generally be reviewed by the Audit Committee. The full Board receives reports on approved, disapproved and ratified transactions. Under the policy, a permitted related person transaction must be considered to be in, or not inconsistent with, the best interests of PNC and its shareholders.

## Certain related person transactions

We have a contract to purchase carpeting from Interface Americas, Inc. A sister-in-law of Gregory Jordan, one of our executive officers, is employed by Interface and serves as a sales representative on the PNC account. The relationship existed for many years before Mr. Jordan joined PNC in 2013. The contract was not negotiated with Mr. Jordan's sister-in-law; however, she does receive commissions on PNC's purchases of carpeting from Interface. We are not involved in the determination of the amount of her commission and understand that it is based on customary terms. In 2019, we purchased carpet in an aggregate amount of \$3.6 million from Interface.

Based on information contained in a Schedule 13G filed with the SEC, BlackRock, Inc. ("BlackRock"), through certain of its subsidiaries, indicated that it beneficially owned more than 5% of our outstanding shares of common stock as of December 31, 2019 (see *Security Ownership of Management and Certain Beneficial Owners—Security ownership of certain beneficial owners* on page 83). BlackRock is the beneficial owner of our common stock as a result of being a parent company or control person of the subsidiaries disclosed in its Schedule 13G, each of which holds less than 5% of our outstanding shares of common stock.

During 2019, we paid BlackRock approximately \$7 million for use of BlackRock's enterprise investment system and related services, which include risk analytics, portfolio management, compliance and operational processing. We also paid BlackRock approximately \$3 million for securities trading related services and approximately \$1 million for investment advisory and administration services provided to certain of our subsidiaries and separate accounts assets for a fee based on assets under management. These transactions were entered into on an arm's length basis and contain customary terms and conditions.

During 2019, we received approximately \$7 million in fees from BlackRock for distribution and shareholder servicing activities. These transactions were entered into on an arm's length basis and contain customary terms and conditions.

We may in the ordinary course of business engage in transactions with BlackRock mutual funds, including using the BlackRock funds as treasury management vehicles for our corporate clients, selling BlackRock investment products to our customers or placing our customer funds in BlackRock mutual funds, using BlackRock funds as an investment vehicle for the PNC 401(k) accounts, providing commercial loan servicing to BlackRock funds or providing shareholder services to our clients who are shareholders of BlackRock mutual funds.

We may also make loans to BlackRock or the BlackRock funds. These loans are made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to PNC, and do not involve more than the normal risk of collectability.

We hold an equity investment of approximately 22% in BlackRock. In connection with this equity investment, we have entered into various agreements governing the terms of this relationship. We received cash dividends from BlackRock of approximately \$459 million during 2019.

Based on information contained in separate Schedule 13G filings with the SEC, Wellington Management Group, LLP and certain subsidiaries ("Wellington") and The Vanguard Group, Inc. ("Vanguard") each indicated that it beneficially owned more than 5% of our outstanding shares of common stock as of December 31, 2019 (see *Security Ownership of Management and Certain Beneficial Owners—Security ownership of certain beneficial owners* on page 83). In the ordinary course of business during 2019, our Corporate & Institutional Banking business engaged in treasury management transactions with Vanguard

## RELATED PERSON TRANSACTIONS

and capital markets transactions with each of Vanguard and Wellington. These transactions were entered into on an arm's length basis and contain customary terms and conditions. This business is also a party to several credit facilities with Vanguard and counterparty clearing lines with each of Vanguard and Wellington. These credit transactions were on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable facilities with persons not related to PNC, and do not involve more than the normal risk of collectibility. In addition, our Asset Management Group includes Vanguard funds, including Vanguard exchange traded funds, in its investment platform, and has historically included Wellington funds in its investment platform and may do so again in the future. PNC Investments includes Vanguard funds in its investment platform. While PNC Investments does not currently include Wellington funds in its platform, it may do so in the ordinary course when evaluating the funds to be included.



# DIRECTOR COMPENSATION

The Nominating and Governance Committee of the Board reviews all elements of non-employee director compensation, which are described below, and makes an annual compensation recommendation to the Board. Mr. Demchak receives no additional compensation for serving as a PNC director. In addition to annual compensation, the Committee may approve special compensation to a director for extraordinary service. The primary objectives of the Committee's annual review are to confirm continued alignment with business and shareholder interests, evaluate the competitiveness of our director compensation program relative to the peer group, and identify and respond to continued changes in director compensation in light of the competitive environment. The Committee conducted its annual compensation review for 2019 on April 23, 2019.

The following table describes the components of director compensation in 2019:

<b>Annual Retainer</b>		
<i>Each director</i>	\$	90,000
<i>Additional retainer for Presiding Director</i>	\$	30,000
<i>Additional retainer for Chairs of Audit, Nominating and Governance, Personnel and Compensation, and Risk Committees</i>	\$	25,000
<i>Additional retainer for Chairs of Compliance Subcommittee and Technology Subcommittee</i>	\$	25,000
<b>Meeting Fees (Committee/Subcommittee)</b>		
<i>First six meetings</i>	\$	1,500
<i>Each additional meeting</i>	\$	2,000
<b>Equity-Based Grants</b>		
<i>Value of 1,080 deferred stock units awarded as of April 23, 2019</i>	\$	144,936

**Deferred compensation plans.** Our non-management directors may choose to defer the compensation they receive for meeting fees and retainers under our Directors Deferred Compensation Plan. Under this plan, the directors may elect to defer compensation into an account that tracks the price of PNC common stock or an interest rate defined in the plan. The accounts that track the price of PNC common stock are credited with a number of units (including fractional shares) that could have been purchased with the equivalent of PNC common stock cash dividends. We do not pay above-market or preferential earnings on any director compensation that is deferred. The directors may choose the payout date and whether the payout, which is made in cash, will be in a lump sum or up to 10 annual installment payments.

Under the Outside Directors Deferred Stock Unit Program, a subprogram of the 2016 Incentive Award Plan, each non-employee director is eligible to receive an annual grant of deferred stock units that vest immediately upon grant and are paid out in shares of PNC common stock at retirement. The deferred stock units accrue dividends with reinvestment equal to the number of units that could have been purchased with the equivalent of PNC common stock cash dividends (rounded down to the nearest whole share).

**Other director benefits.** We generally limit the benefits we provide to our directors, but we regularly provide the following:

- **Charitable matching gifts.** We will match a non-employee director's personal gifts to qualifying charities up to a limit of \$5,000 per year.
- **Insurance policies.** We pay for various insurance policies that protect directors and their families from personal loss connected with Board service.
- **Expenses related to Board service.** We pay for expenses connected with our directors' Board service, including travel on corporate, private or commercial aircraft, lodging, meals and incidentals.

We may also provide other incidental benefits to our directors from time to time, including tickets to cultural, social, sporting or other events and small gifts for holidays, birthdays or special occasions. In limited circumstances, we may also provide travel for directors on corporate aircraft for personal purposes, such as when a family emergency arises or a seat is available on a previously scheduled flight. We determine the value of these benefits based on the incremental cost to PNC and we include the amount in the "All Other Compensation" column of the Director compensation in 2019 table below.

**Director stock ownership requirement.** The Board has adopted a common stock purchase guideline for our non-management directors. Under this guideline, each director must own shares of PNC common stock (including phantom stock units) with a value of at least five times the value of his or her annual base retainer. Until a director meets this ownership level, he or she must purchase or acquire common stock or stock units that equal at least 25% of the annual retainer for that year. A director may satisfy this requirement through open market purchases or by deferring compensation into stock units under the Directors Deferred Compensation Plan described above. As of December 31, 2019, the minimum ownership threshold for directors was valued at \$450,000. All of our directors serving at that time other than Linda R. Medler, who was appointed in January 2018, and Joseph Alvarado, Richard J. Harshman and Toni-Townes Whitley, who were appointed in January 2019, satisfied the ownership guideline.

# Director compensation in 2019

For fiscal year 2019, we provided the following compensation to our non-employee directors:

Director Name	Fees Earned <sup>(a)</sup>	Stock Awards <sup>(b)</sup>	All Other Compensation <sup>(c)</sup>	Total
Joseph Alvarado	\$ 120,000	\$ 144,936	\$ —	\$ 264,936
Charles E. Bunch	\$ 131,500	\$ 144,936	\$ 91,263	\$ 367,699
Debra A. Cafaro	\$ 114,500	\$ 144,936	\$ 7,085	\$ 266,521
Marjorie Rodgers Cheshire	\$ 150,500	\$ 144,936	\$ 23,920	\$ 319,356
Andrew T. Feldstein	\$ 156,500	\$ 144,936	\$ 60,125	\$ 361,561
Richard J. Harshman	\$ 116,000	\$ 144,936	\$ 472	\$ 261,408
Daniel R. Hesse	\$ 137,500	\$ 144,936	\$ 24,142	\$ 306,578
Richard B. Kelson	\$ 154,000	\$ 144,936	\$ 80,069	\$ 379,005
Linda R. Medler	\$ 118,500	\$ 144,936	\$ 6,504	\$ 269,940
Martin Pfinsgraff	\$ 161,500	\$ 144,936	\$ 5,000	\$ 311,436
Donald J. Shepard*	\$ 49,659	\$ —	\$ 105,090	\$ 154,749
Toni Townes-Whitley	\$ 96,000	\$ 144,936	\$ —	\$ 240,936
Michael J. Ward	\$ 106,500	\$ 144,936	\$ 20,819	\$ 272,255

\* Mr. Shepard served as a director through April 23, 2019.

- (a) This column includes the annual retainer, additional retainers for the Presiding Director and the chairs of standing committees and subcommittees, and meeting fees earned for 2019. The amounts in this column also include the fees voluntarily deferred by certain directors under our Directors Deferred Compensation Plan, a non-qualified defined contribution plan, as follows: Debra A. Cafaro (\$114,500); Marjorie Rodgers Cheshire (\$60,200); Andrew T. Feldstein (\$156,500); Richard J. Harshman (\$27,250); Daniel R. Hesse (\$137,500); Linda R. Medler (\$35,550); Donald J. Shepard (\$49,659); and Michael J. Ward (\$106,500).
- (b) The amounts in this column reflect the grant date fair value under Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation (FASB ASC Topic 718) of 1,080 deferred stock units awarded to each director under our Outside Directors Deferred Stock Unit Program as of April 23, 2019, the date of grant. The grant date fair value is calculated based on the NYSE closing price of our common stock on the date of grant of \$134.20 per share.

As of December 31, 2019, the non-employee directors listed in the table below had outstanding stock units in the following amounts:

Director Name	Cash-Payable Stock Units	Stock-Payable Stock Units
Joseph Alvarado	—	1,096
Charles E. Bunch	20,923	3,408
Debra A. Cafaro	2,009	2,137
Marjorie Rodgers Cheshire	5,897	3,408
Andrew T. Feldstein	13,801	3,408
Richard J. Harshman	194	1,096
Daniel R. Hesse	2,987	3,408
Richard B. Kelson	15,831	3,408
Linda R. Medler	455	2,137
Martin Pfinsgraff	—	2,137
Toni Townes-Whitley	—	1,096
Michael J. Ward	5,325	3,408

None of our non-employee directors had any outstanding stock options or unvested stock awards as of December 31, 2019.

- (c) This column includes income under the Directors Deferred Compensation Plan and the Outside Directors Deferred Stock Unit Plan as follows: Charles E. Bunch (\$86,263); Debra A. Cafaro (\$7,085); Marjorie Rodgers Cheshire (\$23,920); Andrew T. Feldstein (\$55,125); Richard J. Harshman (\$472); Daniel R. Hesse (\$19,142); Richard B. Kelson (\$75,069); Linda R. Medler (\$1,504); Donald J. Shepard (\$105,090); and Michael J. Ward (\$20,819). This column also includes the dollar amount of matching gifts made by us in 2019 to charitable organizations. No non-employee director received any incidental benefits in 2019, and there were no incremental costs to PNC for personal use of our corporate aircraft by any non-employee director in 2019.



# COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis ("CD&A") explains our executive compensation philosophy, describes our compensation programs and reviews our compensation decisions for the following named executive officers ("NEOs"):

Name of NEO	Title
William S. Demchak	Chairman, President and Chief Executive Officer
Robert Q. Reilly	Executive Vice President and Chief Financial Officer
Michael P. Lyons	Executive Vice President, Head of Corporate & Institutional Banking and Asset Management Group
E William Parsley, III	Executive Vice President and Chief Operating Officer
Karen L. Larrimer	Executive Vice President, Head of Retail Banking and Chief Customer Officer






## Where to find information in the CD&A

Information	Description	Page
2019 PNC performance	A summary of PNC's performance in 2019	41
Compensation philosophy	An overview of PNC's four compensation principles, key features of our executive compensation program and an explanation of what we do (and don't do)	42
Stakeholder engagement and impact of 2019 say-on-pay vote	A summary of last year's say-on-pay vote (over 95% in favor) and our ongoing stakeholder engagement efforts	44
Compensation program summary	An explanation of how we set total compensation targets for each NEO, and how we evaluate and pay incentive compensation — both the annual cash incentives and the long-term equity-based incentives (PSUs and RSUs) — as well as a glossary of the key performance metrics the Committee reviews	44
2019 compensation decisions	A discussion of the 2019 incentive compensation targets set for each NEO, the actual incentive compensation paid and the rationale for those compensation decisions — including specific discussions on PNC performance and key achievements of each NEO	49
Compensation policies and practices	A description of other key compensation practices, including our peer group composition, stock ownership guidelines, clawback policy and limited perquisites	55

## 2019 PNC performance

-  PNC delivered a successful year in 2019. Diluted earnings per common share were \$11.39, a 6% increase over 2018, and we generated record revenue of \$17.8 billion while achieving positive operating leverage.
-  We increased our net income to \$5.4 billion, a 1% increase compared to 2018, and grew loans and deposits. Our return on average assets was 1.35% and our return on average common equity was 11.50%. At December 31, 2019, our tangible book value was \$83.30 per common share, an increase of 10% from year-end 2018.
-  We achieved a total shareholder return of 40.9%, which was above the peer median for 2019. Our total shareholder return has been in the top quartile of peers over each of the three-year and five-year periods ending December 31, 2019.
-  We continued to control expenses, improving our efficiency ratio to 59% and achieving our \$300 million continuous improvement program savings goal for the year.
-  We returned \$5.4 billion of capital to our shareholders in 2019 through share repurchases of \$3.5 billion and common stock dividends of \$1.9 billion, including raising the quarterly common stock dividend from \$0.95 to \$1.15 per share.
-  We successfully expanded our middle market corporate banking business into new markets (Boston and Phoenix).

COMPENSATION DISCUSSION AND ANALYSIS

-  We continued our retail national expansion strategy in markets outside of our existing branch network.
-  We continued to focus on the strategies of transforming the customer experience in our Retail Banking segment, enhancing product and service offerings within our Corporate & Institutional Banking segment, and launching new platforms and expanding capabilities within our Asset Management Group segment.
-  We made additional significant progress in leveraging technology to innovate and enhance our products, services, security and processes.
-  We continued to maintain a risk profile within our desired risk appetite.
-  We successfully executed against our internal talent mobility strategy, developed a comprehensive accessibility strategy and met our organizational diversity objectives for the year.

On pages 49 to 54, we discuss in more detail how our 2019 performance affected our compensation decisions.

Compensation philosophy

In this section, we discuss how we view executive compensation and why we make the decisions that we do. The Personnel and Compensation Committee (referred to in this CD&A as the "Committee") relies on defined principles to help guide its executive compensation decisions:

COMPENSATION PRINCIPLES








<b>Pay for performance</b> <i>Provide appropriate compensation for demonstrated performance across the enterprise</i>	<b>Create value</b> <i>Align executive compensation with long-term shareholder value creation</i>	<b>Manage talent</b> <i>Provide competitive compensation opportunities to attract, retain and motivate high-quality executives</i>	<b>Discourage excessive risk-taking</b> <i>Encourage focus on the long-term success of PNC and discourage excessive risk-taking</i>
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The Committee believes that the successful application of these principles requires a thoughtful program design, which includes a balanced evaluation of performance. The Committee believes that discretion, flexibility and judgment are critical to its ability to award incentive compensation that reflects near-term performance results and progress toward longer-term strategic priorities that allow PNC to create value for our shareholders. See *Evaluating performance to determine incentive compensation* on page 45 for more information on how the Committee balances its evaluation of performance.













Key program features

The Committee reviews and approves the compensation to be paid to our NEOs. We seek clarity and transparency in our compensation structure, using features that we believe will help to create a balanced program. While we consider the expectations of various stakeholders, we want our compensation program to achieve multiple objectives, consistent with our compensation principles. The Committee also regularly reviews the operation of our compensation program to help ensure that our objectives continue to be met.

Taken as a whole, our executive compensation program includes several complementary features:

-  We provide incentives for performance over different time horizons (short- and long-term).
-  We embed performance goals into a significant portion of our long-term incentives, and include a risk-based performance review that could reduce or eliminate the awards.
-  We reward achievement against both quantitative and qualitative goals, while allowing for discretion.
-  We connect pay to company performance, relative to our internal objectives and controls, as well as relative to the performance of a carefully selected peer group.
-  We consider market data and trends when making pay decisions.
-  We place a substantial majority of compensation at risk.
-  We pay some incentive compensation in cash today, while deferring a majority of incentives for several years through potential equity-based payouts.




The following table illustrates some important features of our executive compensation program:

WHAT WE DO	WHAT WE DON'T DO
 <b>We pay for performance.</b> We link most of our executive pay to performance, including financial and operating performance measures, qualitative measures and risk-based metrics.	 <b>We do not allow tax gross-ups.</b> We do not provide excise tax gross-ups in our current change of control agreements and we have eliminated these gross-ups from all existing change of control agreements. We do not offer tax gross-ups on the primary perquisites that we offer.
 <b>We discourage excessive risk-taking.</b> Our program discourages executives from taking inappropriate, excessive risks in several ways — including by relying on multiple performance metrics, deferring payouts over a long period, establishing clawback and forfeiture provisions, and requiring meaningful stock ownership.	 <b>We will not enter into substantial severance arrangements without shareholder approval.</b> If a severance arrangement would pay more than 2.99 times base and bonus (in the year of termination), it requires shareholder approval.
 <b>We require executives to hold PNC stock.</b> Our executives must hold a substantial amount of PNC stock, and this amount continues to increase as their equity awards vest.	 <b>We do not grant equity that accelerates upon a change in control (no “single trigger”).</b> We require a “double trigger” for equity to vest upon a change in control — not only must the change in control occur, but the executive must be terminated.
 <b>We have a clawback and forfeiture policy.</b> Our policy requires us to claw back prior incentive compensation that we awarded based on materially inaccurate performance metrics. Our policy gives us broad discretion to cancel unvested equity awards due to risk-related issues or detrimental conduct.	 <b>We do not reprice stock options.</b> Although we currently do not grant stock options, we cannot reprice stock options that are out-of-the-money unless our shareholders allow us.
 <b>We limit perquisites.</b> We provide limited perquisites. Our NEOs receive financial planning and tax preparation services and limited personal use of the corporate aircraft. Two NEOs are eligible to receive executive physicals under a grandfathered program.	 <b>We do not enter into employment agreements.</b> We do not enter into individual employment agreements with our executive officers — they serve at the will of the Board.
 <b>We retain an independent compensation consultant.</b> The Committee retains an independent compensation consultant that provides no other services to PNC.	
 <b>We prohibit hedging, pledging or short sales of PNC securities.</b> We do not allow any director or employee to hedge or short-sell PNC securities. We do not allow any director or executive officer to pledge PNC securities.	

### Regulatory expectations

As a large diversified financial services company, we must also comply with various regulatory requirements. The Board of Governors of the Federal Reserve (the “Federal Reserve”) regulates PNC as a bank holding company and has provided guidance and set expectations with respect to our current compensation program. The Office of the Comptroller of the Currency (the “OCC”) regulates our primary banking subsidiary, and also sets expectations for our compensation program. The Federal Reserve, the OCC and other financial industry regulatory entities, including the SEC, may provide guidance periodically on compensation matters.

## Stakeholder engagement and impact of 2019 say-on-pay vote

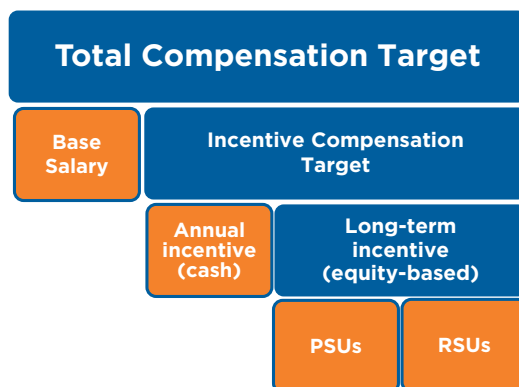
-  The annual advisory vote on executive compensation ("say-on-pay") that we provide to shareholders received another year of strong support in 2019, with over **95%** of our shareholders voting in favor.
-  For the past several years, we have engaged in outreach efforts with certain institutional investors based on investor interest. During 2019, we discussed our corporate governance approach and executive compensation program with several of our institutional investors. This helped them to better understand our philosophy and allowed us to answer questions and discuss our public disclosures with these investors.
-  The Committee considered the results of the say-on-pay vote as one factor in its compensation decisions, as well as feedback received from our shareholder outreach efforts, among the other factors discussed in this CD&A. The Committee did not recommend any changes to the executive compensation program based on the say-on-pay vote or specific feedback from shareholders.

## Compensation program summary




### Total compensation targets

Each NEO receives a total compensation target for the year — consisting of a base salary and an incentive compensation target (cash and equity-based awards). We generally set these targets in the first quarter of the year, or when an executive joins PNC or assumes new responsibilities.

Total compensation targets include the following components:



When constructing an appropriate total compensation target for an NEO, the Committee uses a framework that is consistent with our compensation principles:

-  **We set targets using several factors, including market data.** The Committee reviews available market data, but does not use a formula to set an executive's target compensation. The Committee evaluates many factors, including the appropriateness of the job match and market data, the responsibilities of the position and the executive's demonstrated performance, skills and experience.
-  **At least 50% of compensation is equity-based and not payable for several years.** The Committee believes that a significant portion of compensation should be at risk, tied to PNC stock performance and not payable, if at all, for several years. Accordingly, at the beginning of the performance year, the Committee establishes a specific minimum percentage of each executive's total compensation that will be delivered through long-term equity-based awards: 60% for our CEO and two other NEOs; and 50% for the remaining NEOs. The remainder of the annual incentive payout is delivered as a cash incentive award. Beginning with the 2020 performance year, the Committee increased the percentage of our CEO's total compensation that will be delivered through long-term equity-based awards to 65%.
-  **The equity-based incentive is split between two forms of awards.** Each NEO generally receives a long-term incentive award in two primary forms, a Performance Share Unit (60% of the award) and a Restricted Share Unit (40% of the award). Payouts under these awards are deferred over multiple years. For information on the terms of these awards, see pages 46 to 47.

### ***Evaluating performance to determine incentive compensation***

The Committee believes the total compensation targets collectively provide an appropriate balance between fixed and variable amounts, measuring short-term and long-term performance, immediate and deferred payouts, and cash and equity-based awards. For information on how the 2019 incentive compensation decisions by the Committee compared to the incentive compensation targets, see page 51.

The Committee believes that an effective executive compensation program requires a comprehensive evaluation of performance across multiple categories. This evaluation generally includes a review of financial performance, how we executed against our strategic objectives, and how we manage risk, customer experience and leadership.

The Committee has not adopted a formula-driven compensation program, believing that formulas may reward short-term results or incentivize behaviors that do not serve the long-term interests of our shareholders. Metrics that rely on formulas may also be inappropriately skewed by results outside of management's control. Finally, formulas may undervalue important strategic objectives that do not translate to easily or immediately quantifiable metrics.

To the extent possible, the performance metrics reviewed by the Committee align the objectives of our management, long-term shareholders and federal banking regulators. In some cases, these stakeholders have different objectives that cannot be easily reconciled — for example, long-term shareholders seeking higher returns may be willing to tolerate more risk than a federal banking regulator would accept. That is one reason we use multiple metrics, representing achievement against a range of goals, as well as significant adjustments for risk management. The Committee does not necessarily favor one metric over another. Instead, the Committee uses these metrics to gain a comprehensive understanding of our overall performance.

Following each quarter, the Committee reviews PNC's performance with the CEO. Following the end of the year, the CEO reviews the annual performance with the Committee. During these reviews, the Committee receives a report on the following metrics:

#### ***Core Financial Performance Metrics***

Net interest income  
Noninterest income  
EPS growth  
Return on assets  
Return on equity  
Efficiency ratio

#### ***Capital, Risk and Expense Management Metrics***

Tangible book value  
CET1 ratio  
Loans to deposits ratio  
Net charge-offs to average loans  
Allowance for loan and leases losses to total loans  
Noninterest expense

#### ***Core Business Growth Metrics***

Average loan balances  
Allowance for loan and lease losses  
Average interest-bearing deposits  
Average noninterest-bearing deposits  
Assets under administration  
Mortgage origination value

#### ***Total Shareholder Return***

1-year  
3-year  
5-year

To provide context to the Committee, we compare PNC's core financial performance metrics to our results from the prior year, our budget for the current year and our most recent performance against peers. We also adjust these metrics for certain events as described in more detail beginning on page 49.

We compare our capital, risk and expense management metrics to our results from the prior year and, to the extent available, our most recent performance against peers. We compare our core business growth metrics to our results from the prior year, our budget for the current year and, to the extent available, our most recent performance against peers. We compare our total shareholder return over one-year, three-year and five-year periods to our peers and to the S&P banking index.

In addition to these metrics, the Committee also reviews our progress against strategic objectives and our risk management performance. In determining the amount of incentive performance awards against the incentive compensation targets, the Committee may consider any of these performance metrics without assigning a particular weight to specific metrics.

### ***Incentive compensation program***

The incentive compensation target includes two components — an annual incentive award payable in cash, and a long-term incentive award that is equity-based and granted in two different forms. After the performance year ends, the Committee evaluates PNC's aggregate performance for the year, as well as the individual performance of each NEO, and determines



## COMPENSATION DISCUSSION AND ANALYSIS

an incentive compensation amount to be awarded to each executive, expressed as a percentage of the incentive compensation target set at the beginning of the performance year.

Once the Committee determines the final incentive amount, it is divided between the annual cash incentive and the long-term equity-based incentive. The long-term incentive award makes up at least 50% of the value of the total compensation awarded to the NEO.

The Committee's evaluation of 2019 performance and the related compensation decisions made by the Committee for each NEO are described on pages 49 to 54.

**Long-term incentive award (equity-based).** The long-term incentive ("LTI") is equity-based and granted through two separate awards — Performance Share Units ("PSUs") and Restricted Share Units ("RSUs"). The Committee made these grants to NEOs in the first quarter of 2020 (for 2019 performance) and in the first quarter of 2019 (for 2018 performance). These awards, and all other equity-based awards, are made under PNC's shareholder-approved 2016 Incentive Award Plan.

The table below summarizes the material terms and conditions of the awards granted in 2020 for 2019 performance (these terms and conditions do not differ from the terms and conditions of the awards granted in 2019 for 2018 performance):

Name of Award	% of LTI Value	Vesting Schedule	Metrics	Payout Range (% of target)	Stock or Cash Payout
PSU	60%	After 3-year performance period ends	PNC's return on equity (ROE) compared to performance targets  EPS growth rank against our peer group	0–150%	Stock
RSU	40%	Annual installments over 3 years	Time-based	0–100%	Stock

**PSUs.** With respect to 2019 performance, in the first quarter of 2020 the Committee granted to certain of our senior executives, including all of the NEOs, PSUs that represent an opportunity to receive shares of PNC common stock. The payout is based on how PNC performs against two corporate performance metrics over a three-year performance period. Performance on these two metrics generates a percentage (the corporate performance factor). The award may be decreased if PNC fails to satisfy a risk performance metric or based on a discretionary risk performance review conducted by the Committee. After applying any risk-related performance adjustment (and if PNC satisfies the risk performance metric), the resulting percentage is applied to the number of target PSUs to determine the final number of units available for settlement. The PSUs have a maximum payout opportunity of 150% of target. Payout of any award under the PSUs also requires the satisfaction of service requirements and other conditions of the award.

The Committee also retains limited discretion to reduce or increase the size of the final payout as it deems equitable to maintain the intended economics of the award in light of changed circumstances. These circumstances are limited to external events affecting PNC or members of its peer group or its financial statements that are outside of PNC's control and not reasonably anticipated.

The two corporate performance metrics include an absolute metric (an internal PNC measurement against a target) and a relative metric (PNC performance against peers). The absolute metric is PNC's three-year average return on equity ("ROE"), as adjusted, compared to three-year ROE performance targets established in advance by the Committee. The relative metric is PNC's three-year average earnings per share ("EPS") growth, as adjusted, compared to the three-year average EPS growth of PNC peers.

The ROE metric will be calculated annually for each year of the performance period. At the end of the three-year performance period, average ROE for the performance period will be determined as the average of PNC's annual ROE for each year. In establishing the ROE performance targets, the Committee considers multiple factors, including our historical performance, budget and future growth expectations, peer results, cost of capital and analyst expectations.

The EPS growth metric will be calculated for each year of the performance period. At the end of the three-year performance period, the annual EPS growth percentages will be averaged. PNC's three-year average EPS growth will be compared to the three-year average of each member of the peer group to determine our percentile rank.

Once PNC's percentile rank relating to average EPS growth and PNC's average ROE are determined for purposes of the grants, a corporate performance factor, ranging from 0% to 150%, will be calculated using the grid below and applying bilinear interpolation. The following chart shows the corporate performance metrics for the 2020 grants (the corporate performance metrics for the 2019 grants were included in our 2019 proxy statement).



		Three-year average EPS growth (relative)		
		PNC percentile rank (25 <sup>th</sup> percentile or below)	PNC percentile rank (50 <sup>th</sup> percentile)	PNC percentile rank (75 <sup>th</sup> percentile or above)
Three-year average ROE (absolute)	13.00%	100.0%	125.0%	150.0%
	12.25%	87.5%	112.5%	137.5%
	11.25%	75.0%	100.0%	125.0%
	10.25%	62.5%	87.5%	100.0%
	8.50%	50.0%	75.0%	87.5%
	Below	0.0%	25.0%	50.0%

When calculating our average ROE and EPS growth for this award, we will reverse the after-tax impact of our provision for credit losses — that is, we will add back the provision amount to our reported net income. We will then subtract total net charge-offs from the net income amount and adjust net income for the change in taxes. Net charge-offs represent the amount of a loan (or portion of a loan) that we remove from our balance sheet because we deem it to be uncollectible, less any recoveries. We expect this adjusted ROE and EPS growth to present a more accurate measurement of how efficiently we create profit, as it will replace a forecasted loss amount (provision) with the actual losses incurred (net charge-offs). Adjustments will also be made on an after-tax basis for the impact on PNC and the companies in our peer group, as appropriate, of items resulting from change in federal tax law, discontinued operations (as such term is used under GAAP), acquisition costs and merger integration costs, and the net impact to PNC of significant gains or losses related to certain BlackRock transactions.

**RSUs.** With respect to 2019 performance, in early 2020 the Committee also granted to certain of our senior executives, including all of the NEOs, RSUs that represent an opportunity to receive shares of PNC common stock. The RSUs have three-year pro rata vesting, and each of the three annual installments (tranches) will vest on the anniversary of the grant date, and require the satisfaction of service requirements and other award conditions.

**Additional provisions for PSUs and RSUs.** The provisions below apply to both the PSUs and the RSUs.

*Risk-based performance reviews.* Both the PSUs and the RSUs will be subject to risk-based performance reviews. The risk-based performance metric measures whether PNC has a Basel III common equity Tier 1 capital ratio of at least 7.0% based on current definitions and requirements ("CET1 Ratio"). The CET1 Ratio is measured as of the end of the performance year.

For PSUs, for each year during the three-year performance period that PNC fails to meet the CET1 Ratio, one-third of the target number of PSUs granted will be eligible for forfeiture. At the end of the performance period, the Committee will conduct its final performance review and reduce the number of target shares available for payout, if PNC failed to meet the CET1 Ratio for one or more years during the performance period.

With respect to the RSUs, each RSU tranche is subject to the same risk-related performance metric that will be applied to the PSUs, with all or a portion of that tranche being eligible for forfeiture. At the end of each year, the Committee will conduct a risk-based performance review and decrease the number of shares available for payout under the applicable tranche if PNC failed to meet the CET1 Ratio for the year end preceding the vesting date for that tranche.

In addition, and independent from the evaluation of the CET1 Ratio, the Committee may conduct another risk performance review for the PSUs and the RSUs. This discretionary review would generally occur in connection with 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 reduction to the corporate performance factor for risk performance is appropriate for the PSUs or if a reduction for risk performance is appropriate for the applicable RSU tranche.

*Dividends.* Both the PSUs and the RSUs will accrue cash dividend equivalents during their respective performance periods. For the PSUs, the accrued dividend equivalents will be adjusted by the same percentage as the target PSUs at the time of payout, and will then be paid out in cash. For the RSUs, the accrued dividend equivalents with respect to a tranche will pay out in cash at the same time, and will be adjusted by the same payout percentage, as the RSUs to which they relate.

## COMPENSATION DISCUSSION AND ANALYSIS

### Other compensation and benefits

In addition to the components included in the total compensation target outlined above, our executive compensation program also includes the following components:

- |                                       |   |
|---------------------------------------|---|
| <b>Perquisites</b>                    | <ul style="list-style-type: none"><li>• Maximize efficiency and focus on our business.</li><li>• Described in more detail beginning on page 57.</li></ul>                     |
| <b>Change in Control Arrangements</b> | <ul style="list-style-type: none"><li>• Provide for continuity of management in connection with a change in control.</li><li>• Described in more detail on page 76.</li></ul> |
| <b>Health and Retirement Plans</b>    | <ul style="list-style-type: none"><li>• Promote health and wellness.</li><li>• Help employees achieve financial security after retirement.</li></ul>                          |

### Glossary of key performance metrics

The following chart defines some of the key performance metrics evaluated by the Committee, and provides a brief explanation of why we use each metric. We consider all of these metrics in our overall evaluation of executive compensation, and some of these metrics are also used to calculate payouts under the long-term incentive program, as described above.

#### Capital and risk metrics

##### Capital ratios

The federal banking regulators have adopted capital rules that establish risk-based and leverage capital ratios to evaluate the capital adequacy and financial strength of banking organizations. The regulatory capital rules establish certain minimum requirements for these ratios, as well as a capital conservation buffer requirement, in order to avoid limitations on capital distributions and certain discretionary incentive compensation payments. As of January 1, 2020, banking organizations (including PNC) were required to maintain a risk-based CET1 capital ratio of at least 7%, in addition to other capital ratios. PNC currently exceeds all required regulatory capital ratios.

#### Expense metrics

##### Efficiency ratio

The efficiency ratio helps us evaluate how efficiently we operate our business. The ratio divides our noninterest expense (such as compensation and benefits, occupancy costs, equipment, and marketing) by our revenue. In general, a smaller ratio is better. A bank's efficiency ratio will be affected, however, by its particular mix of businesses. We calculate risk-adjusted efficiency ratio by adding our net charge-offs to our noninterest expense, which helps to show the quality of our overall credit decisions.

#### Profitability metrics

##### Earnings per share (EPS) and EPS growth

EPS is a common metric used by investors to evaluate the profitability of a company. It shows the earnings (net income) we make on each outstanding share of common stock. While EPS represents a specific dollar amount, EPS growth represents the percentage growth of EPS over the previous year. EPS growth helps us to compare our annual earnings strength to our peers.

##### Return on assets (ROA)

Investors often evaluate banks by their asset size, with loans and investment securities making up the largest components of assets. ROA is our annualized net income divided by our average assets and represents how efficiently we use assets to generate profit.

##### Return on equity (ROE)

Return on equity (including return on common equity) measures profitability by showing how much profit we generate (net income) with the money our shareholders have invested (equity). It shows how efficiently we deploy our investors' funds. Return on equity measures total annual net income divided by average total shareholders' equity. Return on common equity is our annual net income attributable to our common shareholders, divided by average common shareholders' equity.

#### Revenue metrics

##### Net interest income

Net interest income measures the revenue generated from lending and other activities minus all interest expenses (such as interest paid on deposits and borrowings). It is a good indicator of performance for banks given the importance of interest-earning assets and interest-bearing sources of funds.

##### Noninterest income

Noninterest income measures the fees and other revenue we derive from our businesses (other than interest income). A healthy mix of net interest income and noninterest income provides diverse earnings streams and lessens a bank's reliance on the interest rate environment.

#### Valuation metrics

##### Tangible book value per share

This financial measure takes our total tangible common shareholders' equity (intangible assets, such as goodwill, are excluded) and divides that by the number of shares outstanding. This provides investors with an objective valuation method and allows them to compare relative values of similar companies.

##### Total shareholder return (TSR)

TSR is a common metric used to show the total returns to an investor in our common stock. Annual TSR takes into account the change in stock price from the beginning to the end of the year, as well as the reinvestment of any dividends paid throughout the year.

## 2019 compensation decisions

### 2019 total compensation targets

At the beginning of 2019, the Committee set the following total compensation targets for our NEOs:

	William S. Demchak	Robert Q. Reilly	Michael P. Lyons	E William Parsley, III	Karen L. Larrimer
Base salary (annualized)	\$ 1,100,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000
Incentive compensation target	\$ 11,500,000	\$ 3,800,000	\$ 7,300,000	\$ 7,300,000	\$ 3,300,000
Annual cash incentive portion	\$ 3,940,000	\$ 1,550,000	\$ 2,500,000	\$ 2,500,000	\$ 1,300,000
Long-term incentive portion	\$ 7,560,000	\$ 2,250,000	\$ 4,800,000	\$ 4,800,000	\$ 2,000,000
Total compensation target	\$ 12,600,000	\$ 4,500,000	\$ 8,000,000	\$ 8,000,000	\$ 4,000,000

For the 2019 performance year, our CEO's total compensation target fell within approximately 5% of the median total compensation target for our peer group, as adjusted for PNC's total assets (and using actual total compensation if a peer had not disclosed targets). The total compensation targets for our other NEOs are generally aligned with the market, as adjusted for PNC's total assets. When establishing the total compensation targets for 2019, the Committee reviewed available market data with Meridian, its independent compensation consultant, and members of management.

For the 2020 performance year, the Committee increased Mr. Demchak's total compensation target to \$14,200,000. Following this increase, Mr. Demchak's total compensation target remains within 20% of the peer group median total compensation target, as adjusted for PNC's total assets. The Committee increased this target based on a number of factors, including Mr. Demchak's tenure as CEO and PNC's successful long-term financial and strategic performance under his leadership. As part of this increase, the Committee also increased the percentage of pay delivered through equity, furthering the alignment of his compensation with the objectives of our long-term shareholders. Starting with the 2020 performance year, the long-term equity-based incentive component of Mr. Demchak's compensation will be 65% (up from 60%) of his total compensation.

The Committee also increased the total compensation targets for each of Mr. Reilly and Ms. Larrimer to \$4,800,000. The Committee approved these increases based on the scope of duties, performance, skills and experience of each executive, as well as changes in market information for similar executives at other financial institutions.

### 2019 performance

At meetings held during the first quarter of 2020, the Committee reviewed PNC's 2019 performance with the CEO, the Chief Risk Officer and other members of management. In evaluating our 2019 performance, the Committee reviewed our performance against the range of metrics described on page 48, including the selected performance metrics identified in the table below.

Selected performance metrics	2019 results <sup>(1)</sup>	2019 budget	2018 results <sup>(1)</sup>	2019 results vs. 2019 budget	2019 results vs. 2018 results
Net interest income (in millions)	\$9,965	\$10,090	\$9,721	-1.2%	+2.5%
Noninterest income (in millions)	\$7,862	\$7,475	\$7,411	+5.2%	+6.1%
Diluted EPS*	\$11.62	\$11.51	\$10.69	+1.0%	+8.7%
ROE*	11.35%	11.44%	11.40%	-0.8%	-0.4%
ROA*	1.38%	1.41%	1.41%	-2.1%	-2.1%
Risk-adjusted efficiency ratio*	62.92%	62.34%	62.55%	-0.9% <sup>(2)</sup>	-0.6% <sup>(2)</sup>
Net income (in millions)	\$5,418		\$5,346		
Tangible book value per share*	\$83.30		\$75.42		
Annual total shareholder return	40.9%		(17.0)%		
CET1 Ratio	9.5%		9.6%		

\* Non-GAAP financial measure. See Annex A for a reconciliation of non-GAAP financial measures to GAAP, and for additional information about the adjustments to GAAP measures.

(1) Some of the results include certain adjustments to PNC's performance. Based on these adjustments, the results in the table may differ from reported results under GAAP. PNC's 2019 and 2018 results included adjustments to reflect the addition of provision for credit losses and reduction of net charge-offs. When reviewing PNC's performance against peer performance, we adjust peer performance for the same types of items for which we could adjust PNC performance. We adjusted peer results for the impact of the Tax Cuts and Jobs Act (2018), various merger-related and restructuring charges (2019 and 2018), and income or loss from discontinued operations (2019 and 2018).

COMPENSATION DISCUSSION AND ANALYSIS

(2) As a smaller efficiency ratio is better than a larger one, we have presented the increase in the risk-adjusted efficiency ratio as a negative change when compared to our budget and the prior year's results.

The Committee noted that PNC delivered a successful year across a range of performance criteria, including:





- ▶ An increase in adjusted diluted EPS (5th in the peer group), adjusted net interest income (4th in the peer group) and adjusted noninterest income (6th in the peer group) over 2018
- ▶ Growth in loans and deposits over the prior year
- ▶ Record total revenue for the second year in a row
- ▶ One-year TSR of 40.9% (5th in the peer group)
- ▶ Three-year TSR of 13.8% and five-year TSR of 14.6% (both 3rd in the peer group)
- ▶ Achieved the highest price to estimated 2020 earnings ratio in our peer group at year end 2019
- ▶ The return of \$5.4 billion of capital to shareholders, including share repurchases of \$3.5 billion and common stock dividends of \$1.9 billion
- ▶ Increased the quarterly common stock dividend 21% from \$0.95 to \$1.15 per share
- ▶ Above-median performance in ROA, ROE and risk-adjusted efficiency ratio (5th in the peer group for each metric)
- ▶ A tangible book value per share of \$83.30, representing a 10% increase over 2018
- ▶ Positive operating leverage (growing total revenue faster than expenses) for the year
- ▶ Exceeding our \$300 million continuous improvement savings goal for the year
- ▶ Maintaining strong credit quality, with net charge-offs to average loans of 0.27% (top quartile of the peer group)
- ▶ Maintaining a strong capital position with a CET1 Ratio of 9.5% at year end
- ▶ Continuing to maintain a risk profile within PNC's desired risk appetite
- ▶ Meeting various human capital metrics, including the successful execution against a defined internal talent mobility strategy, developing a comprehensive accessibility strategy and meeting organizational diversity objectives

While PNC slightly underperformed its 2019 budget on net interest income, ROE, ROA and risk-adjusted efficiency ratio, the Committee noted that the budget (prepared in February 2019) assumed interest rate increases throughout the year, while the Federal Reserve instead reduced interest rates three times. Despite the challenging environment, PNC outperformed its 2019 budget on both diluted EPS and noninterest income.

The Committee reviewed these and other metrics and concluded that, in the aggregate, they reflected an excellent year in 2019, both on an absolute basis and relative to peers. At meetings held in early 2020, the Committee also reviewed PNC's performance against the strategic priorities listed below, which had previously been reviewed with the Board in 2019. The Committee concluded that management continued to drive growth across the franchise and make strategic investments to position PNC for long-term success, including the following achievements:

2019 strategic priorities

Expanding our leading banking franchise to new markets and digital platforms	▶ We successfully expanded our corporate banking business into two new markets (Boston and Phoenix).
	▶ We continued the successful execution of our retail national expansion strategy with growth in deposits outside of our existing retail branch network.
	▶ We increased the percentage of our deposit transactions made through ATM and mobile channels over the prior year.

Deepening customer relationships by delivering a superior banking experience and financial solutions	 We continued to focus on the strategy of transforming the customer experience in our Retail Banking segment, including simplifying products for our customers.
	 We enhanced product and service offerings within our Corporate & Institutional Banking segment, including new payments solutions and an online paying agent platform.
Leveraging technology to innovate and enhance products, services, security and processes	 We continued to use intelligent automation to update our processes.
	 We developed a new design thinking practice and training curriculum to employ a problem solving methodology to improve the customer experience.

In addition to evaluating our corporate performance based on these financial and strategic metrics, the Committee also reviewed the individual performance of each NEO. The CEO discussed the individual performance of the NEOs with the Committee and, where appropriate, discussed the performance of the lines of business or functions managed by the NEOs. The Committee approved compensation for each NEO based on an evaluation of corporate, business and individual performance. The Committee discussed compensation recommendations for the CEO with the Committee's independent compensation consultant and our Chief Human Resources Officer, but with no other members of management present. Following this discussion, the Committee approved the compensation for the CEO in an executive session.

The Committee also reviewed the CEO compensation decisions in an executive session of the independent members of the Board, with no members of management present. In that executive session, the Committee allowed time for the independent directors to provide comments or questions about the CEO's performance or compensation.

Based on a comprehensive evaluation of PNC's 2019 performance, the Committee determined that it was appropriate to award incentive compensation that was above target for each NEO and above the aggregate incentive compensation awarded to the NEOs last year. The key considerations for the Committee's compensation decisions included PNC's outstanding total shareholder return of 40.9%, excellent growth in 2019 both on an absolute basis and relative to peers (while remaining within the desired risk appetite), continued disciplined expense management, and demonstrable execution against strategic objectives.

### 2019 compensation decisions

The table below shows, for each NEO, the incentive compensation target for 2019 and the actual annual cash incentive and long-term incentives awarded for 2019 performance. The incentive compensation awarded for 2019 performance differs from what we disclose in the Summary compensation table on page 62. In compliance with SEC rules, the 2019 incentive compensation disclosed in the Summary compensation table includes incentive awards from two different performance years — the long-term equity-based incentives granted in 2019 (for 2018 performance) and the annual cash incentive paid in 2020 (for 2019 performance).

	William S. Demchak	Robert Q. Reilly	Michael P. Lyons	E William Parsley, III	Karen L. Larrimer
Incentive compensation target	\$ 11,500,000	\$ 3,800,000	\$ 7,300,000	\$ 7,300,000	\$ 3,300,000
Incentive compensation awarded for 2019 performance	\$ 16,100,000	\$ 4,300,000	\$ 8,300,000	\$ 8,150,000	\$ 4,300,000
Annual cash incentive portion	\$ 5,780,000	\$ 1,800,000	\$ 2,900,000	\$ 2,840,000	\$ 1,800,000
Long-term incentive portion	\$ 10,320,000	\$ 2,500,000	\$ 5,400,000	\$ 5,310,000	\$ 2,500,000
Incentive compensation disclosed in the Summary compensation table <sup>(1)</sup>	\$ 14,030,000	\$ 4,150,000	\$ 8,150,000	\$ 8,090,000	\$ 3,850,000
Annual cash incentive portion (2019 performance)	\$ 5,780,000	\$ 1,800,000	\$ 2,900,000	\$ 2,840,000	\$ 1,800,000
Long-term incentive portion (2018 performance)	\$ 8,250,000	\$ 2,350,000	\$ 5,250,000	\$ 5,250,000	\$ 2,050,000

(1) Under SEC regulations, the incentive compensation amounts disclosed in the Summary compensation table on page 62 include the cash incentive award paid in 2020 for 2019 performance (the "Non-Equity Incentive Plan Compensation" column) and the long-term incentive award granted in 2019 for 2018 performance (the "Stock Awards" column). The amounts shown in the "Stock Awards" column of the Summary compensation table differ slightly from the amounts shown in the table above due to the impact of fractional shares, which are not included in the "Stock Awards" column as they are paid out in cash.

As described on pages 46 to 47, the long-term equity-based incentive portion of the incentive compensation granted by the Committee in 2020 consisted of two grants, the PSUs and the RSUs.

The charts below show the base salary for 2019 for each executive, and the annual cash incentive and long-term equity-based incentive awarded in 2020 for 2019 performance. The blue and orange portions of each circle show the amount of total compensation that is at-risk and not guaranteed.

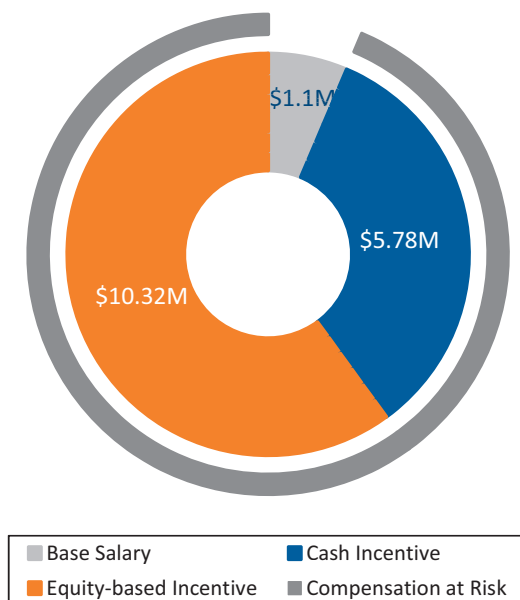


**William S. Demchak**  
Chairman, President and Chief Executive Officer

**2019 Key Achievements**

- Under Mr. Demchak's leadership, PNC delivered another successful year, with strong financial results, EPS growth and record revenue for the second year in a row.
- During Mr. Demchak's tenure as CEO, PNC has achieved consistent and sustained strong performance, and he has developed a high-quality executive team that has executed against PNC's key strategic priorities.
- PNC has delivered excellent results for our shareholders, with a TSR of 40.9% for the year and a TSR in the top quartile of our peers over each of the three-year and five-year periods.
- In 2019, PNC returned \$5.4 billion of capital to shareholders and increased the common stock dividend by 21%.
- PNC continued to expand outside of our traditional footprint in 2019 into two new corporate banking markets and through our retail national expansion strategy.
- See the discussion on pages 49 to 51 for additional 2019 achievements considered by the Committee in connection with the compensation awarded to Mr. Demchak.

**2019 COMPENSATION**

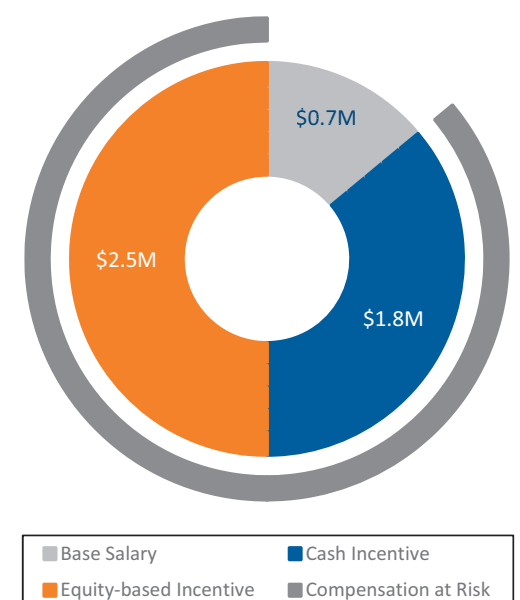


**Robert Q. Reilly**  
Executive Vice President and Chief Financial Officer

**2019 Key Achievements**

- As our CFO since 2013, Mr. Reilly has provided strong, consistent leadership of our finance and realty service functions, including our investor relations, mergers and acquisitions, tax and supply chain departments.
- In leading the strategic planning and budgeting process for PNC, Mr. Reilly successfully identified, established and managed financial goals consistent with our short-term and long-term objectives, including, in particular, by focusing on our technology function and mortgage line of business, and navigating the impact of unanticipated interest rate cuts.
- For the year, PNC generated positive operating leverage and exceeded our \$300 million continuous improvement program savings goal.
- Mr. Reilly successfully led PNC's significant efforts to prepare for the adoption of CECL, a new accounting standard on credit losses that took effect on January 1, 2020.
- Mr. Reilly continues to receive excellent feedback from our institutional shareholders. *Institutional Investor* magazine ranked Mr. Reilly second among Large Cap bank CFOs (and ranked PNC's Investor Relations department third).
- Mr. Reilly met or exceeded the annual diversity objectives for his areas of responsibility.

**2019 COMPENSATION**



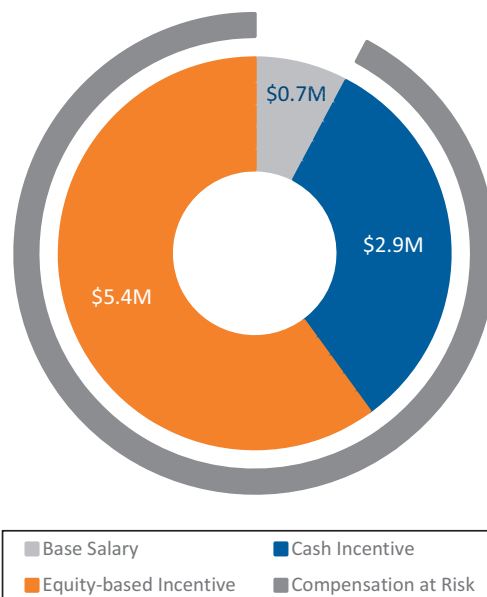


**Michael P. Lyons**  
**Executive Vice President and Head of Corporate & Institutional Banking and Asset Management Group**

**2019 Key Achievements**

- Under Mr. Lyons' leadership, the Corporate & Institutional Banking (C&IB) business segment exceeded its strategic plan by growing loans and deposits over the prior year and achieving year-over-year increases in net interest income and revenue, with record noninterest income and record revenue in treasury management.
- Mr. Lyons and his team led the expansion of PNC's Business Credit platform and the Financial Institutions Group, and continued the successful expansion of the corporate banking business into new markets (Boston and Phoenix).
- C&IB continued to deliver on behalf of its customers, achieving its highest client scores (NPS) in 2019
- Mr. Lyons also continued to make good progress in restructuring the Asset Management Group (AMG) business segment by divesting businesses and investing in talent, products and capabilities to position AMG for future success.
- Mr. Lyons met or exceeded the annual diversity objectives for his areas of responsibility.

**2019 COMPENSATION**

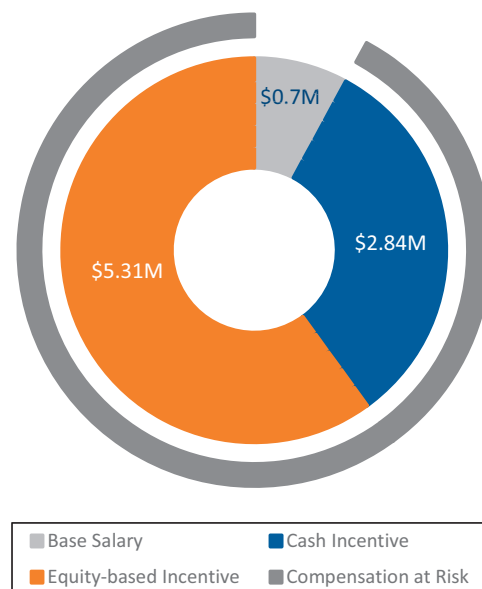


**E William Parsley, III**  
**Executive Vice President and Chief Operating Officer**

**2019 Key Achievements**






- As Chief Operating Officer of PNC, Mr. Parsley continued his strong leadership and oversight of several of our functions, including asset and liability management, capital and liquidity strategy, and regulatory stress testing.
- In 2019, Mr. Parsley and his team made significant progress on regulatory matters and issues management, improving the framework for the Federal Reserve's Comprehensive Capital Analysis and Review (CCAR) process and the implementation of the new CECL accounting standard.
- Mr. Parsley continued his strong leadership of the retail lending businesses at PNC, including streamlining lending platforms and processes, in collaboration with the Retail Banking segment, and achieving good results in the mortgage business.
- Mr. Parsley also delivered solid investment portfolio performance, increased our liquidity, improved our long-term capital planning process and continued to issue long-term debt at favorable rates.
- Mr. Parsley met or exceeded the annual diversity objectives for his areas of responsibility.

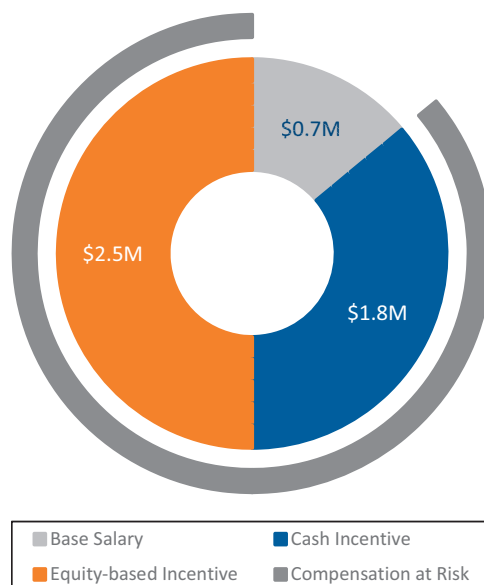
**2019 COMPENSATION**



**Karen L. Larrimer**  
**Executive Vice President and Head of Retail Banking and Chief Customer Officer**

**2019 Key Achievements**

-  Ms. Larrimer delivered strong results as the head of the Retail Banking business segment and the Chief Customer Officer of PNC, with responsibility for leading PNC's consumer businesses, business banking, brokerage, all distribution channels, digital, enterprise customer advocacy and marketing.
-  Under Ms. Larrimer's leadership, the Retail Banking business segment grew loans, deposits and revenue, with PNC Investments achieving record results.
-  Ms. Larrimer achieved strong customer satisfaction scores and made significant progress in improving and simplifying the customer experience through the introduction of new products and enhanced capabilities for existing products.
-  Ms. Larrimer also effectively deployed additional capital to digital initiatives, and helped to expand our national retail digital strategy by acquiring significant new accounts and opening additional solutions centers in Kansas and the Dallas/Forth Worth area.
-  Ms. Larrimer met or exceeded the annual diversity objectives for her areas of responsibility.

**2019 COMPENSATION****Prior long-term incentive awards**

At meetings held in the first quarter of 2020, the Committee also approved payouts from awards that had previously been granted to each of our NEOs. The Committee evaluated performance and risk-based metrics for the outstanding long-term incentive awards that vested based on performance for the period ended December 31, 2019. The Committee approved a payout based on a formula that compared our actual results to previously established performance-based metrics. In addition to confirming any applicable achievement under the performance metrics, the Committee also confirmed that PNC met or exceeded applicable risk-based metrics.

See *Outstanding equity awards at 2019 fiscal year-end* beginning on page 65 for additional information regarding these grants, including the established goals, the results achieved, the payout percentage grids, and the payouts under each grant.

	Grant Year(s)	Type of Award	Grantees	Performance Period	Payout	Form of Payment
<b>Historical Program Awards</b>	2017	Incentive Performance Units	All NEOs	2017–2019	<b>110.18%</b>	Paid in stock (up to target) and cash (above target)
	2017	Incentive Performance Units — Asset & Liability Management	Mr. Parsley	2017–2019	<b>166.67%</b>	Paid in cash
	2016	Performance-based Restricted Share Units	All NEOs	2016–2019	<b>125% (2019 Tranche)</b>	Paid in stock
	2017			2017–2020		
<b>Current Program Awards</b>	2018	Restricted Share Units	All NEOs	2018–2020	<b>Vested and satisfied risk criteria (2019 Tranche)</b>	Paid in stock
	2019			2019–2021		
	2018	Performance Share Units	All NEOs	2018–2020	To be determined (performance period not completed)	N/A
	2019			2019–2021		

## Compensation policies and practices

The Committee adopts policies and procedures to assist in the fulfillment of its duties, and we describe some of the significant policies and procedures in this section. In addition to formal policies and procedures, the Committee has several practices that it follows in the fulfillment of its duties and responsibilities. Some of those practices are described below.

### Compensation and risk

The Committee evaluates the risks inherent in the incentive compensation program. For a detailed discussion of how the Committee evaluates risk, see *Compensation and Risk* beginning on page 60.

### Independent compensation consultant

The Committee retains Meridian Compensation Partners, LLC as its independent compensation consultant. For a discussion of this relationship and the considerations the Committee takes into account when determining independence, see the discussion under the heading *Corporate Governance—Board committees—Personnel and Compensation Committee—Role of compensation consultants* beginning on page 28.

### Peer group

The Committee selects a peer group each year. We use this group to help measure relative performance and to determine payouts under our long-term incentive awards. We also use this group for general compensation comparisons. In approving a peer group, the Committee analyzes several factors, including the mix and complexity of businesses, the markets being served, market capitalization, asset size and changes resulting from mergers or shifts in strategic direction. We also look at the companies with whom we generally compete for talent.

Each year, the Committee reviews the composition of the peer group with management and its independent compensation consultant. For 2019, the Committee believed that the existing peer group generally provided a balanced mix of institutions in light of our size, mix and scope of businesses, products and services, and sources of executive talent. PNC is larger than a majority of the peers, positioned between the median and the 75<sup>th</sup> percentile of the peer group, based on total assets, revenue and market capitalization. The peer group has been updated to reflect the addition of Truist Financial Corporation, which was formed through the merger of two existing peers (BB&T Corporation and SunTrust Banks, Inc.).

The peer group currently includes PNC and the following 11 companies, with assets and market capitalization measured as of December 31, 2019 and revenue measured for the full year:

Peer Group Company	Ticker Symbol	Peer	Assets (in billions)	Peer	Revenue (in billions)	Peer	Market Capitalization (in billions)
Bank of America Corporation	BAC	JPM	\$ 2,687.4	JPM	\$ 115.6	JPM	\$ 429.9
Capital One Financial Corporation	COF	BAC	\$ 2,434.1	BAC	\$ 91.2	BAC	\$ 311.2
Citizens Financial Group, Inc.	CFG	WFC	\$ 1,927.6	WFC	\$ 85.1	WFC	\$ 222.4
Fifth Third Bancorp	FITB	USB	\$ 495.4	COF	\$ 28.6	USB	\$ 91.0
JPMorgan Chase & Co.	JPM	TFC	\$ 473.1	USB	\$ 22.9	TFC	\$ 75.6
KeyCorp	KEY	PNC	\$ 410.3	PNC	\$ 17.8	PNC	\$ 69.1
M&T Bank Corporation	MTB	COF	\$ 390.4	TFC	\$ 12.6	COF	\$ 47.0
Regions Financial Corporation	RF	FITB	\$ 169.4	FITB	\$ 8.3	MTB	\$ 22.2
Truist Financial Corporation	TFC	CFG	\$ 165.7	CFG	\$ 6.5	FITB	\$ 21.8
U.S. Bancorp	USB	KEY	\$ 145.0	KEY	\$ 6.4	KEY	\$ 19.8
Wells Fargo & Company	WFC	RF	\$ 126.2	MTB	\$ 6.2	CFG	\$ 17.6
		MTB	\$ 119.9	RF	\$ 5.9	RF	\$ 16.4

After a review by the Committee, the peer group for 2020 remained unchanged from 2019.

### Executive stock ownership and retention requirements

Our executive officers historically have held a significant portion of their assets in the form of our common stock (or other equity-based instruments that reflect the performance of our common stock). The Committee believes it is important to require our executive officers to meet minimum stock ownership guidelines, denominated in number of PNC shares.

Each executive officer must meet additional ownership requirements, even after meeting the original ownership target. The ownership requirements increase the number of PNC shares that an individual needs to own over time. As new awards vest, designated executives need to retain more shares of stock, which they must then hold until they retire or leave PNC. This ownership policy reflects compensation awards over an executive's career, and also ties an executive's personal wealth

## COMPENSATION DISCUSSION AND ANALYSIS

closely to the performance of PNC and the interests of our long-term shareholders.

Equity interests that count toward satisfaction of the ownership guidelines include shares owned outright by the officer, or his or her spouse and dependent children, restricted shares (subject to time-vesting requirements), certain equity awards and shares or stock units held in a benefit plan. For awards granted during or after 2018, we do not permit executives to count unvested performance-based securities (i.e., the PSUs) toward satisfaction of the guidelines. The guidelines are as follows:

Officer/Category	Base ownership requirement (in shares)	Base ownership requirement (in dollars) <sup>(1)</sup>	Ongoing retention requirement (as a % of newly vested equity)
<b>President and Chief Executive Officer</b>	125,000	\$19,953,750	33%
<b>All other NEOs<sup>(2)</sup></b>	15,000–25,000	\$2,394,450–\$3,990,750	25%

(1) Value based on PNC closing price of \$159.63 per share on December 31, 2019.

(2) The stock ownership guidelines apply to certain other senior executives as well, including generally all executive officers.

Newly hired or promoted executives who become subject to these guidelines will have up to six years to satisfy the guidelines. Under the policy, the Committee considers the circumstances of an executive's failure to comply with the policy when making compensation decisions for that executive. At the time of the compensation decisions, the Committee determined that all of our current NEOs complied with the policy. All other employees subject to the guidelines are also in compliance with the policy.

### Clawback and forfeiture

We have a clawback policy that applies to all of our NEOs and other executive officers, as well as other senior executives and those employees receiving equity-based compensation. A summary of our clawback and incentive compensation adjustment policy is provided below.

Clawback			Negative Adjustments/Forfeiture	
Trigger	<i>Inaccurate Metrics</i> Applies to incentive compensation awarded as the result of materially inaccurate performance metrics (see below for additional details)	<i>Detrimental Conduct</i> Applies when an individual (1) engages in competitive activity without prior consent — either as an employee of PNC or for one year after employment; (2) commits fraud, misappropriation, or embezzlement; or (3) is convicted of a felony	<i>Risk Metrics Performance</i> May apply when there is less than desired performance against corporate or business unit risk metrics, as applicable	<i>Risk-Related Actions</i> May apply when an individual's actions, or the failure to act, either as an individual or supervisor, demonstrates a failure to provide appropriate consideration of risk (see below for additional details)
<b>Applies to</b>	All incentive compensation — vested or unvested	Unvested long-term incentive compensation	Unvested long-term incentive compensation	
<b>Employees affected</b>	NEOs and other senior leaders	All equity recipients	NEOs and other senior leaders	All equity recipients

For purposes of the clawback for materially inaccurate performance metrics, performance metrics include any metric used directly or indirectly to determine whether or not incentive compensation is to be provided to an executive (or group of executives) or to determine the amount of any such compensation, including corporate financial results. The portion of the incentive compensation that represents the excess over what would have been provided if there had been no material inaccuracy in the performance metric will be subject to clawback. The Committee retains discretion, to the extent legally permissible, to determine that it would not be in PNC's best interests to seek to enforce the clawback.

For purposes of the negative adjustment resulting from risk-related actions, the Committee may reduce or cancel unvested long-term incentive compensation granted to an employee who takes action (or fails to take action) that results in, or is reasonably expected to result in, a material adverse impact to PNC or a business unit, such as:

- Not following applicable risk management policies or procedures;
- Disregarding the significant risks associated with a course of action for which the employee is responsible;
- Violating, or permitting or enabling PNC to violate, statutory or regulatory requirements; or
- Not escalating risk concerns to appropriate individuals, committees or other governing bodies.

This applies both to individual employees who took risk-related actions (or failed to take action) and their supervisors. The types of adverse impacts could include matters such as impacts to PNC's or a business segment's or corporate function's financial performance, capital or liquidity positions, reputation or business prospects.

The negative adjustment resulting from risk-related actions allows PNC to recoup unvested equity awards from recipients

whose inappropriate risk-taking activities have resulted in, or are expected to result in, a material adverse impact to PNC in the future. By doing so, we are able to add further risk balancing to our incentive arrangements by accounting for both forward- and backward-looking risk adjustments.

The policy provides that if PNC applies the policy to recoup or clawback incentive compensation or negatively adjust incentive compensation as a result of risk-related actions and the underlying factual circumstances are otherwise publicly reported by PNC in a filing with the SEC or in disclosure that would otherwise meet the requirements for public disclosure by PNC under the SEC's Regulation FD, or are disclosed by a third party in a publicly available court or administrative filing, then PNC will disclose in its annual shareholder meeting proxy statement, a current report on Form 8-K or other public filing made by it with the SEC or a posting in a clearly identifiable location in the Investor Relations section of its corporate website:

- a general description of the circumstances giving rise to the incentive compensation recovery or adjustment, including items such as the number of employees, seniority of employees and line of business impacted; and
- the aggregate amount of incentive compensation recovered or adjusted.

PNC may limit such disclosure if it would be likely to result in, or exacerbate, any existing or threatened employee, shareholder or other litigation, arbitration or proceeding against PNC.

### **Shareholder approval of severance agreements**

We have a Board-approved policy regarding shareholder approval of future severance arrangements. Under this policy, PNC will not enter into an arrangement with an executive officer that provides for additional severance benefits in an amount exceeding 2.99 times the sum of the executive officer's annual base salary and target bonus for the year of termination, unless the future severance arrangement is approved by the affirmative vote of a majority of votes cast by shareholders on the matter.

The Board retains the right to amend, terminate or waive the policy and will promptly disclose any such change. We have made this policy available at [www.pnc.com/corporategovernance](http://www.pnc.com/corporategovernance).

None of our change of control agreements contain any excise tax "gross-up" provisions. For a more detailed discussion on change of control agreements, see *Change in Control and Termination of Employment—Change of control agreements* on page 76.

### **Limiting perquisites**

The Committee believes in limiting the amount of perquisites provided to our executives. We consider a benefit to be a perquisite or personal benefit unless its purpose is clearly and exclusively business-related. We determine the value of perquisites based on their incremental cost to us.

The principal perquisites we may provide to our executive officers include financial consulting and tax preparation services and limited personal use of corporate aircraft, as approved by our CEO. The perquisites we provide to our executive officers under the program do not include any tax "gross ups." Some of our executive officers participate in benefit programs or receive perquisites that we no longer offer to current executives, including two NEOs who remain eligible to receive executive physicals. In addition, we may provide additional perquisites to an executive officer from time to time, but this is not common.

In addition to these perquisites, certain executives, including all NEOs (other than Mr. Demchak), receive a \$10,000 allowance for personal aircraft usage. As the Committee has previously recommended that Mr. Demchak take all flights (personal or business) on the corporate aircraft, the Committee has approved an allowance, not to exceed \$100,000, for personal flights taken on the aircraft by Mr. Demchak.

The Committee has previously approved the execution of lease ("time sharing") agreements between PNC and certain executive officers, including our CEO and one other NEO (Mr. Reilly). Under the terms of these time sharing agreements, Mr. Demchak and Mr. Reilly will pay for the costs of any personal flights that exceed the allowances described above.

Due to certain operational restrictions and administrative efficiencies, we operate our corporate aircraft under Federal Aviation Administration rules and regulations that limit our ability to accept reimbursement for personal aircraft usage unless an individual has a time sharing agreement. The time sharing agreements provide a mechanism to obtain reimbursement from the executive. The costs paid by our executive officers under the terms of the agreements include incremental costs, as well as a federal excise tax and other fees. For flights subject to these time sharing agreements, the officer is required to pay us for the following costs:

- fuel, oil, lubricants and other additives;
- travel expenses of crew, including food, lodging and ground transportation;
- hangar and tie-down costs away from the aircraft's base of operation;
- insurance obtained for the specific flight;
- landing fees, airport taxes and similar assessments;
- custom, foreign permit and similar fees directly related to the flight;



## COMPENSATION DISCUSSION AND ANALYSIS

- in-flight food and beverages; and
- passenger ground transportation.

The Committee has adopted an aviation policy and written procedures to document the principles to be applied in determining the classification of a flight as business or personal and the calculation of aggregate incremental cost for perquisite purposes, including definitions of personal use, enhanced methods for allocating costs between business and personal use in complex situations and an approach for capturing deadhead flights, where appropriate, in the calculation of incremental costs for personal aircraft use.

### *Guidelines on the use of discretion*

The Committee has adopted guidelines on using discretion in incentive compensation plans. Under these guidelines, the use of discretion will be exercised, when permitted under a plan, so that incentive compensation awards are reasonably aligned with risk-adjusted performance. Certain plans have discretionary and formulaic components, while other plans are fully discretionary. For plans with both discretionary and formulaic components, the guidance provides, among other things, that a discretionary increase in otherwise formulaically-determined incentive compensation should be based on behaviors, actions or results that are deemed to be extraordinary, exceed expectations or provide meaningful direct or indirect benefits to PNC or our businesses. At the same time, discretionary reductions in compensation should be based on behaviors, actions or results that fail to meet expectations or negatively impact our performance, reputation or work environment. The guidelines specifically address the need to evaluate both inappropriate risk-taking behaviors during the performance year, as well as the outcome of prior inappropriate risk-taking behaviors, when making discretionary incentive compensation decisions. In addition, managers are generally required to document how discretion was applied in considering risk-taking behaviors and outcomes in employees' performance evaluations or incentive compensation recommendations, particularly for our most senior executives.

### *Restrictions on trading, hedging and pledging*

Our Code of Business Conduct and Ethics and related policies, which apply to our employees and directors, include anti-hedging provisions that prohibit all employees and directors from day trading or short selling PNC securities and from engaging in transactions in any derivative of PNC securities (other than securities issued under a PNC compensation plan), including buying and writing options.

We prohibit certain employees, including all of our executive officers, and our directors from purchasing or selling our securities beginning the 16<sup>th</sup> day of the last month of each calendar quarter until the second business day after we release our earnings for that quarter. We may also impose additional trading restrictions on certain employees, including our executive officers, and directors due to the availability of material, non-public information regarding PNC or our securities. In addition, we require certain employees, including all executive officers, to pre-clear personal investments (other than in specified types of securities) made by the individual or any immediate family members.

Additionally, we do not allow directors, executive officers, and certain other senior employees to pledge PNC securities. These restrictions also generally apply to immediate family members of the covered employees and directors.

### *Consideration of tax deductibility*

Section 162(m) of the Internal Revenue Code does not generally allow a company to deduct compensation over \$1 million paid to certain executive officers. Historically, companies were permitted to deduct performance-based compensation paid under shareholder-approved plans (such as our Executive Incentive Award Plan and our 2016 Incentive Award Plan). Following the enactment of the Tax Cuts and Jobs Act of 2017, which eliminated the performance-based compensation exception under Section 162(m), NEOs are no longer designated as eligible to participate in our Executive Incentive Award Plan for annual incentive awards. Instead, all annual incentive awards made to NEOs will be under the same program as other executive officers of PNC.

Although the Committee considers the desirability of limiting PNC's non-deductible expenses when it makes compensation decisions, the Committee believes in maintaining the flexibility and competitive effectiveness of the executive compensation program. The Committee retains the discretion to establish the compensation paid to the NEOs as the Committee determines to be in the best interests of PNC and its shareholders, and without regard to any limitation provided in Section 162(m). Tax deductibility, while an important consideration, is analyzed as one component of the overall program.



# COMPENSATION COMMITTEE REPORT

We have reviewed and discussed the Compensation Discussion and Analysis with PNC's management, and based on our review and discussions, we recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

**The Personnel and Compensation Committee of the Board of Directors of The PNC Financial Services Group, Inc.**

**Charles E. Bunch, *Chair***

**Debra A. Cafaro**

**Andrew T. Feldstein**

**Richard J. Harshman**

**Richard B. Kelson**

**Michael J. Ward**

# COMPENSATION AND RISK

This section explains how we consider risk at PNC, and the relationship between risk management, performance and compensation. We also discuss the risk reviews presented to the Personnel and Compensation Committee and the methodology we use to assess the potential risks in our incentive compensation plans.





## Risk management at PNC

We encounter risk as part of the normal course of operating our business. The successful execution of our strategy requires effective management of the risks we decide to take to maintain the trust of our customers and provide the best overall customer experience.

We want our decisions to reflect our desired risk appetite. It is our responsibility to establish an enterprise risk management framework that facilitates risk management for the benefit of our customers and shareholders.

### Enterprise risk appetite statement

**We dynamically manage our risk appetite to optimize long-term shareholder value while supporting our employees, customers, and communities. In doing so, we:**

-  Achieve our business objectives and protect our brand by accepting risks that are understood, quantifiable, and analyzed through all phases of the economic cycle.
-  Earn trust and loyalty from all stakeholders, including employees, customers, communities, and shareholders.
-  Reward individual and team performance by taking into account risk discipline and performance measurement.
-  Practice disciplined capital and liquidity management so that we can operate effectively through all economic cycles.

At the highest level, our risk appetite is set to maintain capital levels above our policy limits through a range of economic scenarios.

We strive to embed a culture of risk management throughout PNC. With each of our employees, we reinforce the importance of managing risks in executing on our strategic objectives and in support of our desired risk appetite.

We approve our Enterprise Risk Management Framework and key risk policies at the Board level. We discuss our risk management approach in the Risk Management section of Item 7 of this year's Annual Report on Form 10-K.

We reflect our desired enterprise risk appetite by helping to ensure that our performance management and compensation arrangements for all employees are balanced in ways that do not create incentives for imprudent or excessive risk-taking, are designed to provide a superior customer experience and are reflective of our business model, management structure and risk appetite.

Our compensation philosophy supports and reflects PNC's risk appetite and risk management culture. Our risk policies and procedures guide our management decisions, including how we pay employees. By setting and communicating our risk appetite in advance, we seek to manage and control the risks that employees can take or influence, consistent with their roles and responsibilities.

All employees have performance goals tied to business and individual performance, but each employee, no matter their role at PNC, also has customer focus and risk management goals. We evaluate employee performance against these goals, in addition to considering risk outcomes from actions taken in prior years. We incorporate this comprehensive evaluation of employee risk management into our performance and incentive compensation decisions. In addition, all employees are encouraged to collaborate across groups to identify and mitigate risks and elevate and address identified issues or concerns.

Our compensation program is designed to encourage management of risk within our appetite and discourage inappropriate risk-taking by granting a diverse portfolio of incentive compensation awards to our executives and other senior employees that is expected to reward desired behavior over time. Specifically, we balance our portfolio of awards between fixed and variable compensation; cash and equity-based compensation; and annual and long-term compensation. We base awards on the Committee's assessment of a variety of quantitative and qualitative performance measurements, both on an absolute and a relative basis. Compensation decisions also rely on discretion to consider other factors, such as effective risk management, delivering a superior customer experience, compliance with controls and ethical duties, commitment to diversity and inclusion, competition for top talent, market-based pay levels and the need to attract and engage our leaders.

As discussed in the CD&A, the long-term incentive program includes grants to our NEOs and certain other executives that include a risk-based performance metric. Payouts under these grants could be forfeited if we do not meet the CET1 Ratio described on page 47. We also have a broad-based clawback and incentive compensation adjustment policy as described beginning on page 56.

We maintain an equity program for approximately 130 senior leaders below the executive levels that is designed to help ensure that their incentive compensation awards reflect risk-adjusted performance outcomes that would pay out, if at all, over a three-year period. These senior leaders receive a portion of their incentive compensation in an equity-based award that is subject to the same risk-related performance metric that will be applied to the PSU and RSU grants made to NEOs and certain other executives. Additionally, the equity award agreements for these senior leaders all contain an enterprise-wide risk-based review trigger, while the agreements for senior leaders in business segments (as opposed to those in administrative or control functions) contain an additional, business-specific risk-based review trigger. If a risk-based review is triggered, the applicable review committee will determine whether a downward adjustment is warranted, up to a complete cancellation of the share units in that year's tranche.

## Risk review of compensation plans

Our Chief Risk Officer reports at least quarterly to the Personnel and Compensation Committee to discuss risk management and review the connection between effective risk management and incentive compensation. The Chief Risk Officer also presents the Committee with a risk assessment for each of our principal business units and a collective assessment of staff functions, including finance, human resources, legal, operations and technology. In addition, we maintain at least one director who is a member of both the Personnel and Compensation and Risk Committees. At present, PNC's lead director, who is a member of the Risk Committee, also serves on the Personnel and Compensation Committee.

We also have systematically identified individuals who could potentially expose us to material amounts of risk or financial loss. As with our incentive compensation risk assessment described below, we have established a cross-functional team that continues to identify and monitor these individuals. These individuals are subject to a supplemental risk management review as part of the performance management process by the Chief Risk Officer and his designees — we take this review into account when determining incentive compensation awards for our most senior executives.

We have developed a standardized governance framework for our incentive compensation plans to help monitor and validate that our plans balance risk and reward, comply with applicable laws and regulations, demonstrate fiscal responsibility and maintain an appropriate customer focus. This framework helps to ensure that we have the appropriate procedures, controls and independent challenges in place to do so. We continue to assess and, where appropriate, modify our incentive compensation plans in accordance with this framework to help ensure our plans appropriately reflect risk considerations, including the management of identified issues, the duration of the risks and alignment with our desired risk appetite. Examples of incentive plan modifications include:

- Adding or increasing the visibility of risk and customer focus metrics to plans based on the structure of the plan and the nature of the business and the roles of participants
- Adding or formalizing language around delaying award payments or recapture or reduction of payments where subsequent risk metrics indicate excessive risk-taking
- Enhancing documentation of the plan design and use of discretion in non-formulaic plans at the pool funding, business allocation or individual award level

Based on our approach to risk management, our comprehensive incentive plan governance framework, our risk assessments for significant businesses and staff functions, and the inclusion of risk-based metrics in our long-term incentive compensation programs, we believe that the risks arising from our compensation plans, policies and practices are not reasonably likely to have a material adverse effect on PNC.

# COMPENSATION TABLES

## Summary compensation table

Name & Principal Position	Year	Salary (\$) <sup>(d)</sup>	Stock Awards (\$) <sup>(b)</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>(c)</sup>	Change in Pension Value & Nonqualified Deferred Compensation Earnings (\$) <sup>(d)</sup>	All Other Compensation (\$) <sup>(e)</sup>	Total (\$)
<b>William S. Demchak</b>	2019	\$1,100,000	\$8,249,829	\$ 5,780,000	\$ 1,239,048	\$ 166,933	\$16,535,810
Chairman, President	2018	\$1,100,000	\$9,479,858	\$ 4,400,000	\$ 530,583	\$ 165,853	\$15,676,294
& Chief Executive Officer	2017	\$1,100,000	\$6,749,956	\$ 5,220,000	\$ 666,341	\$ 165,556	\$13,901,853
<b>Robert Q. Reilly</b>	2019	\$ 700,000	\$2,349,788	\$ 1,800,000	\$ 615,462	\$ 42,869	\$ 5,508,119
Executive Vice President	2018	\$ 673,077	\$2,362,411	\$ 1,650,000	\$ 178,815	\$ 43,116	\$ 4,907,419
& Chief Financial Officer	2017	\$ 500,000	\$1,774,900	\$ 1,862,500	\$ 339,545	\$ 47,817	\$ 4,524,762
<b>Michael P. Lyons</b>	2019	\$ 700,000	\$5,249,879	\$ 2,900,000	\$ 29,133	\$ 14,728	\$ 8,893,740
Executive Vice President,	2018	\$ 700,000	\$5,099,853	\$ 2,800,000	\$ 26,429	\$ 19,459	\$ 8,645,741
Head of C&IB and AMG	2017	\$ 700,000	\$3,959,882	\$ 2,700,000	\$ 24,170	\$ 14,529	\$ 7,398,581
<b>E William Parsley, III</b>	2019	\$ 700,000	\$5,249,879	\$ 2,840,000	\$ 330,499	\$ 21,697	\$ 9,142,075
Executive Vice President,	2018	\$ 686,538	\$5,699,808	\$ 2,800,000	\$ 69,183	\$ 21,030	\$ 9,276,559
Chief Operating Officer	2017	\$ 600,000	\$4,349,903	\$ 3,200,000	\$ 183,992	\$ 18,696	\$ 8,352,591
<b>Karen L. Larrimer*</b>	2019	\$ 700,000	\$2,049,975	\$ 1,800,000	\$ 175,156	\$ 30,641	\$ 4,755,772
Executive Vice President, Head of Retail Banking & Chief Customer Officer							

\* Ms. Larrimer was not an NEO in 2017 and 2018

- (a) This column includes any salary amounts deferred by an NEO under qualified (ISP) or non-qualified (DCIP) benefit plans. We describe these plans on page 73. See the Non-qualified deferred compensation in fiscal 2019 table on page 74 for the aggregate deferrals during 2019.
- (b) In 2019, stock awards were granted on February 13, 2019 consisting of PSUs and RSUs. The amounts in this column reflect the grant date fair value of stock awards (whole shares only) calculated in accordance with FASB ASC Topic 718. The grant date fair value of each award is calculated using the target number of units underlying the award and a per share value based on the NYSE closing price of our common stock on the date of grant of \$121.48. The value of any fractional shares is paid in cash and included in the All Other Compensation column. See footnote (e) for additional information. If PNC's performance during the applicable measurement period results in the maximum number of units vesting, our NEOs would be entitled to receive a maximum award with a grant date fair value as follows:

NEO	Grant Date Fair Value of Maximum Award	
	Performance Share Units	Restricted Share Units
William S. Demchak	\$7,424,858	\$3,299,883
Robert Q. Reilly	\$2,114,845	\$939,891
Michael P. Lyons	\$4,724,965	\$2,099,903
E William Parsley, III	\$4,724,965	\$2,099,903
Karen L. Larrimer	\$1,844,917	\$819,990

See Grants of plan-based awards in fiscal 2019 on page 64 for additional information regarding the grants we made in 2019, Outstanding equity awards at 2019 fiscal year-end beginning on page 65 for additional information regarding equity awards outstanding at December 31, 2019, and Option exercises and stock vested in fiscal 2019 on page 70 for additional information regarding option exercise and stock vesting activity during 2019.

- (c) Our NEOs received an annual incentive award paid in cash early in 2020, which is reflected in this column for the 2019 performance year.
- (d) The dollar amounts in this column include the increase in the actuarial value of our Qualified Pension Plan, ERISA Excess Pension Plan and Supplemental Executive Retirement Plan. We describe these plans on page 71. The amounts include both (i) the change in value due to an additional year of service, compensation changes and plan amendments (if any), and (ii) the change in value attributable to other assumptions, most significantly the discount rate.

We do not pay above-market or preferential earnings on any compensation that is deferred on a basis that is not tax-qualified, including such earnings on non-qualified defined contribution plans. For additional information regarding how we calculate the earnings on our deferred compensation plans, see Non-qualified deferred compensation in fiscal 2019 beginning on page 73.

- (e) The amounts in this column include, for all NEOs, net of any reimbursements to PNC: (i) the dollar value of matching contributions made by us to the ISP; (ii) the insurance premiums paid by us in connection with our Key Executive Equity Program; (iii) the executive long-term disability premiums paid by us; (iv) perquisites and other personal benefits; (v) matching gifts made by us to charitable organizations under our employee charitable matching gift program; and (vi) cash paid for fractional shares of the 2019 stock awards described in footnote (b) above.

All Other Compensation for 2019 consisted of the following:

NEO	Perquisites and Other Personal Benefits*	Registrant ISP Contributions	Insurance Premiums**	Other***	Total to Summary Compensation Table
William S. Demchak	\$ 110,530	\$ 11,200	\$ 45,031	\$ 172	\$ 166,933
Robert Q. Reilly	\$ 10,530	\$ 11,200	\$ 20,927	\$ 212	\$ 42,869
Michael P. Lyons	\$ 3,608	\$ 11,000	—	\$ 120	\$ 14,728
E William Parsley, III	\$ 10,000	\$ 11,577	—	\$ 120	\$ 21,697
Karen L. Larrimer	\$ 18,166	\$ 11,200	—	\$ 1,275	\$ 30,641

\* The dollar amount of the perquisite represents the incremental cost to PNC of providing the benefit. This column includes the costs of financial consulting and tax preparation services for Mr. Demchak, Mr. Reilly, Mr. Parsley and Ms. Larrimer, and personal use of corporate aircraft by Mr. Demchak, Mr. Lyons and Ms. Larrimer during 2019. The incremental cost of Mr. Demchak's use of the aircraft in 2019 was \$100,000. Mr. Demchak used his time sharing agreement for flights in excess of this amount during 2019. The incremental cost to PNC of personal aircraft use is calculated by multiplying the total number of personal flight hours by the average direct variable operating costs (including costs related to fuel, maintenance expenses related to operation of the plane during the year, and landing and parking fees) per flight hour for the particular aircraft for the year, plus crew expenses attributable to the personal use. Since the aircraft are used primarily for business travel, we do not include in the calculation the fixed costs that do not change based on usage, such as crew salaries and other maintenance and inspection and capital improvement costs intended to cover a multiple-year period. The NEOs each have a corporate travel credit card not generally available to all employees, for which there is no incremental cost to PNC.

\*\* We pay premiums for certain of the NEOs in connection with our Key Executive Equity Program, which is a split-dollar insurance arrangement. In addition, we pay long-term disability premiums on behalf of certain of our NEOs. New participants have not been permitted in either program since 2007. The dollar amounts under the "Insurance Premiums" column include the 2019 premiums we paid in connection with our Key Executive Equity Program on behalf of Mr. Demchak (\$40,534) and Mr. Reilly (\$16,732). These premiums represent the full dollar amounts we paid for both the term and non-term portions of this plan. The amounts under this column also include the long-term disability premiums we paid on behalf of Mr. Demchak (\$4,497) and Mr. Reilly (\$4,195).

\*\*\* This column reflects the dollar amount of matching gifts made by us to charitable organizations under our employee charitable matching gift program for Ms. Larrimer (\$1,250) and the cash paid for fractional shares of the 2019 stock awards described in footnote (b) above.

# Grants of plan-based awards in fiscal 2019

Award Type	Grant Date	Threshold (\$)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(a)</sup>		Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(b)</sup>			Grant Date Fair Value of Stock and Option Awards <sup>(c)</sup> (\$)
			Target (\$)	Maximum (\$)	Threshold (\$)	Target (#)	Maximum (#)	
William S. Demchak								
Annual Incentive Award	February 13, 2019	—	\$ 3,940,000	—				
PSUs	February 13, 2019				—	40,747	61,120	\$ 4,949,946
RSUs	February 13, 2019				—	27,164	27,164	\$ 3,299,883
Robert Q. Reilly								
Annual Incentive Award	February 13, 2019	—	\$ 1,550,000	—				
PSUs	February 13, 2019				—	11,606	17,409	\$ 1,409,897
RSUs	February 13, 2019				—	7,737	7,737	\$ 939,891
Michael P. Lyons								
Annual Incentive Award	February 13, 2019	—	\$ 2,500,000	—				
PSUs	February 13, 2019				—	25,930	38,895	\$ 3,149,976
RSUs	February 13, 2019				—	17,286	17,286	\$ 2,099,903
E William Parsley, III								
Annual Incentive Award	February 13, 2019	—	\$ 2,500,000	—				
PSUs	February 13, 2019				—	25,930	38,895	\$ 3,149,976
RSUs	February 13, 2019				—	17,286	17,286	\$ 2,099,903
Karen L. Larrimer								
Annual Incentive Award	February 13, 2019	—	\$ 1,300,000	—				
PSUs	February 13, 2019				—	10,125	15,187	\$ 1,229,985
RSUs	February 13, 2019				—	6,750	6,750	\$ 819,990

- (a) The amounts listed in the "Target" column relate to the target annual cash incentive award for the 2019 performance year. Annual cash incentive awards for 2019 were paid in 2020. All incentive compensation — cash and equity-based — is payable based on performance, and total compensation targets are established to help the Personnel and Compensation Committee determine the appropriate amount of incentive compensation payable upon achievement for target performance. The amount listed in the "Target" column shows the target annual cash incentive amount included in the total compensation target approved by the Committee for each NEO on February 13, 2019.
- (b) The amounts listed in these columns include the grants of PSUs and RSUs, as further described on pages 46 to 47. As there is no guaranteed minimum payout for these awards, and in the case of the PSUs, the Personnel and Compensation Committee has discretion to decrease any award otherwise payable, we have not included a "Threshold" amount. The "Target" amount represents 100% of the grant for the PSUs and the RSUs. The "Maximum" amount represents 150% of the grant (rounded down to whole shares) for the PSUs and 100% of the grant for the RSUs. For the PSUs, the performance period began on January 1, 2019 and will end on December 31, 2021. For the RSUs, the performance period began on January 1, 2019 and will end on December 31, 2021, with a vesting opportunity for one-third of the grant on each of the three anniversaries of the grant date.
- (c) The grant date fair value of each award is calculated in accordance with FASB ASC Topic 718 based on the NYSE closing price of our common stock on February 13, 2019, the date of grant, of \$121.48 per share. The amounts listed in this column represent the grant date fair value of each award based upon achievement at the target level.



## Outstanding equity awards at 2019 fiscal year-end

The following tables show, for each NEO, the outstanding equity awards as of December 31, 2019. These awards include the following:

Name of Award	Vesting Schedule	Metrics	Payout Range (% of target)	Stock or Cash Payout
Performance Share Units (PSUs)	After 3-year performance period ends	PNC's return on equity (ROE) compared to performance targets EPS growth rank against our peer group	0–150%	Stock
Restricted Share Units (RSUs)	Annual installments over 3 years	Time-based	0–100%	Stock
Performance-based Restricted Share Units (PRSUs)	Annual installments over 4 years	Adjustment based on PNC's annual TSR	75–125%	Stock
Incentive Performance Units (IPUs)	After 3-year performance period ends	PNC's return on common equity without goodwill (ROCE) compared to our cost of common equity (COCE) EPS growth rank against our peer group	0–125%	Stock (up to target) Cash (above target)
ALM Incentive Performance Units (ALM IPUs) (a)	After 3-year performance period ends	Based on PNC's Asset & Liability Management function performance, compared to a benchmark index	0–200%	Cash

(a) Mr. Parsley was the only NEO to receive this grant, which relates to his management of our Asset & Liability Management function.

With respect to the three forms of performance-based equity awards that vested based on performance for the period ended December 31, 2019, the Personnel and Compensation Committee made performance-based and risk-based determinations in the first quarter of 2020, as described in more detail below. The payout percentage grids are included below for each of these performance-based equity awards.

### Performance share units

The PSUs granted in 2019 that vest based on performance for the three-year period ending December 31, 2021 are included in the following table as of December 31, 2019. Following the conclusion of the performance period, the Committee will determine the level of the payout, which could range from 0% to 150% of the target number of units based on our ROE, as adjusted, compared to established performance targets and our EPS growth, as adjusted, compared to the EPS growth of our peers, with actual payout percentages calculated using bilinear interpolation. As discussed in the CD&A on page 47, these awards are also subject to a risk-based performance metric that could reduce the payout. The PSUs will be paid out in shares of PNC common stock.

### Restricted share units

The RSUs granted in 2019, which vest in annual installments over three years, are included in the following table as of December 31, 2019. As discussed in the CD&A on page 47, these awards are subject to a risk-based performance metric that could reduce the payout. The RSUs will be paid out in shares of PNC common stock.

## Performance-based restricted share units

The PRSUs that vested based on 2019 performance are included in the following table as of December 31, 2019. At a meeting held on January 30, 2020, the Personnel and Compensation Committee certified the level of performance achieved and determined the payout for the 2019 tranche of each of the 2016 and 2017 grants. The Committee certified that the required Tier 1 risk-based capital ratio of 6% established by our primary regulator had been achieved. The Committee then determined the level of the payout, which could range from 75% to 125% of the target number of units based on TSR for 2019, with actual payout percentages based on straight-line interpolation between the data points reflected in the payout percentage grid.

The payout under these awards is subject to reduction or elimination if our return on economic capital ("ROEC") does not exceed our cost of capital; however, no reduction was required, as ROEC exceeded the cost of capital hurdle in 2019. The Committee approved a payout at 125% for the 2019 tranche of each of the 2016 and 2017 grants. In accordance with the terms of these awards, the PRSUs were paid out in PNC common stock.

Annual TSR	Payout %	2019 TSR	2019 Payout %
<b>&gt;= +25%</b>	<b>125%</b>	<b>40.9%</b>	<b>125.00%</b>
<b>0%</b>	<b>100%</b>		
<b>&lt;= -25%</b>	<b>75%</b>		

## Standard incentive performance units

The Standard IPUs granted in 2017 that vest based on performance for the three-year period ended December 31, 2019 are included in the following table as of December 31, 2019. At a meeting held on February 13, 2020, the Personnel and Compensation Committee certified the level of performance achieved and determined the payout for the January 1, 2017 to December 31, 2019 performance period. The Committee certified that the required Tier 1 risk-based capital ratio of 6% established by our primary regulator had been achieved. The Committee then determined the level of the payout, which could range from 0% to 125% of the target number of units based on our earnings per share growth as compared to our peers and our ROCE performance compared to our COCE, each adjusted as defined in the award agreement. The actual payout percentages are interpolated, which takes into account how close the actual performance or peer group rank is to the metric or rank above and below.

The payout under these awards is subject to reduction or elimination if ROEC does not exceed our cost of capital; however, no reduction was required, as ROEC exceeded the cost of capital hurdle in 2019. The Committee approved a payout at 110.18% for the Standard IPUs granted in 2017. In accordance with the terms of these awards, the Standard IPUs were paid out in PNC common stock up to target (100%) and were paid out in cash above target.

ROCE as % of COCE	Payout %
<b>&gt;= 110%</b>	<b>125%</b>
<b>105%</b>	<b>100%</b>
<b>100%</b>	<b>75%</b>
<b>75%</b>	<b>50%</b>
<b>&lt;= 50%</b>	<b>0%</b>

2017 and 2019 EPS Growth Payout Grid	
EPS Growth Rank	Payout %
1	125%
2	125%
3	125%
4	120%
5	115%
6	105%
7	95%
8	80%
9	60%
10	40%
11	0%
12	0%

2018 EPS Growth Payout Grid	
EPS Growth Rank	Payout %
1	125%
2	125%
3	125%
4	125%
5	116.7%
6	108.3%
7	100%
8	90%
9	80%
10	60%
11	40%
12	0%
13	0%

	2017		2018		2019		2017–2019 Payout %
	ROCE as % of COCE	EPS Growth	ROCE as % of COCE	EPS Growth	ROCE as % of COCE	EPS Growth	
Metric	164.10%	6th	186.80%	10th	170.57%	4th	110.18%
Payout	125%	107.73%	125%	59.30%	125%	119.05%	

## ALM incentive performance units

The ALM IPUs granted to Mr. Parsley in 2017 that vest based on performance for the three-year period ended December 31, 2019 are included in the following table as of December 31, 2019. At a meeting held on January 30, 2020, the Personnel and Compensation Committee certified the level of performance achieved and determined the payout for the January 1, 2017 to December 31, 2019 performance period. The Committee determined the level of the payout, which could range from 0% to 200% of the target number of units based on our Asset & Liability Management function performance against a benchmark index, with actual payout percentages based on straight-line interpolation between the data points reflected in the payout percentage grid. The Committee approved a payout at 166.67% for the ALM IPUs granted in 2017. In accordance with the terms of this award, the ALM IPUs awarded to Mr. Parsley were paid out in cash.

ALM Performance vs. Index	Payout %
>= +40 basis points	200%
+20 basis points	150%
0 to -25 basis points	100%
-35 basis points	40%
<= -40 basis points	0%

2017	2018	2019	2017–2019 Payout %
200%	200%	100%	166.67%

## OUTSTANDING EQUITY AWARDS AT 2019 FISCAL YEAR-END

## Stock Awards

	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested \$( <sup>(a)</sup> )	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested \$( <sup>(a)</sup> )
<b>William S. Demchak</b>				
	15,591 (b)	\$ 2,488,791		
	8,307 (c)	\$ 1,326,046	6,646 (d)	\$ 1,060,901
	29,289 (e)	\$ 4,675,403		
			53,371 (f)	\$ 8,519,613
	15,814 (g)	\$ 2,524,389		
			61,120 (h)	\$ 9,756,586
	27,164 (i)	\$ 4,336,189		
<b>Robert Q. Reilly</b>				
	3,797 (b)	\$ 606,115		
	2,185 (c)	\$ 348,792	1,748 (d)	\$ 279,033
	7,701 (e)	\$ 1,229,311		
			13,300 (f)	\$ 2,123,079
	3,941 (g)	\$ 629,102		
			17,409 (h)	\$ 2,778,999
	7,737 (i)	\$ 1,235,057		
<b>Michael P. Lyons</b>				
	8,155 (b)	\$ 1,301,783		
	4,873 (c)	\$ 777,877	3,899 (d)	\$ 622,397
	17,182 (e)	\$ 2,742,763		
			28,711 (f)	\$ 4,583,137
	8,508 (g)	\$ 1,358,132		
			38,895 (h)	\$ 6,208,809
	17,286 (i)	\$ 2,759,364		
<b>E William Parsley, III</b>				
	3,598 (b)	\$ 574,349		
	3,507 (c)	\$ 559,822	2,806 (d)	\$ 447,922
	12,366 (e)	\$ 1,973,985		
	19,690 (j)	\$ 3,143,115		
			32,089 (f)	\$ 5,122,367
	9,508 (g)	\$ 1,517,762		
			38,895 (h)	\$ 6,208,809
	17,286 (i)	\$ 2,759,364		
<b>Karen L. Larrimer</b>				
	1,360 (b)	\$ 217,097		
	1,231 (c)	\$ 196,505	985 (d)	\$ 157,236
	4,338 (e)	\$ 692,475		
			11,259 (f)	\$ 1,797,274
	3,336 (g)	\$ 532,526		
			15,187 (h)	\$ 2,424,301
	6,750 (i)	\$ 1,077,503		

(a) The market value is calculated based on the NYSE closing price of our common stock on December 31, 2019 of \$159.63 per share.

(b) 2016 PRSUs. The performance conditions applicable to the 2019 tranche of the award were satisfied as of December 31, 2019, and the PRSUs subject to the 2019 tranche vested on February 11, 2020 based on achievement at 125% of the target level.

(c) 2017 PRSUs. The performance conditions applicable to the 2019 tranche of the award were satisfied as of December 31, 2019, and the PRSUs subject to the 2019 tranche vested on February 16, 2020 based on achievement at 125% of the target level.

(d) 2017 PRSUs (Performance Not Yet Achieved). Represents the remaining tranche of the award, which is scheduled to vest on February 16, 2021 based on achievement of the applicable performance conditions for the performance period ending December 31, 2020. The number of PRSUs included in the table above is based on achievement at the target level.

## OUTSTANDING EQUITY AWARDS AT 2019 FISCAL YEAR-END

- (e) 2017 Standard IPUs. The performance conditions applicable to the award were satisfied as of December 31, 2019, and the Standard IPUs vested on February 13, 2020 based on achievement at 110.18% of the target level.
- (f) 2018 PSUs (Performance Not Yet Achieved). The award is scheduled to vest in early 2021 based on achievement of the applicable performance conditions over a three-year performance period ending December 31, 2020. The number of PSUs included in the table above is based on achievement at the maximum level. See the description of the 2018 PSUs in the Compensation Discussion and Analysis section of our 2018 proxy statement.
- (g) 2018 RSUs. The second tranche of the award vested on February 15, 2020, and the remaining tranche is scheduled to vest on February 15, 2021.
- (h) 2019 PSUs (Performance Not Yet Achieved). The award is scheduled to vest in early 2022 based on achievement of the applicable performance conditions over a three-year performance period ending December 31, 2021. The number of PSUs included in the table above is based on achievement at the maximum level. See the description of the 2019 PSUs in the Compensation Discussion and Analysis section of our 2019 proxy statement.
- (i) 2019 RSUs. The first tranche of the award vested on February 13, 2020, and the remaining two tranches are scheduled to vest in approximately equal annual installments on February 13, 2021 and February 13, 2022.
- (j) 2017 ALM IPUs. The performance conditions applicable to the award were satisfied as of December 31, 2019, and the ALM IPUs vested on January 30, 2020 based on achievement at 166.67% of the target level.

# Option exercises and stock vested in fiscal 2019

NEO	Option Awards		Stock Awards <sup>(b)</sup>	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise <sup>(a)</sup> (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
<b>William S. Demchak</b>	75,000	\$ 5,496,750	82,789	\$ 10,179,471
<b>Robert Q. Reilly</b>	49,722	\$ 4,110,776	20,517	\$ 2,522,587
<b>Michael P. Lyons</b>	—	\$ —	44,198	\$ 5,434,374
<b>E William Parsley, III</b>	—	\$ —	99,780	\$ 12,327,452
<b>Karen L. Larrimer</b>	—	\$ —	8,589	\$ 1,057,557

(a) The dollar amount in this column includes the value realized upon the exercise of various options throughout 2019. This amount was computed by determining the difference between (i) the average of the high and low sales prices of our common stock on the date of exercise and (ii) the exercise price of the option.

(b) These columns include the total units approved for payout in connection with previously granted Standard IPUs, PRSUs and RSUs. For Mr. Parsley, these columns also include 76,754 ALM IPUs granted in 2016 that were paid out at 200% of target in cash equal to \$9,491,400 in 2019.

These columns also include shares that vested but were withheld for tax purposes.



## Pension benefits at 2019 fiscal year-end

The principal elements of our post-employment compensation are a qualified defined benefit cash balance pension plan, a non-qualified excess cash balance pension plan and a non-qualified supplemental executive retirement plan, each described in this section, as well as a qualified defined contribution savings plan and a non-qualified deferred compensation and incentive plan as described in *Non-qualified deferred compensation in fiscal 2019* on page 73.

**Cash balance pension plan.** We maintain a pension plan for most of our full-time employees. The pension plan is a defined benefit cash balance pension plan under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and is intended to be qualified under Section 401(a) of the Internal Revenue Code. Each calendar quarter, eligible participants receive "earnings credits" based on a percentage of eligible compensation. Earnings credit percentages for employees who were plan participants on December 31, 2009 are based on a schedule using the participant's age and years of credited service at that date and are frozen at that level. Earnings credits for all employees who become participants on or after January 1, 2010 are a flat 3% of eligible compensation.

The plan defines eligible "compensation" as regular earnings plus eligible variable compensation, such as paid annual incentives. Eligible "compensation" does not include deferred payments of annual incentives; these are instead taken into account under our excess pension plan described below. We generally limit eligible variable compensation for a plan year to a total of 100% of the first \$25,000 plus 50% of the next \$225,000.

For participants who had accrued benefits prior to 1999 under the pension plan formula then in effect, an initial cash balance "account" was established based on the present value of the accrued benefits at the time of the conversion to the current program.

Plan participants generally receive quarterly "interest credits" at a rate of one-fourth of the annual interest rate on 30-year Treasury securities. Employees who were already plan participants as of December 31, 2009 receive a minimum interest credit.

At the end of 2008, the cash balance pension plan previously sponsored by National City Corporation was merged into this plan. Earnings and interest credits for National City participants are generally as noted above.

We contribute to the plan an actuarially determined amount necessary to fund the total benefits payable to participants. Actuaries calculate total contributions instead of contributions for each individual participant.

**Excess pension plan.** We maintain an ERISA excess pension plan, which is a supplemental non-qualified pension plan. The excess benefits under this plan equal the difference, if any, between a participant's benefit under the qualified pension plan computed without regard to applicable Internal Revenue Code limits and taking into account bonus amounts deferred under the non-qualified deferred compensation and incentive plan, and the participant's actual benefit under the qualified pension plan.

**Supplemental executive retirement plan.** We maintain a supplemental executive retirement plan for certain executive officers. As part of its ongoing review of compensation practices, the Personnel and Compensation Committee decided in 2007 to eliminate future plan participation for new executive officers. This plan provides earnings credits based on a percentage of annual incentives awarded under eligible executive bonus plans in accordance with a schedule based on the participant's age and years of credited service. This plan also provides quarterly interest credits that mirror the interest credits under the qualified pension plan.

Executive officers who participated in the supplemental executive retirement plan on December 31, 1998 and who were at least age 50 with five or more years of credited service receive grandfathered benefits based on the pension formula in effect prior to 1999. For executive officers at or above a certain organizational level who participated on December 31, 1998 but who did not meet the requirements for grandfathered benefits, we doubled the earnings credit percentages in order to mitigate the effect of the transition to the cash balance pension formula.

PENSION BENEFITS AT 2019 FISCAL YEAR-END

NEO	Plan Name	Number of Years Credited Service (#) <sup>(a)</sup>	Present Value of Accumulated Benefit (\$) <sup>(b)</sup>	Payments During Last Fiscal Year
William S. Demchak	Qualified Pension Plan	17	\$ 309,020	—
	ERISA Excess Pension Plan	17	\$ 2,236,448	—
	Supplemental Executive Retirement Plan	17	\$ 3,683,785	—
	Total		\$ 6,229,253	—
Robert Q. Reilly	Qualified Pension Plan	32	\$ 518,755	—
	ERISA Excess Pension Plan	32	\$ 889,938	—
	Supplemental Executive Retirement Plan	32	\$ 1,441,855	—
	Total		\$ 2,850,548	—
Michael P. Lyons	Qualified Pension Plan	8	\$ 59,256	—
	ERISA Excess Pension Plan	8	\$ 120,575	—
	Supplemental Executive Retirement Plan	N/A	—	—
	Total		\$ 179,831	—
E William Parsley, III	Qualified Pension Plan	16	\$ 283,706	—
	ERISA Excess Pension Plan	16	\$ 1,274,055	—
	Supplemental Executive Retirement Plan	N/A	—	—
	Total		\$ 1,557,761	—
Karen L. Larrimer	Qualified Pension Plan	24	\$ 430,616	—
	ERISA Excess Pension Plan	24	\$ 370,976	—
	Supplemental Executive Retirement Plan	N/A	—	—
	Total		\$ 801,592	—

(a) To compute the number of years of service, we use the same plan measurement date that we use for our 2019 audited consolidated financial statements. Credited service, where applicable, is generally equal to actual full years of service; however, for purposes of determining the level of benefits earned in the Qualified Pension Plan and ERISA Excess Pension Plan, credited service has been frozen as of December 31, 2009. As of that date, the NEOs had the following years of credited service: Mr. Demchak, 7; Mr. Reilly, 22; Mr. Parsley, 6; and Ms. Larrimer, 14. Mr. Lyons was hired after service accruals ceased to be applicable for purposes of calculating the amount of Qualified Pension Plan and ERISA Excess Pension Plan benefits.

(b) We compute the present values shown here as of December 31, 2019 in accordance with FASB ASC Topic 715, Compensation—Retirement Benefits, as specified in applicable SEC regulations. The amounts do not necessarily reflect the amounts to which the NEOs would be entitled under the terms of these plans as of December 31, 2019.

We calculate the present values for the plans by projecting the December 31, 2019 account balances to an assumed retirement age of 65, using an interest crediting rate of (i) 4.40% for Mr. Demchak, Mr. Reilly, Mr. Parsley and Ms. Larrimer; and (ii) 2.05% for Mr. Lyons, who is not eligible for the guaranteed minimum annual interest crediting rate since he became a plan participant after January 1, 2010. We then apply a discount rate of 3.30% for the Qualified Pension Plan and 3.05% for other plans to discount the balances back to December 31, 2019.

See Note 11 in the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2019 for additional information regarding the discount rates and other material assumptions.

## Non-qualified deferred compensation in fiscal 2019

We offer an incentive savings plan ("ISP") in which most of our employees can participate after they meet any applicable service requirements, and for designated employees who exceed a compensation threshold, we also offer a non-qualified deferred compensation and incentive plan ("DCIP"). Prior to establishing the DCIP in 2012, we offered a non-qualified supplemental incentive savings plan ("SISP"), which was a supplement to the ISP, and a non-qualified deferred compensation plan ("DCP"), in each case for certain designated employees who exceeded applicable compensation thresholds.

**Incentive savings plan (ISP).** The ISP is a defined contribution 401(k) plan that is intended to be qualified under Section 401(a) of the Internal Revenue Code. During 2019, participants could elect to contribute between 1% and 75% of eligible compensation to the plan each year as pre-tax or Roth after-tax elective deferrals (or a combination of pre-tax and Roth after-tax elective deferrals), subject to Internal Revenue Code limits. Participants who are age 50 or older may contribute additional pre-tax amounts called "catch-up contributions" each year. For 2019, we made employer matching contributions on behalf of eligible participants equal to 100% of elective deferrals up to 4% of eligible compensation. Matching contributions were made in cash. Participants direct the investment of their accounts among the investment options offered under the plan and their account balances are adjusted for gains or losses resulting from those investment directions.

**Deferred compensation and incentive plan (DCIP).** We maintain a DCIP for designated employees who exceed a compensation threshold. Participants can elect to defer up to 20% of base salary and/or up to 75% of eligible short-term incentive pay earned with respect to a plan year. The DCIP's plan year is the calendar year.

**Supplemental incentive savings plan (SISP) and deferred compensation plan (DCP).** Effective January 1, 2012, the SISP and DCP were frozen to new participants and to the deferral of amounts earned on and after January 1, 2012. Distributions from these plans are paid in cash in accordance with the participant's election. Participants with existing account balances can direct the investment of their accounts among the hypothetical investment alternatives made available under the plan and their accounts are adjusted for deemed investment gains or losses resulting from such investment directions.

**Investment options.** ISP, DCIP, SISP and DCP participants have the investment options listed on page 75. The employee directs investment of contributions under each plan. Investment options include several collective funds and mutual funds (including BlackRock mutual funds) and a proprietary PNC investment fund. ISP and SISP participants may also hold investments in a PNC common stock fund; however, we no longer permit new funds to be contributed or transferred into the PNC common stock fund. DCIP, SISP and DCP investments are invested on a phantom basis and are considered "deemed" investments.

## NON-QUALIFIED DEFERRED COMPENSATION IN FISCAL 2019

NEO	Name of Plan	Executive Contributions in Last FY (\$)	Aggregate Earnings in Last FY (\$)	Aggregate Withdrawals/Distributions (\$)	Aggregate Balance at Last FYE (\$)
		(a)	(b)		(c)
<b>William S. Demchak</b>	Supplemental Incentive Savings Plan	— \$	466,487	— \$	1,854,973
	Deferred Compensation & Incentive Plan	\$ 550,000	\$ 56,492	\$ (655,038)	\$ 606,063
	Deferred Compensation Plan	— \$	1,913	\$ (168,159)	—
	<b>Total</b>	<b>\$ 550,000</b>	<b>\$ 524,892</b>	<b>\$ (823,197)</b>	<b>\$ 2,461,036</b>
<b>Robert Q. Reilly</b>	Supplemental Incentive Savings Plan	— \$	228,493	— \$	1,036,660
	Deferred Compensation & Incentive Plan	—	—	—	—
	Deferred Compensation Plan	— \$	715,109	— \$	3,495,958
	<b>Total</b>	<b>\$ —</b>	<b>\$ 943,602</b>	<b>\$ —</b>	<b>\$ 4,532,618</b>
<b>Michael P. Lyons</b>	Supplemental Incentive Savings Plan	—	—	—	—
	Deferred Compensation & Incentive Plan	—	—	—	—
	Deferred Compensation Plan	—	—	—	—
	<b>Total</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>E William Parsley, III</b>	Supplemental Incentive Savings Plan	— \$	602,146	— \$	2,773,230
	Deferred Compensation & Incentive Plan	—	—	—	—
	Deferred Compensation Plan	—	—	—	—
	<b>Total</b>	<b>\$ —</b>	<b>\$ 602,146</b>	<b>\$ —</b>	<b>\$ 2,773,230</b>
<b>Karen L. Larrimer</b>	Supplemental Incentive Savings Plan	— \$	19,067	— \$	121,712
	Deferred Compensation & Incentive Plan	—	—	—	—
	Deferred Compensation Plan	— \$	— \$	—	—
	<b>Total</b>	<b>\$ —</b>	<b>\$ 19,067</b>	<b>\$ —</b>	<b>\$ 121,712</b>

(a) Amounts in this column are included in the compensation reported in the Summary compensation table on page 62. PNC made no contributions to these plans in 2019.

(b) No amounts in this column have been reported in the Summary compensation table on page 62 as none of our NEOs received above-market or preferential earnings.

(c) We calculate the dollar amounts in this column by taking the aggregate balance at the end of fiscal year 2018 and adding the totals in the other columns to that balance. The aggregate balance at the end of fiscal year 2019 includes any unrealized gains and losses on investments. All contributions comprising a portion of the aggregate balance at the end of fiscal year 2019 were included in the compensation reported in the Summary compensation table on page 62 and prior years' summary compensation tables, as applicable.

The following table shows the 2019 investment options for the DCP, DCIP, ISP and SISP, along with annual rates of return. See page 73 for an explanation of the DCP, DCIP, ISP and SISP. Ticker symbols are listed for investment options available to the general public.

Benchmark Performance	Ticker Symbol	DCP	DCIP	ISP/SISP	2018 Annual Rate of Return
BlackRock High Yield BR	BYHRX	X	X	X	15.63%
BlackRock Government Short Term Inv. Fund		X	X	X	2.28%
BlackRock LifePath 2020 Fund*		X	X	X	—%
BlackRock LifePath 2025 Fund		X	X	X	18.63%
BlackRock LifePath 2030 Fund		X	X	X	20.82%
BlackRock LifePath 2035 Fund		X	X	X	22.90%
BlackRock LifePath 2040 Fund		X	X	X	24.76%
BlackRock LifePath 2045 Fund		X	X	X	26.07%
BlackRock LifePath 2050 Fund		X	X	X	26.67%
BlackRock LifePath 2055 Fund		X	X	X	26.69%
BlackRock LifePath 2060 Fund		X	X	X	26.70%
BlackRock LifePath 2065 Fund**		X	X	X	—%
BlackRock LifePath Retirement Fund		X	X	X	15.69%
BlackRock TIPS		X	X	X	8.48%
Brandywine Intern'l Opp Fixed Inc Fund	LMOTX	X	X		6.87%
PNC Common Stock Fund	PNC	X		X	39.97%
PNC Stable Value Fund		X	X	X	2.45%
State Street S&P 500 Index Fund		X	X	X	31.44%
State Street U.S. Extended Market Index Fund*		X	X	X	—%
State Street Russell Small/Mid Cap Index Fund***		X	X	X	—%
State Street Global Equity ex U.S. Index Fund*		X	X	X	—%
State Street All Cap Equity Ex-U.S. Index Fund***		X	X	X	—%
State Street Real Return ex Nat. Res. Index Fund				X	12.57%
State Street U.S. Bond Index Fund		X	X	X	8.66%
State Street International Equity Index Fund		X	X	X	22.33%
State Street Emerging Markets Equity Index Fund		X	X	X	18.02%
FPA Crescent Fund	FPACX	X	X		20.02%
Aberdeen Emerging Markets Institutional Fund Instl	ABEMX	X	X		20.42%
BlackRock Global Allocation I Fund	MALOX	X	X		17.54%
First Eagle Overseas I Fund	SGOIX	X	X		17.91%
Vulcan Large Cap Value Fund	VVPLX	X	X		44.37%
Fiduciary Mgmt Small Cap Fund	FMIMX	X	X		24.82%

\* Effective November 15, 2019, fund eliminated from the fund lineup.

\*\* Effective November 15, 2019, new fund created; no historical returns.

\*\*\* Effective November 15, 2019, new fund added to the fund lineup.

# CHANGE IN CONTROL AND TERMINATION OF EMPLOYMENT

## Benefits upon termination of employment

Our NEOs may receive various forms of compensation or benefits in connection with a termination of employment. These benefits result from:

- change of control agreements,
- the terms of our equity-based grants, and
- other existing plans and arrangements in which our NEOs participate.

We do not have a separate severance plan or program for the NEOs. The Personnel and Compensation Committee has discretion to provide severance benefits subject to the parameters of our Board-approved policy, as described in the CD&A on page 57.

The benefits an executive may receive will depend on whether PNC or the executive terminated employment and, if PNC terminated employment, whether the termination was for cause, resulted from death or disability, or followed a change in control, and whether the executive is retirement-eligible. If a retirement-eligible employee resigns or is terminated without cause, we consider it a retirement. For these purposes, a “retirement-eligible” employee is someone who is at least 55 years old and has at least five years of service with PNC. As of December 31, 2019, two of our NEOs were retirement-eligible.

## Change of control agreements

As of December 31, 2019, we have entered into separate change of control agreements with each of our NEOs and similar agreements with a limited group of other senior officers. These agreements have been a valuable component of our executive compensation program for several years. We believe these arrangements mitigate concerns arising from a change of control, and help to ensure the continued dedicated service of our key employees. Cash payments contemplated by these agreements require a “double trigger” — that is, the occurrence of both a change of control and a qualifying termination of employment. A qualifying termination would occur if the executive resigned for “Good Reason” or the surviving company terminated the executive other than for “Cause,” “Disability” or death (each as defined in the change of control agreement). The treatment of equity awards upon a change of control is addressed in the equity award agreements themselves, as described below, rather than the change of control agreements.

The change of control agreements provide for cash payments to our NEOs calculated based on various compensation components, including annual base salary and an annual incentive award (bonus). For purposes of the change of control agreements, annual base salary is equal to 12 times the highest monthly base salary rate payable to the executive in the 12-month period preceding the month of the change of control. The cash payment related to base salary is equal to two times the annual base salary, and the cash payment related to bonus is equal to two times the applicable bonus percentage multiplied by annual base salary. The agreements also provide for continued benefits under (or compute cash payments by reference to) certain of our retirement and health and welfare benefit plans.

None of our change of control agreements contain any excise tax “gross-up” provisions. Our current change of control agreements provide that in the event the benefits payable to an executive trigger excise taxes under Section 4999 of the Internal Revenue Code, the executive will be entitled to a reduction in benefits so that no excise tax is imposed if such a reduction would result in a greater net (after-tax) benefit to the executive than payment of the full amount of his or her benefits. We have a Board-approved policy that requires shareholder approval of certain future severance arrangements if the arrangement provides for additional severance benefits in an amount exceeding 2.99 times the sum of the executive’s annual base salary and target bonus.

The change of control agreements prohibit the executives from employing or soliciting any of our officers during the one-year period following termination, and from using or disclosing any of our confidential business or technical information or trade secrets.

While the benefits to be received under a change of control agreement may be significant to an individual, they first require the occurrence of a significant transaction. As a result, the benefits are highly speculative and are contingent on a variety of facts and circumstances. In recognition of this, the Personnel and Compensation Committee of the Board does not consider the amount of potential change in control payments when it makes annual compensation decisions for our NEOs. Change in control protections, although meaningful, also become relatively less significant to PNC as we increase in size.



## Equity-based grants

If an NEO resigns or the NEO's employment is terminated with or without cause, any unvested equity-based compensation is generally forfeited. However, if an NEO retires (i.e., a retirement-eligible NEO resigns or is terminated without cause), equity-based compensation is not forfeited and continues in effect until its originally scheduled payment date. Equity-based compensation is also not forfeited under certain circumstances following a change in control. Grants to our executive officers contain a "double trigger" feature, meaning such grants require the occurrence of both a change in control and a qualifying termination (which includes a termination without cause or a resignation for good reason) in order to vest prior to the original vesting date in connection with a change in control.

A change in control of PNC, retirement of an NEO or termination of an NEO's employment by PNC by reason of disability has the following impact on unvested equity-based compensation:

### RESTRICTED SHARE UNITS

Change in Control	Retirement	Disability
Following a change in control, outstanding RSUs will vest upon a qualifying termination or continued employment through the original vesting date, and will be paid as soon as practicable following the original vesting date. All outstanding RSUs pay out in shares if the CET1 Ratio is met or exceeded as of the last-completed quarter-end. If the CET1 Ratio is not met, the remaining tranches will be forfeited and expire.	RSUs continue in effect in accordance with their terms as if the grantee had remained employed through each vesting date.	

Dividend equivalents cease to accrue at the change in control date.

### GRANTS THAT VEST UPON THE ACHIEVEMENT OF ADDITIONAL PERFORMANCE CRITERIA

#### Performance Share Units

Change in Control	Retirement	Disability
Following a change in control, outstanding PSUs will vest upon a qualifying termination or continued employment through the original vesting year, and will be paid out as soon as practicable following the end of the original performance period. Outstanding PSUs pay out in shares at 100% performance if the CET1 Ratio is met or exceeded as of the last-completed quarter-end. If the CET1 Ratio is not met, the PSUs are forfeited and expire.	PSUs continue in effect in accordance with their terms as if the grantee had remained employed for the full performance period.	

Dividend equivalents cease to accrue at the change in control date.

#### Performance-Based Restricted Share Units

Change in Control	Retirement	Disability
The remaining 2016 and 2017 PRSUs will vest upon the occurrence of both a change in control and a qualifying termination (or continued employment through the original vesting date) and will be paid as soon as practicable following the original vesting date. All outstanding PRSUs pay out in cash at 100% performance if the CET1 Ratio is met or exceeded as of the last-completed quarter-end, provided that the payout percentage will also be subject to a second risk-based adjustment based on the most recent annual discretionary risk factor applied prior to the change in control (or if no such factor has previously been applied, payout will remain at 100%). If the CET1 Ratio is not met, the PRSUs are canceled.	PRSUs continue in effect in accordance with their terms as if the grantee had remained employed for the full performance period.	

Dividend equivalents cease to accrue at the change in control date and receive the same performance adjustment as their related units.

#### Incentive Performance Units

Change in Control	Retirement	Disability
Following a change in control, outstanding Standard IPUs and ALM IPUs will vest upon a qualifying termination or continued employment through the original vesting year, and will pay out in cash as soon as practicable thereafter. If the performance period has not yet ended before the date of a change in control, the award is calculated in two parts: (1) the portion of the performance period that elapsed prior to the change in control (measured in quarters) and (2) the portion of the performance period not completed due to the change in control. In each part, the award is calculated by multiplying a performance factor by the target number of units, and then prorating such performance-adjusted amount of units as described below: <b>Part 1</b> — The corporate performance factor used to calculate the first part would be the higher of 100% and the actual payout percentage achieved prior to the date of the change in control, and the proration is based on the portion of the overall performance period (measured in quarters) that elapsed before the date of the change in control. <b>Part 2</b> — The corporate performance factor used to calculate the second part is 100%, and the proration is based on the remainder of the overall performance period not completed due to the change in control. Dividend equivalents cease to accrue at the change in control date and receive the same performance adjustment as their related units. In addition, for the Standard IPUs, the performance factors used to calculate the awards are subject to additional risk-based adjustments.	Outstanding Standard IPUs and ALM IPUs continue in effect in accordance with their terms as if the grantee had remained employed for the full performance period.	

## CHANGE IN CONTROL AND TERMINATION OF EMPLOYMENT

**Acceleration upon death.** Upon death, generally (i) outstanding RSUs immediately vest and pay out at 100%, (ii) outstanding PSUs will vest and pay out based on target corporate performance and actual risk performance through the calendar year of the NEO's death, subject to the Personnel and Compensation Committee's exercise of discretion, (iii) PRSUs vest and pay out at 100% (provided that if death occurs after the close of a performance year but before that year's tranche has paid out, payout of that tranche is the same as if still an employee), and (iv) all outstanding Standard IPUs and ALM IPUs may be paid out up to a maximum based on actual corporate and risk performance through the calendar year of the NEO's death and at 100% thereafter, subject to the negative discretion of the Personnel and Compensation Committee. Vested awards are paid out no later than December 31 of the year following the year of death.

**Other material conditions.** The retirement and disability awards summarized above are generally subject to forfeiture if it is determined that a grantee has engaged in certain competitive activities during employment or the one-year period following termination of employment, or if the grantee has engaged in other detrimental conduct. In addition, the award is subject to grantee's agreement not to solicit certain customers or employees of PNC during employment and the one-year period following termination of employment, to at all times maintain the confidentiality of business and technical information, and to disclose and assign certain inventions.

Awards are generally subject to PNC's clawback, adjustment, or similar policies and to any clawback or recoupment that may be required by applicable law or regulations.

## Existing plans and arrangements

As of December 31, 2019, our NEOs could participate in our qualified cash balance pension plan, ERISA excess pension plan, ISP and DCIP. In addition, Mr. Demchak, Mr. Reilly, Mr. Parsley and Ms. Larrimer participate in our SISP, and Mr. Demchak and Mr. Reilly participate in our DCP (although they may no longer make contributions to these plans). The NEOs earn these benefits for services provided to us while employed, and many of these plans are also available on a broader basis to other employees. For the most part, an NEO's entitlement to these benefits does not depend on how employment is terminated.

Mr. Demchak and Mr. Reilly also participate in our supplemental executive retirement plan, a company-paid executive long-term disability ("LTD") program, and the Key Executive Equity Program ("KEEP"), a split-dollar life insurance program. Participants in the executive LTD program are generally eligible for additional LTD benefits of \$10,000 per month until they are no longer disabled or have reached age 65. KEEP provides benefits in the event of a participating executive's death while actively employed (equal to 1.5 times then-current annual base salary) or following an eligible retirement (retirement after reaching age 55 and five years of service with PNC, generally equal to annual base salary prior to retirement). Following a change in control, the life insurance policy would transfer to the participating executive. The supplemental executive retirement plan, executive LTD program and KEEP were frozen to new participants as of December 31, 2007.

Certain NEOs are also eligible to receive two years of company-paid financial planning and tax preparation services upon retirement.

## Estimated benefits upon termination

The following table shows the estimated incremental benefits payable to our NEOs as of December 31, 2019 as a result of termination of employment in a variety of situations. These estimated amounts have been calculated as if employment was terminated on December 31, 2019. For change in control benefits, we assumed a change in control of PNC and a termination of employment by the surviving company without cause (or a resignation of the officer for good reason) on that date. To the extent relevant, the amounts assume a PNC stock price of \$159.63, the closing price of our common stock on December 31, 2019. If we calculated these amounts using a different price, the amounts could be significantly different. The benefits below do not include the balances under our qualified cash balance pension plan, ERISA excess pension plan, supplemental executive retirement plan, SISP, ISP, DCIP or DCP unless the NEO receives an enhanced benefit under the termination scenario. In addition, stock options are not included as there were no stock options outstanding for the NEOs as of December 31, 2019.

<b>William S. Demchak</b>	<b>Termination for Cause</b>	<b>Voluntary Termination/ Termination without Cause<sup>(a)</sup></b>	<b>Retirement<sup>(a)</sup></b>	<b>Change in Control<sup>(b)</sup></b>	<b>Disability</b>	<b>Death</b>
Cash Severance	—	—	—	\$ 10,880,000	—	—
Base Salary	—	—	—	\$ 2,200,000	—	—
Bonus	—	—	—	\$ 8,680,000	—	—
Enhanced Benefits	—	—	\$ 21,060	\$ 381,790	\$ 920,000	\$ 1,650,000
Defined Benefit Plans	—	—	—	\$ 327,000	—	—
Defined Contribution Plans	—	—	—	\$ 22,400	—	—
General Benefits & Perquisites	—	—	\$ 21,060	\$ 32,390	\$ 920,000	\$ 1,650,000
Value of Unvested Equity	—	—	\$ 29,779,799	\$ 29,081,891	\$ 29,779,799	\$ 28,964,067
RSUs	—	—	\$ 7,057,187	\$ 7,057,187	\$ 7,057,187	\$ 7,057,187
PSUs	—	—	\$ 12,560,396	\$ 12,560,396	\$ 12,560,396	\$ 12,560,396
PRSUs	—	—	\$ 5,204,173	\$ 4,388,441	\$ 5,204,173	\$ 4,388,441
Standard IPUs	—	—	\$ 4,958,043	\$ 5,075,867	\$ 4,958,043	\$ 4,958,043
<b>TOTAL</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 29,800,859</b>	<b>\$ 40,343,681</b>	<b>\$ 30,699,799</b>	<b>\$ 30,614,067</b>

<b>Robert Q. Reilly</b>	<b>Termination for Cause</b>	<b>Voluntary Termination/ Termination without Cause<sup>(a)</sup></b>	<b>Retirement<sup>(a)</sup></b>	<b>Change in Control<sup>(b)</sup></b>	<b>Disability</b>	<b>Death</b>
Cash Severance	—	—	—	\$ 5,478,908	—	—
Base Salary	—	—	—	\$ 1,400,000	—	—
Bonus	—	—	—	\$ 4,078,908	—	—
Enhanced Benefits	—	—	—	\$ 261,158	\$ 1,200,000	\$ 1,050,000
Defined Benefit Plans	—	—	—	\$ 206,368	—	—
Defined Contribution Plans	—	—	—	\$ 22,400	—	—
General Benefits & Perquisites	—	—	—	\$ 32,390	\$ 1,200,000	\$ 1,050,000
Value of Unvested Equity	—	—	—	\$ 7,730,112	\$ 7,903,237	\$ 7,699,133
RSUs	—	—	—	\$ 1,916,301	\$ 1,916,301	\$ 1,916,301
PSUs	—	—	—	\$ 3,366,563	\$ 3,366,563	\$ 3,366,563
PRSUs	—	—	—	\$ 1,112,638	\$ 1,316,742	\$ 1,112,638
Standard IPUs	—	—	—	\$ 1,334,610	\$ 1,303,631	\$ 1,303,631
<b>TOTAL</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 13,470,178</b>	<b>\$ 9,103,237</b>	<b>\$ 8,749,133</b>

## CHANGE IN CONTROL AND TERMINATION OF EMPLOYMENT

<b>Michael P. Lyons</b>	Termination for Cause	Voluntary Termination/ Termination without Cause <sup>(a)</sup>	Retirement <sup>(a)</sup>	Change in Control <sup>(b)</sup>	Disability	Death
Cash Severance	—	—	—	\$ 6,360,000	—	—
Base Salary	—	—	—	\$ 1,400,000	—	—
Bonus	—	—	—	\$ 4,960,000	—	—
Enhanced Benefits	—	—	—	\$ 106,636	—	—
Defined Benefit Plans	—	—	—	\$ 50,250	—	—
Defined Contribution Plans	—	—	—	\$ 22,400	—	—
General Benefits & Perquisites	—	—	—	\$ 33,986	—	—
Value of Unvested Equity	—	—	—	\$ 17,058,354	\$ 17,433,627	\$ 16,989,122
RSUs	—	—	—	\$ 4,231,956	\$ 4,231,956	\$ 4,231,956
PSUs	—	—	—	\$ 7,410,072	\$ 7,410,072	\$ 7,410,072
PRSUs	—	—	—	\$ 2,438,520	\$ 2,883,025	\$ 2,438,520
Standard IPU	—	—	—	\$ 2,977,806	\$ 2,908,574	\$ 2,908,574
<b>TOTAL</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 23,524,990</b>	<b>\$ 17,433,627</b>	<b>\$ 16,989,122</b>

<b>E William Parsley, III</b>	Termination for Cause	Voluntary Termination/ Termination without Cause <sup>(a)</sup>	Retirement <sup>(a)</sup>	Change in Control <sup>(b)</sup>	Disability	Death
Cash Severance	—	—	—	\$ 7,593,558	—	—
Base Salary	—	—	—	\$ 1,400,000	—	—
Bonus	—	—	—	\$ 6,193,558	—	—
Enhanced Benefits	—	—	—	\$ 281,224	—	—
Defined Benefit Plans	—	—	—	\$ 224,838	—	—
Defined Contribution Plans	—	—	—	\$ 22,400	—	—
General Benefits & Perquisites	—	—	—	\$ 33,986	—	—
Value of Unvested Equity	—	—	—	\$ 18,913,202	\$ 19,105,378	\$ 18,863,433
RSUs	—	—	—	\$ 4,398,436	\$ 4,398,436	\$ 4,398,436
PSUs	—	—	—	\$ 7,784,985	\$ 7,784,985	\$ 7,784,985
PRSUs	—	—	—	\$ 1,443,575	\$ 1,685,520	\$ 1,443,575
Standard IPU	—	—	—	\$ 2,143,091	\$ 2,093,322	\$ 2,093,322
ALM IPU	—	—	—	\$ 3,143,115	\$ 3,143,115	\$ 3,143,115
<b>TOTAL</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 26,787,984</b>	<b>\$ 19,105,378</b>	<b>\$ 18,863,433</b>

<b>Karen L. Larrimer</b>	Termination for Cause	Voluntary Termination/ Termination without Cause <sup>(a)</sup>	Retirement <sup>(a)</sup>	Change in Control <sup>(b)</sup>	Disability	Death
Cash Severance	—	—	—	\$ 4,485,823	—	—
Base Salary	—	—	—	\$ 1,400,000	—	—
Bonus	—	—	—	\$ 3,085,823	—	—
Enhanced Benefits	—	—	21,060	\$ 230,058	—	—
Defined Benefit Plans	—	—	—	\$ 176,574	—	—
Defined Contribution Plans	—	—	—	\$ 22,400	—	—
General Benefits & Perquisites	—	—	21,060	\$ 31,084	—	—
Value of Unvested Equity	—	—	5,896,206	\$ 5,825,527	\$ 5,896,206	\$ 5,807,930
RSUs	—	—	1,654,817	\$ 1,654,817	\$ 1,654,817	\$ 1,654,817
PSUs	—	—	2,898,759	\$ 2,898,759	\$ 2,898,759	\$ 2,898,759
PRSUs	—	—	608,285	\$ 520,009	\$ 608,285	\$ 520,009
Standard IPU	—	—	734,345	\$ 751,942	\$ 734,345	\$ 734,345
<b>TOTAL</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 5,917,266</b>	<b>\$ 10,541,408</b>	<b>\$ 5,896,206</b>	<b>\$ 5,807,930</b>

(a) If a retirement-eligible employee resigns or is terminated without cause, we consider it a retirement.

(b) The "Value of Unvested Equity" is received upon a change in control and a termination of employment by the surviving company without cause (or a resignation of the officer for good reason), which this table assumes takes place on December 31, 2019.

# CEO PAY RATIO

We are providing the following information about the relationship between the annual total compensation of William S. Demchak, our Chairman, President and CEO, and the annual total compensation of our median employee (other than Mr. Demchak).

For the year ended December 31, 2019:

- The annual total compensation of Mr. Demchak was \$16,555,752
- The annual total compensation of our median employee was \$76,131 (see below for an explanation of how we calculate this amount)
- The resulting ratio of Mr. Demchak's annual total compensation to the annual total compensation of our median employee is 217 to 1

We believe our ratio represents a reasonable estimate, calculated in a manner consistent with SEC rules, based on the following methodology:

- As permitted under SEC rules, we are using the same median employee for our 2019 pay ratio calculation as was used for the 2018 pay ratio calculation in light of the fact that there has been no change in our employee population or employee compensation arrangements that we believe would significantly impact the pay ratio disclosure
- To identify the median employee, we used the Form W-2 (Box 5) issued by the IRS for federal tax purposes as the compensation measure and evaluated the compensation for 52,885 active U.S. employees as of December 31, 2018 (this population excluded Mr. Demchak and all of our 126 non-U.S. employees)<sup>(1)</sup>. We did not annualize the compensation of any employee who was employed by us for part of the year
- As of December 31, 2019, we had 51,872 active U.S. employees (this population excluded Mr. Demchak and all of our 125 non-U.S. employees)<sup>(2)</sup>
- We calculated the 2019 annual total compensation for the median employee<sup>(3)</sup>

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(1) For 2018, we excluded 78 employees in the UK, 33 employees in Canada and 15 employees in Germany, representing less than 1% of our total employee population.

(2) As of December 31, 2019, we had 71 employees in the UK, 37 employees in Canada and 17 employees in Germany, representing less than 1% of our total employee population.

(3) We calculated the annual total compensation for the median employee in accordance with SEC rules, using the same methodology used to calculate Mr. Demchak's total compensation in the Summary compensation table, and we also included PNC's health care premium contributions for both the median employee and Mr. Demchak. As a result, Mr. Demchak's annual total compensation for pay ratio purposes is slightly higher than the amount reported for him in the Summary compensation table on page 62.

# SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

## Security ownership of directors and executive officers

The table below sets forth information regarding ownership of our common stock by our directors and executive officers. We include beneficial ownership of common stock as of January 31, 2020, the record date for the annual meeting, for each director (including all nominees for director), each NEO and all directors and executive officers as a group. Unless otherwise noted, each person listed in the table below exercises sole voting and investment power over the shares of common stock they beneficially own.

We determine the beneficial ownership of each director and executive officer pursuant to SEC regulations. This information does not necessarily indicate beneficial ownership for any other purpose.

Beneficial ownership includes any shares of common stock as to which the individual has sole or shared voting power or investment power, and also includes any shares of common stock the individual has the right to acquire within 60 days of January 31, 2020 through the exercise of any option, warrant or right or the vesting or payout of any restricted share units or other units payable in common stock. Although not considered beneficially owned under SEC rules, the table also shows the number of cash-payable common stock units credited to the accounts of our directors and executive officers under various benefit plans as of January 31, 2020. Each of the nominees for director owns shares of our common stock.

Name	Common Stock Ownership	Options and Common Stock Units*	Total Number of Shares Beneficially Owned	Cash-Payable Common Stock Unit Ownership**	Total Shares Beneficially Owned Plus Cash-Payable Common Stock Units***
<b>Non-Employee Directors:</b>					
Joseph Alvarado	120 <sup>(1)</sup>	1,096	1,216	—	1,216
Charles E. Bunch	4,781	3,408	8,189	20,923	29,112
Debra A. Cafaro	20	2,137	2,157	2,187	4,344
Marjorie Rodgers Cheshire	218	3,408	3,626	5,977	9,603
Andrew T. Feldstein	83,600 <sup>(1)(2)</sup>	3,408	87,008	14,032	101,040
Richard J. Harshman	150 <sup>(3)</sup>	1,096	1,246	241	1,487
Daniel R. Hesse	1,100	3,408	4,508	3,043	7,551
Richard B. Kelson	119	3,408	3,527	15,831	19,358
Linda R. Medler	10	2,137	2,147	523	2,670
Martin Pfinsgraff	1,550	2,137	3,687	—	3,687
Toni Townes-Whitley	1,000	1,096	2,096	—	2,096
Michael J. Ward	1,000	3,408	4,408	5,484	9,892
<b>NEOs:</b>					
William S. Demchak	363,680 <sup>(3)(4)</sup>	67,442	431,122	3,139	434,261
Robert Q. Reilly	118,137 <sup>(3)(4)</sup>	17,521	135,658	2,380	138,038
Michael P. Lyons	135,484	38,639	174,123	—	174,123
E William Parsley, III	88,620	28,845	117,465	—	117,465
Karen L. Larrimer	20,847	10,447	31,294	—	31,294
7 remaining executive officers	165,364 <sup>(2)(3)(4)</sup>	66,819	232,183	—	232,183
<b>Directors and executive officers as a group (24 persons):</b>	<b>985,800</b>	<b>259,860</b>	<b>1,245,660</b>	<b>73,760</b>	<b>1,319,420</b>

\* Includes options exercisable within 60 days of January 31, 2020 and common stock units that may vest or pay out within 60 days of January 31, 2020.

\*\* For non-employee directors, includes cash-payable common stock units credited to their accounts pursuant to deferrals made under the Directors Deferred Compensation Plan and predecessor plans and cash-payable common stock units granted under the Outside Directors Deferred Stock Unit Plan used for non-employee director equity-based grants prior to 2017. For executive officers, includes cash-payable common stock units credited under our DCP and SISP. These units are not considered beneficially owned under SEC rules.

\*\*\* As of January 31, 2020, there were 430,265,435 shares of PNC common stock issued and outstanding. The number of shares of common stock beneficially owned by each individual is less than 1% of the outstanding shares of common stock; the total number of shares of common stock beneficially owned by the group is approximately 0.3% of the class. If stock options are exercisable or units payable in common stock vest or pay out within 60 days of January 31, 2020, those shares were added to the total number of shares issued and outstanding for purposes



of determining these ownership percentages. As of January 31, 2020, the total number of shares of common stock beneficially owned plus cash-payable common stock units held by the group was approximately 0.3% of the class. No director or executive officer beneficially owns shares of PNC preferred stock.

- (1) Includes shares owned by spouse.
- (2) Includes shares held in a trust.
- (3) Includes shares held jointly with spouse.
- (4) Includes shares held in our incentive savings plan.

## Security ownership of certain beneficial owners

The table below sets forth information regarding the entities that beneficially own more than five percent of our common stock, based on a review of Schedules 13D and 13G filed with the SEC as of February 14, 2020. The numbers included in the table below represent each entity's holdings as of December 31, 2019, as disclosed in the applicable Schedule 13G filed with the SEC, and should be interpreted in light of the accompanying footnotes.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
<b>BlackRock, Inc.</b> 55 East 52nd Street New York, NY 10055	27,108,553 <sup>(1)</sup>	6.2%
<b>The Vanguard Group, Inc.</b> 100 Vanguard Blvd. Malvern, PA 19355	33,446,765 <sup>(2)</sup>	7.6%
<b>Wellington Management Group LLP</b> c/o Wellington Management Company LLP 280 Congress Street Boston, MA 02210	22,921,851 <sup>(3)</sup>	5.2%

- (1) According to the Schedule 13G/A filed by BlackRock, Inc. with the SEC on February 5, 2020, BlackRock, Inc. and its subsidiaries have beneficial ownership of 27,108,553 shares of our common stock. BlackRock, Inc. reported (1) sole dispositive power with respect to 27,108,553 shares, (2) shared dispositive power with respect to 0 shares, (3) sole voting power with respect to 22,885,133 shares and (4) shared voting power with respect to 0 shares. BlackRock, Inc. is the beneficial owner of our common stock as a result of being a parent company or control person of the following subsidiaries, each of which holds less than 5% of the outstanding shares of our common stock: BlackRock (Luxembourg) S.A.; BlackRock (Netherlands) B.V.; BlackRock (Singapore) Limited; BlackRock Advisors (UK) Limited; BlackRock Advisors, LLC; BlackRock Asset Management Canada Limited; BlackRock Asset Management Ireland Limited; BlackRock Asset Management North Asia Limited; BlackRock Asset Management Schweiz AG; BlackRock Financial Management, Inc.; BlackRock Fund Advisors; BlackRock Fund Managers Ltd; BlackRock Institutional Trust Company, National Association; BlackRock International Limited; BlackRock Investment Management (Australia) Limited; BlackRock Investment Management (UK) Limited; BlackRock Investment Management, LLC; BlackRock Japan Co., Ltd.; and BlackRock Life Limited.
- (2) According to the Schedule 13G/A filed by The Vanguard Group, Inc. with the SEC on February 12, 2020, The Vanguard Group, Inc. has beneficial ownership of 33,446,765 shares of our common stock. The Vanguard Group, Inc. reported (1) sole dispositive power with respect to 32,711,809 shares, (2) shared dispositive power with respect to 734,956 shares, (3) sole voting power with respect to 653,676 shares and (4) shared voting power with respect to 123,989 shares. Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 494,997 shares or 0.11% of our outstanding common stock as a result of its serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 390,938 shares or 0.08% of our outstanding common stock as a result of its serving as investment manager of Australian investment offerings.
- (3) According to the Schedule 13G/A filed by Wellington Management Group LLP with the SEC on January 27, 2020, Wellington Management Group LLP has beneficial ownership of 22,921,851 shares of our common stock held of record by clients of one or more investment advisors directly or indirectly owned by Wellington Management Group LLP. Wellington Management Group LLP shares dispositive power with respect to 22,921,851 shares of our common stock and shares voting power with respect to 22,467,594 shares of our common stock.

# RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (ITEM 2)

Under the Audit Committee's charter, the Committee is responsible for the selection, appointment, compensation, retention, and oversight of our independent auditors. In connection with this responsibility, the Committee evaluates, monitors and reports to the Board regarding the independence, qualifications and performance of the independent auditors, including an evaluation of the lead audit partner. The Committee approves all audit engagement fees and terms associated with the retention of the independent auditors.

The Audit Committee charter requires the Committee to consider, not less frequently than when the lead audit partner is rotated, whether PNC should adopt a policy of regular rotation of the independent audit firm. In addition to assuring the required rotation of the lead audit partner, the Committee oversees the selection of the new lead audit partner and the Chair of the Committee participates directly in the selection of the new lead audit partner.

The Audit Committee has selected PricewaterhouseCoopers LLP ("PwC") as our independent auditors for 2020. PwC has been our independent auditors since 2007. In making this selection, the Committee considered whether there should be a rotation of the independent audit firm. It also carefully considered, among other things, PwC's qualifications and performance, the quality and candor of its communications with the Committee and PNC, and its independence, objectivity and professional skepticism. On February 13, 2020, the Committee presented its conclusions regarding the selection and appointment of PwC as our independent auditors to the Board, including a determination that the selection of PwC as our independent auditors is in the best interests of PNC. Following this presentation, the Board voted unanimously to recommend that shareholders vote to ratify the Committee's selection of PwC as our independent registered public accounting firm for 2020. The Committee and the Board believe that the continued retention of PwC as our independent auditors is in the best interest of PNC.

The Audit Committee and the Board have adopted a policy that if the ratification of the independent auditors does not receive a majority of the votes cast at the annual meeting, the Committee will reconsider its selection of independent auditors. However, the Committee will be under no obligation to select new independent auditors. If the Committee does select new independent auditors for 2020, we will not seek shareholder ratification of the new selection.

We expect representatives of PwC to be available at the annual meeting. They will have an opportunity to make a statement and respond to appropriate questions.

You can learn more about the Audit Committee's responsibilities with respect to the independent auditors in the Committee's charter, which is posted in the corporate governance section of our corporate website at [www.pnc.com/corporategovernance](http://www.pnc.com/corporategovernance).

## Audit, audit-related and permitted non-audit fees

In considering the nature of the services provided by our independent auditors, the Audit Committee determined that the services are compatible with the provision of independent audit services. The Committee discussed these services with the independent auditors and our management to determine that they are permitted under the SEC rules and regulations concerning auditor independence.

The following table summarizes the total fees for professional services rendered by PwC to PNC for 2019 and 2018:

Category	2019 (in millions)	2018 (in millions)
Audit fees	\$21.7	\$20.0
Audit-related fees*	\$2.6	\$2.6
Tax fees	\$0.1	\$0.1
All other fees	\$0.1	\$0.5
TOTAL FEES BILLED	\$24.5	\$23.2

\* Excludes fees of \$1.9 million in 2019 and \$1.5 million in 2018 for financial due diligence services related to potential private equity investments. In those instances, the fees were paid by the company issuing the equity.

**Audit fees.** These fees consisted primarily of the audit of our annual consolidated financial statements, reviews of our quarterly consolidated financial statements included in Form 10-Q filings, comfort letter procedures, other services related to SEC matters and required attestation services.

**Audit-related fees.** These fees consisted primarily of SSAE 18, compliance and internal control reviews.

**Tax fees.** These fees were primarily attributable to tax compliance services, including tax return preparation and review, and assistance with tax examinations.

**All other fees.** These fees consisted primarily of fees for review and analysis of technology and subscription-based services.

## Procedures for pre-approving audit services, audit-related services and permitted non-audit services

The Audit Committee is responsible for pre-approving audit services, audit-related services and permitted non-audit services (such as tax) to be provided to us by our independent auditors. The Committee is given this responsibility to confirm that providing services will not impair our auditors' independence. The Committee performs this function for us and our subsidiaries.

The Audit Committee's responsibility also includes pre-approval of the fees for such services (although SEC regulations do not require the pre-approval of fees) and the other terms of the engagement. The Committee may either pre-approve specific fees or a methodology for determining fees. Any proposed increase in fees that exceeds the pre-approved amounts requires the Committee's approval.

Pre-approval may be general (categories of services) or specific (individual services). If the Audit Committee pre-approves a general category of services, it will review the scope of services related to such general pre-approval at least annually. The Committee is responsible for approving any fee or other compensation arrangements for services covered by a pre-approval of a general category of services.

The full Audit Committee may exercise pre-approval authority, or the Chair of the Committee may exercise the authority as required between meetings. The Committee may also delegate this authority, in whole or in part, to one or more Committee members. Any person exercising delegated authority reports on the pre-approvals at the next scheduled meeting of the Committee, which will be reflected in the meeting minutes.

The Committee may not delegate its pre-approval authority to any other person, including any member of management or other PNC employee or agent.

The written request for pre-approval includes, at a minimum, a description of the nature of the engagement, the proposed fee for the services and a statement that the services to be performed by the independent auditor are consistent with SEC and other applicable rules on auditor independence. In addition, each pre-approval request is reviewed by the independent auditor to confirm the provision of services is consistent with SEC and other applicable auditor independence rules. All requests for pre-approval of services are reviewed by management to ensure the services are permitted under SEC regulations and the Audit Committee charter and include a recommendation of the proposal by the Chief Financial Officer or the Controller and the General Auditor. In reviewing a pre-approval request, the Committee or the Chair of the Committee may request that members of management provide their views on auditor independence questions.

The Controller or a designee of the Controller reports to the Audit Committee at least quarterly as to the status of services that have been pre-approved and the related fees.

The Committee may amend these procedures from time to time.

All audit services, audit-related services and permitted non-audit services and related fees disclosed above were pre-approved by the Audit Committee.

# REPORT OF THE AUDIT COMMITTEE

The Audit Committee's job is one of oversight, as set forth in its charter. It is not the duty of the Audit Committee to prepare PNC's consolidated financial statements, to plan or conduct audits, or to determine that PNC's consolidated financial statements are complete and accurate and are in accordance with generally accepted accounting principles. PNC's management is responsible for preparing PNC's consolidated financial statements and for establishing and maintaining effective internal control over financial reporting. PNC's management is also responsible for its assessment of the effectiveness of internal control over financial reporting. The independent auditors are responsible for the audit of PNC's consolidated financial statements and the audit of the effectiveness of PNC's internal control over financial reporting.

The Audit Committee has reviewed and discussed PNC's audited consolidated financial statements with management and with PricewaterhouseCoopers LLP ("PwC"), PNC's independent registered public accounting firm for 2019. The Audit Committee has selected PwC as PNC's independent auditors for 2020, subject to shareholder ratification. A portion of the Audit Committee's review and discussion of PNC's audited consolidated financial statements with PwC occurred in private sessions, without PNC management present.

The Audit Committee has discussed with PwC the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board (the "PCAOB") and the Securities and Exchange Commission (the "SEC").

The Audit Committee has received the written disclosures and the letter from PwC required by applicable requirements of the PCAOB regarding the independent accountant's communications with the Audit Committee concerning independence, and has discussed PwC's independence with representatives of PwC.

Based on the review and discussions referred to above, the Audit Committee has recommended to the Board of Directors that the audited consolidated financial statements be included in PNC's Annual Report on Form 10-K for the year ended December 31, 2019, for filing with the SEC.

## **The Audit Committee of the Board of Directors of The PNC Financial Services Group, Inc.**

**Richard B. Kelson, *Chair***  
**Joseph Alvarado**  
**Debra A. Cafaro**  
**Richard J. Harshman**  
**Martin Pfinsgraff**

In accordance with SEC regulations, the Report of the Audit Committee is not incorporated by reference into any of our future filings made under the Securities Exchange Act of 1934 or the Securities Act of 1933. The report is not deemed to be soliciting material or to be filed with the SEC under the Exchange Act or the Securities Act.

**The Board of Directors recommends a vote FOR the ratification of the Audit Committee's selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm for 2020.**

# **“SAY-ON-PAY”: ADVISORY VOTE ON EXECUTIVE COMPENSATION (ITEM 3)**

## **What is the purpose of this item?**

We describe this item as an advisory vote on executive compensation, but it is more commonly known as “say-on-pay.” We provide this vote under the federal securities laws (Section 14A of the Securities Exchange Act of 1934) and in recognition of our shareholders’ vote in 2017 recommending that we hold an advisory vote on executive compensation each year. After our shareholders voted in 2017, the Board affirmed that recommendation and elected to hold future “say-on-pay” advisory votes on an annual basis, until the next shareholder vote on “say-on-pay” frequency. We expect to conduct the next shareholder vote on “say-on-pay” frequency at our 2023 annual meeting of shareholders.

With this item, shareholders may submit an advisory vote on the compensation of our CEO and the other four executive officers named in the Summary compensation table on page 62. The Summary compensation table provides an annual snapshot of the compensation paid or granted to our NEOs.

## **What does it mean to have a “say-on-pay” advisory vote?**

As an advisory vote, the outcome will not bind PNC or the Board. We will disclose how many shareholders voted “For” or “Against” the resolution and how many shareholders abstained from voting.

We believe in soliciting input from our shareholders throughout the year on a variety of issues, and this advisory vote fits within our broader shareholder engagement efforts. We have averaged over 96% support in say-on-pay votes over the past five years.

While this vote is non-binding, the Board values the opinions of shareholders and will carefully consider the results when making future compensation decisions. In considering an overall executive compensation program, “say-on-pay” cannot convey a shareholder’s view on a discrete element of our compensation program or a specific decision made by the Personnel and Compensation Committee. Each year, the Committee receives reports on the outcome of the “say-on-pay” vote, how our “say-on-pay” vote compared to our peer group and other large public companies, and whether any changes to the compensation program were being recommended for the Committee’s consideration in light of the results. The Committee expects to undertake a similar evaluation this year.

## **Where can I find more information on executive compensation?**

We describe our executive compensation program and the compensation awarded under that program in the CD&A, the compensation tables and the related disclosure contained in this proxy statement. See pages 41 to 81 for additional information.

## **What are some of the performance and compensation program highlights for 2019?**

Please review the CD&A, which begins on page 41, as well as the accompanying compensation tables and related disclosure beginning on page 62. Performance and compensation program highlights for 2019, which are also included in the CD&A, should be read in conjunction with the full CD&A, the compensation tables and the related disclosure contained in this proxy statement.

**The Board of Directors recommends a vote FOR the following advisory resolution:**

**“RESOLVED, that the holders of the common stock and the voting preferred stock of The PNC Financial Services Group, Inc. (PNC), voting together as a single class, approve the compensation of PNC’s named executive officers as described in the Compensation Discussion and Analysis, compensation tables and related disclosure contained in PNC’s proxy statement for the 2020 Annual Meeting of Shareholders.”**

# APPROVAL OF THE PNC EMPLOYEE STOCK PURCHASE PLAN (ITEM 4)

On January 30, 2020, the Personnel and Compensation Committee (referred to in this section as the "Committee") adopted, subject to shareholder approval, The PNC Financial Services Group, Inc. Employee Stock Purchase Plan, as amended and restated January 1, 2020 (the "ESPP"), and directed that this proposal to approve the ESPP be submitted to our shareholders for their approval at the annual meeting. Under this proposal, we are asking you to approve the ESPP, including an increase in the number of shares of our common stock authorized for issuance under the ESPP by 2,000,000.

The Committee and the Board believe that shareholder approval of the ESPP will further our compensation and benefits structure and strategy, as well as attract, retain and motivate our broad base of approximately 52,000 employees. The ESPP offers eligible employees of PNC and designated subsidiaries the opportunity to purchase shares of our common stock at a discounted price through regular payroll deductions. Accordingly, the ESPP provides such eligible employees with the opportunity to become shareholders of PNC and participate in our success, which aligns their interests with those of our shareholders and provides an incentive for them to promote our continued success. Participation in the ESPP is entirely voluntary.

As of February 28, 2020, there were 153,535 shares of our common stock available for future purchase under the ESPP. The Board believes that additional shares of common stock are needed for issuance under the ESPP so that it can continue to be used as a method to attract and retain employees. In reaching its decision regarding the appropriate number of shares of common stock by which to increase the ESPP share reserve, the Committee considered a number of factors, including historical purchases under the ESPP, the percentage of our outstanding shares represented by the share reserve, forecasts of expected share utilization and the expected length of time before the share reserve is depleted. Our forecast indicates that the addition of 2,000,000 shares of common stock will allow continued employee participation for at least five years, although the actual number of shares utilized will depend on a variety of factors, including employee participation levels and our stock price. The proceeds received by PNC from the sale of common stock under the ESPP may be used for any corporate purpose.

The ESPP is intended to be an "employee stock purchase plan" within the meaning of Section 423 of the Internal Revenue Code of 1986, as amended (the "Code"). The ESPP is not subject to the provisions of the Employee Retirement Income Security Act of 1974, nor is it qualified as a pension, profit-sharing or stock bonus plan under Section 401(a) of the Code. The ESPP supersedes and replaces in its entirety the PNC Employee Stock Purchase Plan in effect prior to January 1, 2020.

## **Summary of the ESPP**

The material terms and conditions of the ESPP are described below. This summary is not intended to be a complete description of all provisions of the ESPP and is qualified in its entirety by reference to the full text of the ESPP, a copy of which is attached to this proxy statement as Appendix A.

As of February 28, 2020, 47,388 employees were eligible to participate in the ESPP, with approximately 8,009 employees actually participating. The closing price of our common stock on the NYSE on February 28, 2020 was \$126.40.

## **Material features of the ESPP**

Twice a year, the ESPP provides eligible employees the opportunity to purchase shares of our common stock through payroll deductions at a price equal to 95% of the fair market value of the shares on the date of purchase. Up to 2,000,000 shares of our common stock currently are authorized for issuance under the ESPP. If the ESPP is approved by shareholders at the annual meeting, an additional 2,000,000 shares of common stock will be available for issuance under the ESPP, bringing the total number of shares of common stock that have been authorized for issuance under the ESPP to 4,000,000 shares, subject to adjustment pursuant to anti-dilution provisions.

## **Term of the ESPP**

The ESPP is effective January 1, 2020 and will continue in effect through December 31, 2024. The Board and the Committee have the right to extend the term of, or terminate, the ESPP at any time. If the ESPP is terminated, the balance of any participant's account will be refunded to the participant or, if a refund is not possible, disposed of in accordance with procedures established by the Plan Committee (as defined below).

## **Administration**

The ESPP may be administered by a committee of officers of PNC and/or a subsidiary of PNC appointed by the Board or the Committee, or its duly-appointed delegate (the "Plan Committee"). Subject to oversight by the Board and the Committee, the Plan Committee will have the authority to administer the ESPP and to make and adopt rules and regulations consistent with the terms of the ESPP. The interpretations and decisions of the Plan Committee with respect to the ESPP will be final.



and conclusive. The Plan Committee may appoint an employee as a plan manager (the "Plan Manager") and delegate to the Plan Manager such authority relating to the administration of the ESPP as the Plan Committee, in its sole discretion, deems advisable. The Plan Committee members and the Plan Manager may participate in the ESPP.

### **Eligibility**

The following employees are eligible to participate in the ESPP: (1) any full-time employee of PNC or a designated subsidiary who has at least six months of continuous service as of January 1, 2020; and (2) any rehired employee or part-time employee of PNC or a designated subsidiary (excluding peak-time employees who were not otherwise previously participating in the prior plan before January 1, 2020, as a full- or part-time employee) who has least 12 months of continuous service as of January 1, 2020. Any employee who is deemed to own 5% or more of the total combined voting power or value of all classes of stock of PNC or any subsidiary is not eligible to participate in the ESPP. Although non-employee directors are not eligible to participate in the ESPP, employee directors and executive officers who satisfy the above requirements are eligible to participate in the ESPP. Accordingly, each employee member of the Board, each executive officer and each person who previously served as an executive officer during the 2019 fiscal year and remains employed by PNC has an interest in this proposal.

Eligible employees may become participants in the ESPP by submitting a notice to us before the offering period begins. Once an employee becomes a participant, participation continues for all subsequent offerings until a participant discontinues payroll deductions or participation is otherwise terminated. Participants who participated in the prior plan before January 1, 2020 will continue to participate in the ESPP pursuant to the same elections made under the prior plan before January 1, 2020, until such participant modifies his or her elections in accordance with the ESPP. Eligible employees may not transfer their rights under the ESPP.

### **Offerings under the ESPP**

ESPP offerings are made on January 1 and July 1 each year. An offering gives each eligible employee the opportunity to buy shares of our common stock at a 5% discount from "fair market value." Purchases under the ESPP are made by means of payroll deductions over a six-month option period beginning on January 1 and July 1 and ending on June 30 and December 31, respectively, of the applicable year. The amount deducted must be a whole number percentage of a participating employee's base salary from 1% to 10%, and is credited to an ESPP account established in the employee's name. A participant may not increase or decrease the percentage of the payroll deduction during an option period. However, a participant may change the percentage of the payroll deduction for a future option period by filing a notice with the Plan Manager before the January 1 or July 1 start date of the applicable option period. For a participating employee, the amount in his or her account on the last day of the option period (June 30 or December 31) is applied, without interest, to purchase the largest number of whole shares of our common stock which can be purchased with said amount, at a price equal to 95% of the fair market value of a share of our common stock on such date (which is June 30 or December 31).

ESPP participation will be automatically suspended if, during a calendar year, a participant has reached any applicable limit imposed by law. Participants who cease to participate in the ESPP because they have reached the applicable limit will participate again at the beginning of the next calendar year, at the same percentage. Additionally, if a participant's subsidiary-employer ceases to be a designated subsidiary during an option period, the cash balance remaining in the participant's account shall be applied toward the purchase of whole shares of common stock on the last day of such option period. Any cash balance remaining in the participant's account after such purchase will be refunded to the participant without interest.

If an offering is oversubscribed, any balance in an employee's ESPP account not applied to the purchase of shares of our common stock will be carried over to the next offering period. No purchase of shares under the ESPP will exceed any statutory limits imposed under section 423(b)(8) of the Code, which generally limits the accrual of the right of any employee to purchase shares under employee stock purchase plans to an annual rate of \$25,000 in fair market value.

No voluntary withdrawals are permitted from the ESPP. However, a participant may discontinue payroll deductions during an option period; any payroll deductions made during such option period prior to the participant's discontinuation of deductions shall remain in the participant's account to purchase whole shares on the last day of such option period, provided that he or she is an employee as of such date. Amounts not used to purchase shares of our common stock will be refunded without interest upon the written request of the participant. A participant who elects to discontinue payroll deductions during an option period may again become a participant in a subsequent option period by filing a new notice with the Plan Manager in accordance with the ESPP.

### **Termination of participation**

A participant may not voluntarily withdraw from the ESPP. If a participant dies during an option period, the cash balance remaining in the participant's account will be distributed to the participant's beneficiary (and if there is no beneficiary, to the participant's personal representative). If a participant's employment with PNC or a designated subsidiary ends for any reason, the cash balance remaining in the participant's account will be refunded or distributed without interest to the participant.

### **Amendment of the ESPP**

The Board or the Committee may amend the ESPP in any respect, except that shareholder approval is required for any such amendment that increases the aggregate number of shares reserved under the ESPP other than as provided in the ESPP, materially increases the benefits accruing to participants or materially modifies the requirements as to eligibility for participation in the ESPP.

### **Certain federal income tax consequences**

Under the Code, we are deemed to grant employees an “option” on the last day of each offering period, and the employee is deemed to exercise the option on the last day of the offering period (the exercise date). A participant will not recognize income at the time of the grant of an option under the ESPP (that is, on the exercise date). Under these circumstances, we will not be allowed to take a deduction in connection with either the grant of an option or the issuance of shares upon exercise of an option. If a participant disposes of shares acquired under the ESPP more than two years after the exercise date (the “required holding period”) or in the event of the participant’s death, the participant will recognize compensation income equal to the lesser of (a) the excess, if any, of the fair market value of the shares on the date of disposition or the participant’s death over the amount the participant paid for the shares, or (b) 5% of the fair market value of the shares as of the exercise date. In addition, a participant will recognize a capital gain equal to the excess, if any, of the proceeds from the disposition over the sum of the purchase price paid by the participant for the shares and the amount of ordinary income the participant recognizes. If the proceeds from disposition of the shares are less than the purchase price paid by the participant, the participant will be entitled to a long-term capital loss. We will not be allowed to take a deduction if the participant dies or disposes of the shares after the required holding period. If shares acquired under the ESPP are held less than the required holding period, the excess of the fair market value of the shares as of the exercise date over the price the participant paid for the shares will be treated as ordinary income to the participant at the time of disposition of the shares. In addition, the participant will recognize capital gain equal to the excess, if any, of the proceeds from sale over the fair market value of the shares as of the exercise date. If the proceeds from disposition of the shares are less than the fair market value of the shares as of the exercise date, the participant will recognize a capital loss equal to the amount of such difference. We will be entitled to a deduction for federal income tax purposes equal to the amount of ordinary income a participant recognizes upon disposition of the shares prior to expiration of the required holding period.

The rules governing employee stock purchase plans are highly technical, so that the above description of tax consequences is general in nature and does not purport to be complete. Moreover, statutory provisions are subject to change, as are their interpretations, and their application may vary in individual circumstances. Finally, the consequences under applicable state and local income tax laws may not be the same as under the federal income tax laws.

### **New plan benefits**

Participation in the ESPP is voluntary and each eligible employee will make his or her own decision regarding whether and to what extent to participate in the ESPP. It is therefore not possible to determine the benefits or amounts that will be received in the future by individual employees or groups of employees under the ESPP.

### **Shareholder approval required**

Approval of the ESPP requires the affirmative vote of a majority of the votes cast by the holders of PNC common stock and voting preferred stock, voting together as a single class, in person or by proxy, at a meeting at which a quorum is present. See *General Information—How a proposal gets approved* beginning on page 95 for more information.

**The Board of Directors recommends a vote FOR the approval of the PNC Employee Stock Purchase Plan, as amended and restated January 1, 2020.**

## Equity compensation plan information

The following table provides information as of December 31, 2019 regarding the number of shares of our common stock that may be issued under our equity compensation plans:

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options, warrants and rights (1) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	4,653,282 (2)	\$ 61.12	29,115,558 (3)
Equity compensation plans not approved by security holders	—	\$ —	—
<b>Total</b>	<b>4,653,282</b>	<b>\$ 61.12</b>	<b>29,115,558</b>

(1) The weighted-average exercise price does not take into account restricted stock units or incentive performance units because they have no exercise price.

(2) Of this total, the following amounts relate to the 2016 Incentive Award Plan, approved by shareholders on April 26, 2016: 3,492,063 are stock-payable restricted stock units (at a maximum share award level), 444,969 are performance share units (at a maximum share award level), 30,147 are deferred stock units (at a maximum share award level) and 108,176 are incentive performance unit awards (at a maximum share award level). Also included in this total are the following amounts that relate to the 2006 Incentive Award Plan, as amended and restated: 328,147 are stock options and 249,780 are stock-payable restricted stock units (at a maximum share award level).

For incentive performance unit awards under each of the 2016 Incentive Award Plan and the 2006 Incentive Award Plan, upon achievement of performance goals and other conditions above target level, payment is made in cash share equivalents, up to a maximum of 25% of the target number of share units.

Following shareholder approval of the 2016 Incentive Award Plan, no further grants were permitted under the 2006 Incentive Award Plan.

(3) Includes 291,751 shares available for issuance under the Employee Stock Purchase Plan, of which 67,362 shares are subject to purchase during the purchase period ended December 31, 2019. The amount available for awards under the 2016 Incentive Award Plan is 28,823,807.

# GENERAL INFORMATION

We will hold our annual meeting of shareholders on Tuesday, April 28, 2020. This proxy statement includes information about PNC, describes the proposals to be considered at the meeting and explains the voting process. We encourage you to read it carefully.

This section of the proxy statement reviews important topics such as how to attend the meeting, how to access our proxy materials, how to vote and how a proposal gets approved. Although our By-laws provide that we may hold a virtual-only annual meeting of shareholders, we currently have no intention to conduct our annual meeting of shareholders in that format other than as noted below as a precautionary measure related to coronavirus or COVID-19.

In this section, we sometimes discuss differences between “registered” and “street name” shareholders. We refer to those who own PNC shares in their own name as “registered” holders or “shareholders of record.” We refer to those who own PNC shares through an account at an intermediary — such as a brokerage firm or bank — as holding shares in “street name” or as “beneficial owners.” For purposes of reviewing the proxy materials and voting your shares, this distinction is important.

## Attending the annual meeting

The annual meeting will be held on Tuesday, April 28, 2020 in the James E. Rohr Auditorium in The Tower at PNC Plaza, 300 Fifth Avenue, Pittsburgh, Pennsylvania 15222. The meeting will begin at 11:00 a.m., Eastern Time. Directions to the meeting are available at [www.pnc.com/annualmeeting](http://www.pnc.com/annualmeeting).

As a precautionary measure related to coronavirus or COVID-19, it is possible we may hold the annual meeting solely by means of remote communication. If we determine to do so, we will announce the decision in advance, and details on how to participate in the annual meeting will be available at [www.pnc.com/annualmeeting](http://www.pnc.com/annualmeeting). We recommend that you monitor this website for updated information, including to confirm the status of the annual meeting before planning to attend in person.

### General requirements

To attend the annual meeting in person, you must be a PNC shareholder on the record date of January 31, 2020, or hold a valid legal proxy, and bring with you the required documentation as described in this section.

We encourage shareholders to pre-register in advance of the annual meeting. Registered holders should pre-register at [www.envisionreports.com/PNC](http://www.envisionreports.com/PNC) or by following the instructions on the proxy card. Street name holders should pre-register and print an admission ticket at [www.proxyvote.com](http://www.proxyvote.com).

All shareholders and persons holding legal proxies must present a valid form of photo identification, such as a driver's license, to be admitted to the annual meeting.

### Additional requirements

In addition to presenting a valid form of photo identification, please follow these instructions to be admitted to the meeting:

**Registered shareholder.** Present one of the following: (i) proxy card admission ticket, (ii) Notice of Internet Availability of Proxy Materials or (iii) admission ticket that you printed if you voted electronically.

**Street name shareholder.** Present one of the following: (i) printed admission ticket available online at [www.proxyvote.com](http://www.proxyvote.com), (ii) voting instruction form or copy, (iii) Notice of Internet Availability of Proxy Materials, (iv) brokerage statement or letter from your broker or bank demonstrating PNC share ownership as of the record date of January 31, 2020, or (iv) written legal proxy issued by your broker or bank.

**Proxy for registered shareholder.** Present a written legal proxy to you signed by the registered shareholder and one of the following: (i) proxy card admission ticket, (ii) Notice of Internet Availability of Proxy Materials or (iii) printed admission ticket if the registered shareholder voted electronically.

**Proxy for street name shareholder.** Present a written legal proxy from the street name holder to you and one of the following: (i) voting instruction form or copy, (ii) Notice of Internet Availability of Proxy Materials, (iii) brokerage statement or letter from the street name holder's broker or bank demonstrating PNC share ownership as of the record date of January 31, 2020, or (iv) written legal proxy issued by the street name holder's broker or bank to the street name holder, in assignable form.

A shareholder representative (for example, a person representing an entity that is a shareholder) must present satisfactory documentation evidencing his or her authority with respect to the shares in addition to complying with the general and additional requirements discussed above.

We will decide in our sole discretion whether the documentation presented for admission meets the above requirements.

Anyone who attends the annual meeting agrees to abide by the regulations for conduct at the meeting. These regulations for conduct are included in Annex B to this proxy statement and will also be printed on the meeting agenda and distributed and reviewed at the meeting.

The use of cameras, mobile phones, laptops, tablets and recording equipment is prohibited in the meeting room. In addition, large bags, backpacks, briefcases and similar items are not permitted in the meeting room. Security measures, including bag screening procedures and the use of metal detectors, may be employed prior to granting admission to the annual meeting.

If you are unable to attend the annual meeting in person, you can listen to the meeting using the webcast or conference call options described on the *Notice of Annual Meeting of Shareholders* on page 11. However, those using the webcast or conference call options will not be able to vote or ask questions. Please visit the website [www.pnc.com/annualmeeting](http://www.pnc.com/annualmeeting) or [www.pnc.com/investorevents](http://www.pnc.com/investorevents) before the start of the meeting to register, download any necessary software and view or print related materials.

## Reviewing proxy materials

**Mailing date.** We provided access to our proxy materials beginning on Tuesday, March 17, 2020. On that day, we began mailing paper copies of the proxy statement and proxy card and our 2019 Annual Report to registered shareholders, began mailing the Notice of Internet Availability of Proxy Materials and began delivering proxy materials electronically to registered shareholders who previously consented to electronic delivery. Please note that our 2019 Annual Report is not considered part of our proxy solicitation materials.

**Accessing proxy materials.** The SEC allows us to deliver proxy materials to shareholders over the Internet. We believe this offers a convenient way for shareholders to review our information. It also reduces printing expenses and lessens the environmental impact of paper copies.

Shareholders may access our proxy materials electronically. Upon request, we will continue to provide email or paper copies of proxy materials to shareholders for the current annual meeting or for future meetings.

If you hold PNC shares in street name, we generally cannot mail our materials to you directly. Your broker or bank must provide you with the Notice of Internet Availability of Proxy Materials or the proxy statement and a voting instruction form, and must also explain the voting process to you.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 28, 2020: This Notice of Annual Meeting and Proxy Statement and the 2019 Annual Report are available at:**

**[www.envisionreports.com/PNC](http://www.envisionreports.com/PNC)**

**Have you received more than one set of proxy materials?** If two or more PNC shareholders live in your household, or you maintain more than one shareholder account on the books of our transfer agent, you may have received more than one set of our proxy materials.

In order to reduce duplicate packages and lower expenses, we rely on SEC rules that allow delivery of one set of proxy materials to multiple shareholders sharing the same address and the same last name, if this type of delivery has been consented to as provided by these rules. This is referred to as “householding” of the proxy materials. Even if you consent to householding, we will always deliver a separate proxy card or Notice of Internet Availability of Proxy Materials for each account. Householding will not affect your right or ability to vote.

If you would like to opt out of or into householding in the future, or would like to receive a separate copy of the proxy materials, please write or call Computershare Trust Company, N.A., our transfer agent, at the address or phone number below:

Computershare Trust Company, N.A.  
P.O. Box 505005  
Louisville, KY 40233-5005  
800-982-7652

You may also receive more than one set of our proxy materials if you have more than one brokerage account. Our householding process does not include accounts that you maintain at a brokerage firm or bank. Some brokerage firms and banks offer householding — please contact your broker or bank directly if you are interested.



## Voting your shares

We want our shareholders, as the owners of PNC, to consider the important matters before them and exercise their right to vote. The Board is asking for, or soliciting, a proxy from our shareholders. This section describes the different aspects of the voting process and how proxy voting works.

**Who can vote?** You are entitled to vote if you were a PNC shareholder as of the record date of January 31, 2020.

**What is a proxy?** If you are unable to attend and vote at the annual meeting in person, you can tell us exactly how you want to vote your shares and then allow an officer to vote on your behalf. This is referred to as giving us a “proxy.” By instructing a proxy to carry out your wishes, you can ensure that your vote is counted.

**Soliciting your proxy.** The Board is soliciting your proxy to make sure that your vote is properly submitted and received on time, and to improve the efficiency of the annual meeting. We may solicit proxies using several methods, including by mail, personal interviews, telephone or fax. We may also use the Internet to solicit proxies.

PNC officers or employees may solicit proxies, but will not receive any special compensation for doing so. We will ask brokerage houses, banks and other custodians of PNC stock to forward proxy materials to their clients who hold PNC stock, and we will pay for the expenses they incur to do so. In addition, we have retained Morrow Sodali, LLC, 470 West Ave., Stamford, CT 06902, a proxy soliciting firm, to assist us with the solicitation of proxies for the annual meeting for a fee of \$15,000, plus reimbursement of reasonable out-of-pocket expenses.

**Revoking your proxy.** What if you change your mind after you give us your proxy to vote? You can amend your voting decisions in several ways. We refer to this as “revoking” your proxy.

To revoke your current proxy and replace it with a new proxy, we must receive the newly executed proxy before the applicable deadline. If you revoke by mail, we must receive the new proxy card before the annual meeting begins. Please make sure you have provided enough time for the new proxy card to reach us. If you revoke using the telephone or Internet voting options, we must receive your revocation by 1:00 a.m., Eastern Time on April 28, 2020.

After the above deadlines have passed, you can only revoke your proxy in person at the annual meeting. If you listen to the annual meeting using the webcast or conference call options, you will be unable to revoke your proxy during the meeting. Once the polls close at the annual meeting, the right to revoke your proxy ends. If you have not properly revoked your proxy by that time, we will vote your shares in accordance with your most recent valid proxy.

If you hold PNC shares in street name, follow the instructions provided by your broker or bank to revoke your voting instructions or otherwise change your vote.

**How to vote.** If your shares are registered in your name, you may vote in person by submitting a ballot at the annual meeting. We will distribute ballots at the meeting. To make it convenient and simple for you, we also offer a number of other ways to vote your shares. Voting instructions are included in the Notice of Internet Availability of Proxy Materials and the proxy card.

For registered holders, we offer the following methods to vote your shares and give us your proxy:

Internet	Go to <a href="http://www.envisionreports.com/PNC">www.envisionreports.com/PNC</a> and follow the instructions. This voting system has been designed to provide security for the voting process and to confirm that your vote has been recorded accurately.
Telephone	Follow the instructions on the proxy card.
Mail	Complete, sign and date the proxy card and return it in the envelope provided if you were mailed paper copies of the proxy materials. The envelope requires no postage if mailed in the United States.

If you hold PNC shares in street name, you will receive information on how to give voting instructions to your broker or bank. Note that if you hold PNC shares in street name and plan to vote at the annual meeting, you must present a written legal proxy from your broker or bank authorizing you to vote the shares it holds for you in its name.

PNC is incorporated under the laws of Pennsylvania. Pennsylvania law allows proxies to be submitted by electronic transmission, including by telephone or over the Internet, and permits a shareholder of record, such as a brokerage firm or bank, to communicate a vote by telephone or Internet on behalf of a beneficial owner.

**Brokers voting your shares.** If you hold PNC shares in street name, you must give instructions to your broker or bank regarding how you would like your shares to be voted. If you do not provide any instructions, your broker has discretionary authority to vote your shares only with respect to proposals that are “routine” items. NYSE rules define which items are “routine” or “non-routine.” We discuss whether the proposals to be acted upon at the annual meeting are “routine” or “non-routine” items below under *How a proposal gets approved—Vote required for approval*.

If a proposal is considered a non-routine item under NYSE rules and you do not provide voting instructions to your broker or bank, no vote will be cast on your behalf with respect to that proposal. This is referred to as a “broker non-vote” and it will not be counted as a vote cast on the proposal. In some cases, street name holders may need to take additional precautions



to ensure that their shares are voted.

**Our voting recommendations.** If your shares are registered in your name and you sign, date and return your proxy card but do not provide voting instructions, or you use Internet or telephone voting and do not provide voting instructions for each proposal, your shares will be voted as follows:

- **FOR** each of the Board's 12 nominees for director
- **FOR** the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2020
- **FOR** the advisory resolution on executive compensation
- **FOR** the approval of the ESPP

**Confidential voting.** The Board has adopted a "confidential voting" policy. With the exceptions described below, this policy states that all proxies, ballots, voting instructions from employee benefit plan participants and voting tabulations that identify the vote of a particular shareholder or benefit plan participant be kept permanently confidential and not be disclosed. We keep votes confidential and do not disclose them to our directors, officers, or employees, except:

- As necessary to meet legal requirements or to pursue or defend legal actions;
- To allow the Judge of Election to certify the voting results;
- When expressly requested by a shareholder or benefit plan participant; or
- If there is a contested proxy solicitation.

Computershare Trust Company, N.A., our independent vote tabulator and Judge of Election for the annual meeting, confirmed that its procedures will be consistent with this policy.

## How a proposal gets approved

**Quorum.** Under Pennsylvania law, we must have a quorum before we can consider proposals at an annual meeting. A "quorum" refers to the minimum number of shares that must be present at the meeting. To have a quorum for the annual meeting, we need the presence of PNC shareholders or their proxies who are entitled to cast at *least a majority* of the votes that all shareholders are entitled to cast.

In determining if a quorum exists, we count the number of shares represented by shareholders in person at the annual meeting and the number of shares represented by proxies. If you return a proxy, whether you vote for or against a proposal, abstain from voting or only sign and date your proxy card, your shares will be counted toward the quorum.

**Issued and outstanding shares.** On January 31, 2020, the record date for the annual meeting, we had approximately 430 million shares of common stock outstanding, as well as additional shares of preferred stock. The table below shows the number of issued and outstanding shares of our common and preferred stock entitled to vote on the record date. We have additional issued and outstanding series of preferred stock that are not entitled to vote at the meeting. The table also shows the number of votes for each share for the matters brought before this meeting. The number of votes shown for each share of voting preferred stock equals the number of full shares of PNC common stock that can be acquired upon the conversion of a share of preferred stock. At the meeting, holders of common and preferred stock entitled to vote will vote together as a single class. There is no cumulative voting.

Class	Issued and Outstanding Shares Entitled to Vote	Votes Per Share	Effective Voting Power
Common	430,265,435	1	430,265,435
Preferred — Series B	567	8	4,536

**Vote required for approval.** Different proposals may have different voting requirements for approval. This section provides information regarding the vote required for approval of each proposal presented in the proxy statement and additional details regarding the mechanics of proposal approval.

Under Pennsylvania law, if you abstain from voting or fail to vote, your shares will not be counted as votes cast on the proposal. To abstain, you must check the "Abstain" box on your proxy card, or select the appropriate option when voting by Internet or telephone. A broker non-vote is treated as a failure to vote. Therefore, if you do not provide instructions to your broker or bank regarding how to vote on a proposal that is a non-routine item, your shares will not be counted as votes cast on that proposal. If you are a shareholder of record and you sign, date and return your proxy card but do not provide voting instructions, or you submit your proxy by Internet or telephone and do not provide voting instructions, we will vote your shares represented by that proxy as recommended by the Board and those shares will be counted as votes cast.

## GENERAL INFORMATION

*Election of directors (Item 1).* Under Pennsylvania law, unless a company's articles of incorporation or by-laws provide otherwise, directors are elected by a plurality of the votes cast. Our By-laws include an eligibility requirement for director nominees in uncontested elections, whereby an incumbent director will offer to resign from the Board if he or she does not receive a majority of the votes cast. To receive a majority of the votes cast, the shares voted "for" a director's election must exceed 50% of the total number of shares voted with respect to that director's election. Our By-laws and corporate governance guidelines describe this majority voting requirement and the related procedure in the event that a director must tender his or her resignation to the Board. This is considered a non-routine item, so there may be broker non-votes with respect to this proposal. Broker non-votes and abstentions will not be included in the total votes cast and will not affect the results of the vote on this proposal.

*Ratification of independent registered public accounting firm (Item 2).* A majority of the votes cast will be required to approve the ratification of the Audit Committee's selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2020. This is considered a routine item, so brokers will have the discretion to vote uninstructed shares on behalf of beneficial owners with respect to this proposal. Therefore, broker non-votes are not expected to exist for this proposal, although a broker may otherwise fail to submit a vote. Failures by brokers to vote and abstentions will not be included in the total votes cast and will not affect the results of the vote on this proposal.

*"Say-on-pay": Advisory vote on executive compensation (Item 3).* A majority of the votes cast will be required to approve this item, an advisory vote on the compensation of our named executive officers. Because your vote is advisory, it will not be binding on the Board or PNC. This is considered a non-routine item, so there may be broker non-votes with respect to this proposal. Broker non-votes and abstentions will not be included in the total votes cast and will not affect the results of the vote on this proposal.

*Approval of ESPP (Item 4).* A majority of the votes cast will be required to approve the ESPP. This is considered a non-routine item, so there may be broker non-votes with respect to this proposal. Broker non-votes and abstentions will not be included in the total votes cast and will not affect the results of the vote on this proposal.

# SHAREHOLDER PROPOSALS FOR THE 2021 ANNUAL MEETING

**SEC Rule 14a-8.** If you are a shareholder who would like us to include your proposal in the notice of our 2021 annual meeting of shareholders and related proxy materials, you must comply with SEC Rule 14a-8, including with respect to submission of your proposal by the applicable deadline. Our Corporate Secretary must receive your proposal in writing at our principal executive offices no later than November 17, 2020. If your proposal is not received by the deadline or you do not otherwise comply with Rule 14a-8, we will not consider your proposal for inclusion in next year's proxy materials.

**Advance notice procedures.** Under our By-laws, shareholders may nominate an individual for election to the Board or propose other business to be brought directly at an annual meeting of shareholders by giving advance notice to PNC. To be eligible to do so, a shareholder must be a shareholder of record as of the date the notice is delivered to PNC and at the time of the annual meeting, must be entitled to vote at the annual meeting and must comply with the notice and other applicable procedures set forth in our By-laws.

A shareholder's notice of a nomination or other business must be in writing and contain the information specified in our By-laws, and must be delivered on a timely basis. To be timely, a shareholder's written notice related to our 2021 annual meeting of shareholders must be delivered to the Corporate Secretary at our principal executive offices not earlier than December 29, 2020 (the 120th day prior to the first anniversary of this year's annual meeting) and not later than January 28, 2021 (the 90th day prior to the first anniversary of this year's annual meeting).

These advance notice procedures are separate from the SEC's requirements that a shareholder must meet in order to have a shareholder proposal included in our proxy materials pursuant to SEC Rule 14a-8 referred to above, and from the procedures you must follow to submit a director nominee for consideration by the Nominating and Governance Committee for recommendation to the Board for election as described under *Corporate Governance—Board committees—Nominating and Governance Committee—How we identify new directors* on page 26.

**Proxy access procedures.** Our By-laws permit a shareholder, or a group of up to 20 shareholders, who has continuously owned at least 3% of the outstanding shares entitled to vote in the election of directors for at least three years to nominate and include in our annual meeting proxy materials director nominees constituting up to the greater of two directors or 20% of the number of directors serving on the Board on the last day on which notice of a nomination may be delivered (known generally as "proxy access").

The proxy access notice must be in writing and contain the information specified in our By-laws for a proxy access nomination, and must be delivered on a timely basis. To be timely, a proxy access notice regarding a nomination for our 2021 annual meeting of shareholders must be delivered to the Corporate Secretary at our principal executive offices not earlier than October 18, 2020 (the 150th day prior to the first anniversary of the filing date of the definitive proxy statement for this year's annual meeting) and not later than November 17, 2020 (the 120th day prior to the first anniversary of the filing date of the definitive proxy statement for this year's annual meeting).

These proxy access procedures are separate from the advance notice procedures referred to above, from the SEC's requirements that a shareholder must meet in order to have a shareholder proposal included in our proxy materials pursuant to SEC Rule 14a-8 referred to above, and from the procedures you must follow to submit a director nominee for consideration by the Nominating and Governance Committee for recommendation to the Board for election as described under *Corporate Governance—Board committees—Nominating and Governance Committee—How we identify new directors* on page 26.

**General.** The proxies we appoint for the 2021 annual meeting of shareholders may exercise their discretionary authority to vote on any shareholder proposal timely received and presented at the meeting. Our proxy statement for the 2021 annual meeting must advise shareholders of any such proposal and how our proxies intend to vote. A shareholder may mail a separate proxy statement to our shareholders and satisfy certain other requirements to remove discretionary voting authority from our proxies.

The Chairperson or other officer presiding at the annual meeting has the sole authority to determine whether any nomination or other business proposed to be brought before the annual meeting was made or proposed in accordance with our By-laws, and to declare that a defective proposal or nomination be disregarded.

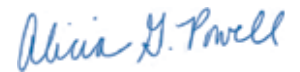
Please direct any notices or questions about the requirements discussed in this section to our Corporate Secretary at the address provided on page 19.

# OTHER MATTERS

The Board does not know of any other business to be presented at the annual meeting. If any other business should properly come before the meeting, or if there is any meeting adjournment, proxies will be voted in accordance with the best judgment of the persons named in the proxies.

March 17, 2020

By Order of the Board of Directors,

A handwritten signature in blue ink that reads "Alicia G. Powell". The signature is written in a cursive, flowing style.

Alicia G. Powell  
Corporate Secretary

**THE PNC FINANCIAL SERVICES GROUP, INC.  
EMPLOYEE STOCK PURCHASE PLAN  
(amended and restated as of January 1, 2020)**

**ARTICLE I. PURPOSE AND SCOPE OF THE PLAN**

**1.1. Purpose.** The PNC Financial Services Group, Inc. Employee Stock Purchase Plan is intended to encourage employee participation in the ownership and economic progress of the Corporation. The Plan as set forth herein is effective for Option Periods beginning on or after January 1, 2020, and it supersedes and replaces in its entirety the Plan as in effect prior to January 1, 2020. The Plan as in effect prior to this amendment and restatement shall govern any Option Period beginning prior to January 1, 2020.

**1.2. Definitions.** Unless the context clearly indicates otherwise, the following terms have the meaning set forth below:

*Board of Directors* or *Board* means the Board of Directors of the Corporation.

*Code* means the Internal Revenue Code of 1986, as amended.

*Common Stock* means shares of the common stock, par value \$5.00 per share, of the Corporation.

*Compensation* means the regular remuneration paid to an Employee by the Corporation or Designated Subsidiary which: (i) in the case of an Employee who receives commission income, means commissions and (ii) in the case of any other Employee, means base salary or wage amount, that, in either (i) or (ii), would be included in the Employee's U.S. taxable income but for the fact that such amount was contributed by the Employee to a tax-qualified plan pursuant to an elective deferral under Section 401(k) of the Code, was contributed by the Employee under a flexible benefit arrangement described in Section 125 of the Code, or was deferred by the Employee's election pursuant to the terms of the DCIP or any successor plan to the DCIP. For the avoidance of doubt, in the case of an Employee who is paid outside of the United States, the Plan Manager shall determine in its sole discretion such Employee's Compensation in a manner consistent with the foregoing and the tax rules governing the jurisdiction where such individual is primarily employed.

*Compensation Committee* means the Personnel and Compensation Committee of the Board.

*Continuous Service* means the period of time, uninterrupted by a termination of employment, that an Employee has been employed by the Corporation and/or a Designated Subsidiary immediately preceding an Offering Date. Such period of time will include any approved leave of absence.

*Corporation* means The PNC Financial Services Group, Inc.

*DBP* means The PNC Financial Services Group, Inc. Displacement Benefits Plan.

*DCIP* means The PNC Financial Services Group, Inc. and Affiliates Deferred Compensation and Incentive Plan.

*Designated Subsidiary* means any Subsidiary that has been designated by the Plan Committee to participate in the Plan.

*Employee* means any individual classified by the Corporation or a Designated Subsidiary as an employee.

*Exercise Date* means June 30 and December 31 of each Plan Year.

*Fair Market Value* as it relates to a share of Common Stock means, as of any given date, the closing price on the New York Stock Exchange for a share of Common Stock on such date or, if no such price is reported for that day, on the last preceding day for which such price is reported, or as otherwise determined using any other reasonable method adopted by the Plan Committee in good faith for such purpose that uses actual transactions in Common Stock as reported by a national securities exchange or The Nasdaq Stock Market, provided that such method is consistently applied.

*ISP* means the Corporation's Incentive Savings Plan.

## APPENDIX A (EMPLOYEE STOCK PURCHASE PLAN)

*Offering Date* means July 1 and January 1 of each Plan Year.

*Option Period* or *Period* means the period beginning on an Offering Date and ending on the next succeeding Exercise Date.

*Option Price* means the purchase price of a share of Common Stock hereunder as provided in Section 3.1.

*Participant* means any Employee who (i) is eligible to participate in the Plan under Section 2.1 hereof and (ii) elects to participate.

*Plan* means the Corporation's Employee Stock Purchase Plan, which is the Plan set forth in this document, as the same may be amended from time to time in accordance with the terms of Section 6.3.

*Plan Account* or *Account* means the account established and maintained under the Plan in the name of the Participant.

*Plan Committee* means a committee of officers of the Corporation and/or Designated Subsidiaries appointed by the Board of Directors or the Compensation Committee, or its duly-appointed delegate, which committee of officers will administer the Plan as provided in Section 1.3.

*Plan Manager* means any individual designated by the Plan Committee to manage the operation of the Plan as herein provided or to whom the Plan Committee has duly delegated any of its duties and obligations hereunder.

*Plan Year* means the twelve (12) consecutive month period beginning on January 1 and ending on the following December 31.

*Subsidiary* means any company in which the Corporation owns, directly or indirectly, shares possessing 50% or more of the total combined voting power of all classes of stock.

**1.3. Administration of Plan; Delegation.** Subject to oversight by the Board of Directors or the Compensation Committee, the Plan Committee will have the authority to administer the Plan and to make and adopt rules and regulations not inconsistent with the provisions of the Plan or the Code. The Plan Committee or the Plan Manager, if any, will adopt the form of all notices required hereunder. Its interpretations and decisions in respect to the Plan will, subject as aforesaid, be final and conclusive. The Plan Committee will have the authority to appoint an Employee as Plan Manager and to delegate to the Plan Manager such authority with respect to the administration of the Plan as the Plan Committee, in its sole discretion, deems advisable from time to time.

The Board or the Compensation Committee may, in its sole discretion, delegate authority hereunder, including but not limited to delegating authority to amend, administer, interpret, construe or vary the Plan, to the extent permitted by applicable law or administrative or regulatory rule.

**1.4. Effective Date of Plan.** The effective date of the Plan, as amended and restated, is January 1, 2020.

**1.5. Extension or Termination of Plan.** The Plan will continue in effect through and including December 31, 2024, unless terminated prior thereto pursuant to Section 4.3 or by the Board of Directors or the Compensation Committee, each of which will have the right to extend the term of or terminate the Plan at any time. Upon any such termination, the balance, if any, in each Participant's Account will be refunded to the Participant, or otherwise disposed of in accordance with policies and procedures prescribed by the Plan Committee in cases where such a refund may not be possible.

## ARTICLE II. PARTICIPATION

**2.1. Eligibility.** Effective beginning with the Option Period commencing on January 1, 2020, each full-time Employee or rehired Employee, including those serving on the Plan Committee or serving as Plan Manager, who on an Offering Date will have at least six (6) months of Continuous Service, and each part-time Employee (excluding peak-time employees who were not otherwise previously participating in the Plan, or the Plan prior to January 1, 2020, as full or part-time employees) or rehired Employee who on an Offering Date will have at least twelve (12) months of Continuous Service, may become a Participant by filing a notice with the Plan Manager prior to such Offering Date. Participants who participated in the Plan prior to January 1, 2020 will continue to participate in this Plan pursuant to the same elections made under the Plan prior to January 1, 2020 until they make elections in accordance with Section 2.2, discontinue



contributions, or otherwise terminate participation in accordance with Article V. No Employee may participate in the Plan if said Employee either (i) as of an Offering Date and before taking into account any shares of common stock that may be purchased during such Option Period, would be deemed for purposes of Section 423(b)(3) of the Code to possess 5% or more of the total combined voting power or value of all classes of stock of the Corporation or any Subsidiary or (ii) is not an employee on the date an option is granted hereunder in accordance with Section 423 of the Code and the Treasury Regulations promulgated thereunder.

## 2.2. Payroll Deductions.

(a) Payment for shares of Common Stock purchased hereunder will be made by authorized payroll deductions from each payment of Compensation in accordance with instructions received from a Participant. Said deductions will be expressed as a whole number percentage that is at least 1% but not more than 10%. A Participant may not increase or decrease the percentage deduction during an Option Period. However, a Participant may change the percentage deduction for any subsequent Option Period by filing notice thereof with the Plan Manager prior to the Offering Date on which such Option Period commences. Amounts deducted from a Participant's Compensation pursuant to Section 2.2 will be credited to the Participant's Account.

(b) During an Option Period, a Participant may discontinue payroll deductions and the payroll deductions previously made during that Option Period (unless otherwise withdrawn in accordance with Section 5.1) shall remain in the Participant's Account to purchase whole shares of Common Stock on the next succeeding Exercise Date, provided that the Participant is an Employee as of that Exercise Date (or otherwise remains eligible as of that Exercise Date in accordance with Section 5.2), and any cash balance remaining in such Participant's Account after such purchase will be refunded to the Participant without interest unless such Employee again becomes a Participant in the succeeding Option Period by filing a notice in accordance with Section 2.1 before such refund occurs.

(c) Payroll deductions may be automatically suspended if, during a Plan Year, a Participant becomes ineligible under the Plan pursuant to Sections 5.1 through 5.3 or has reached any applicable limit imposed by law. For Participants that have been suspended due to reaching any applicable limits imposed by law, payroll deductions will recommence at the same percentage at the beginning of the next Plan Year if the Participant continues to be eligible to participate and has not elected to discontinue deductions.

(d) Any cash balance remaining in the Participant's Account after the purchase of Common Stock on an applicable Exercise Date that is not refunded to the Participant in accordance with subsection (b) or (c) above will be carried over to the next Option Period. Any Participant who discontinues payroll deductions during an Option Period may again become a Participant for a subsequent Option Period by filing a notice in accordance with Section 2.1.

## ARTICLE III. PURCHASE OF SHARES

**3.1. Option Price.** Effective beginning with the Option Period commencing on January 1, 2020, the Option Price per share of the Common Stock sold to Participants under the Plan will be 95% of the Fair Market Value of such share on the Exercise Date of the Option Period; provided, however, in no event will the Option Price per share be less than the par value of the Common Stock.

**3.2. Purchase of Shares.** On each Exercise Date, the amount in a Participant's Account will be charged with the aggregate Option Price of the largest number of whole shares of Common Stock which can be purchased with said amount. Shares of Common Stock purchased by a Participant on any Exercise Date will be issued in the manner most recently elected by the Participant and on file with the Plan Manager.

## 3.3. Limitations on Purchase.

(a) If any person entitled to purchase shares of Common Stock pursuant to any offering under the Plan would be deemed for purposes of Section 423(b)(3) of the Code to own stock (including any number of shares of Common Stock that such person would be entitled to purchase under the Plan) possessing 5% or more of the total combined voting power or value of all classes of stock of the Corporation or any Subsidiary, the maximum number of shares of Common Stock that such person shall be entitled to purchase pursuant to the Plan shall be reduced to that number which, when added to the number of shares of stock that such person is deemed to own (excluding any number of shares of Common Stock that such person would be entitled to purchase under the Plan), is one less than such 5%. Any amounts withheld from a Participant's Compensation that cannot be applied to the purchase of Common Stock by reason of the foregoing limitation shall be refunded to the Participant without interest.

## APPENDIX A (EMPLOYEE STOCK PURCHASE PLAN)

(b) A Participant may not purchase shares of Common Stock having an aggregate Fair Market Value of more than \$25,000, determined as of the Exercise Date in accordance with Section 423(b)(8) of the Code, for any calendar year in which one or more offerings under the Plan are outstanding at any time.

(c) Notwithstanding anything in this Article III or the Plan to the contrary, no Participant's purchase of Common Stock under the Plan will exceed the limitations imposed by Section 423(b)(8) of the Code.

**3.4. Transferability of Rights.** Only Participants can exercise rights to purchase shares hereunder. Such rights are not transferable.

## ARTICLE IV. PROVISIONS RELATING TO COMMON STOCK

**4.1. Common Stock Reserved.** As of January 1, 2020, there are 4,000,000 shares of Common Stock authorized and reserved for use in accordance with the Plan, subject to adjustment in accordance with Section 4.2. The shares of common stock to be delivered under the Plan may be either shares of the Corporation's authorized but unissued stock, or shares of reacquired stock, as the Board shall determine.

**4.2. Adjustment for Changes in Common Stock.** Upon the occurrence of a corporate transaction or transactions (including, without limitation, stock dividends, stock splits, spin-offs, split-offs, recapitalizations, mergers, consolidations or reorganizations of or by the Corporation (each, a "Corporate Transaction")), the Plan Committee shall make those adjustments, if any, in (i) the number, class or kind of shares or other securities that may be reserved for purchase, or purchased, hereunder, and (ii) the Option Price that it deems appropriate in its discretion to reflect the Corporate Transaction(s) such that the rights of Participants are neither enlarged nor diminished as a result of such Corporate Transaction or Transactions. All determinations hereunder shall be made by the Plan Committee in its sole discretion and shall be final, binding and conclusive for all purposes on all parties, including without limitation the Participants. The Corporation shall determine the manner in which any fractional shares will be treated.

**4.3. Insufficient Shares.** If the aggregate funds available for the purchase of Common Stock on any Exercise Date would cause an issuance of shares in excess of the number provided for in Section 4.1, then (i) the Plan Committee will proportionately reduce the number of shares which would otherwise be purchased by each Participant in order to eliminate such excess, (ii) any amounts remaining in a Participant's Account immediately after such Exercise Date shall be refunded to such Participant without interest; and (iii) the Plan will automatically terminate immediately after such Exercise Date.

**4.4. Confirmation.** Each purchase of Common Stock hereunder will be confirmed in writing to the Participant. A record of purchases will be maintained by appropriate entries on the books of the Corporation.

**4.5. Rights as Shareholders.** The shares of Common Stock purchased by a Participant on an Exercise Date will, for all purposes, be deemed to have been issued and sold at the close of business on such Exercise Date. Prior to that time, none of the rights or privileges of a shareholder of the Corporation will exist with respect to such shares.

## ARTICLE V. TERMINATION OF PARTICIPATION

**5.1. Voluntary Withdrawal.** No voluntary withdrawals will be permitted from the Plan.

**5.2. Ceasing to be an Employee of a Designated Subsidiary.** A Participant who ceases to be eligible under Section 2.1 during an Option Period because the Participant's employer, while remaining a Subsidiary, ceases to be a Designated Subsidiary shall have any cash balance remaining in the Participant's Account applied toward the purchase of whole shares of Common Stock on the next succeeding Exercise Date and any cash balance remaining in the Participant's Plan Account after such purchase will be refunded to the Participant without interest.

**5.3. Death During an Option Period.** If a Participant ceases to be eligible under Section 2.1 during an Option Period because of the Participant's death while employed by the Corporation or a Designated Subsidiary or a Subsidiary (as described in Section 5.2), the cash balance remaining in the Participant's Plan Account will be distributed without interest to the Participant's designated beneficiary or, in the absence of an effective beneficiary designation, to the Participant's personal representative or, if no personal representative has qualified, to the persons entitled thereto under the laws of descent and distribution. During the Participant's lifetime, a Participant may file a beneficiary designation with the Corporation in such manner and form as the Corporation may from time to time direct.

**5.4. Other Termination of Eligibility.** If a Participant ceases to be eligible under Section 2.1 during an Option Period because the Participant's employment with the Corporation or a Designated Subsidiary has ended for any

reason, the cash balance remaining in the Participant's Plan Account will be refunded or distributed without interest to the Participant; provided, however, that this Section 5.4 shall not apply under circumstances set forth in Section 5.2 or 5.3.

**5.5. Refund or Distribution Upon Termination of Participation.** Notwithstanding anything in this Article V or Section 2.2 to the contrary, in cases where a refund or distribution in accordance with the provisions of Article V or Section 2.2 may not be possible or practicable, the cash balance remaining in the Participant's Plan Account will be disposed of as determined by the Plan Committee.

## ARTICLE VI. GENERAL PROVISIONS

**6.1. Notices.** Any notice, which a Participant files pursuant to the Plan, shall be made as prescribed by the Plan Committee or the Plan Manager, if any, and will be effective only when such notices are received by the Plan Manager.

**6.2. Condition of Employment.** Neither the creation of the Plan nor participation therein will be deemed to create any right of continued employment or in any way affect the right of the Corporation or a Designated Subsidiary to terminate an Employee's employment.

**6.3. Amendment of the Plan.** The Board of Directors or the Board's Personnel and Compensation Committee may at any time, or from time to time, amend the Plan in any respect, except that, without approval of the shareholders, no amendment may increase the aggregate number of shares reserved under the Plan other than as provided in Section 4.2, materially increase the benefits accruing to Participants, or materially modify the requirements as to eligibility for participation in the Plan. Any amendment of the Plan must be made in accordance with applicable provisions of the Code and/or any regulations issued thereunder, with any other applicable law or regulations, and with any applicable requirements of the principal exchange upon which the Common Stock is listed.

**6.4. Application of Funds.** All funds received by the Corporation by reason of purchases of Common Stock hereunder may be used for any corporate purpose.

**6.5. Legal Restrictions.** The Corporation will not be obligated to sell shares of Common Stock hereunder if counsel to the Corporation determines that such sale would violate any applicable law or regulation.

**6.6. Internal Revenue Code and ERISA Considerations.** The Plan is intended to constitute an "employee stock purchase plan" within the meaning of Section 423 of the Code with respect to the purchase of Common Stock under the Plan by each Participant and shall be interpreted in a manner consistent with Sections 423 of the Code and 1.423 of the Treasury Regulations promulgated thereunder. The Plan is not intended and shall not be construed as constituting an "employee benefit plan," within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended.

**6.7. Gender.** Whenever used herein, use of any gender will be applicable to both genders.

**6.8. Governing Law.** The Plan and all rights and obligations thereunder will be constructed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without reference to its conflict of laws provisions, and any applicable provisions of the Code and the related regulations.

# ANNEX A (NON-GAAP TO GAAP RECONCILIATIONS)

We provide information below to reconcile to GAAP those financial metrics used by the Personnel and Compensation Committee that are either non-GAAP financial metrics or reflect adjustments approved by the Personnel and Compensation Committee.

## Diluted Earnings per Common Share

Dollars in millions, except per share data	Year ended December 31,		
	2019	2018	% change
Diluted earnings per common share	\$ 11.39	\$ 10.71	6.3%
Personnel and Compensation Committee approved provision adjustments (a)	0.23	(0.02)	
Diluted earnings per common share, as adjusted (Non-GAAP)	\$ 11.62	\$ 10.69	8.7%

(a) 2019 reflects an after-tax adjustment in the amount of \$103 million, or \$0.23 per common share, due to the addition of provision for credit losses and subtraction of net charge-offs. 2018 reflects an after-tax adjustment in the amount of \$(9) million, or \$(0.02) per common share, due to the addition of provision for credit losses and subtraction of net charge-offs.

## Return on Equity

Dollars in millions	Year ended December 31,		
	2019	2018	% change
Net income	\$ 5,418	\$ 5,346	
Personnel and Compensation Committee approved provision adjustments (a)	103	(9)	
Net income, as adjusted (Non-GAAP)	\$ 5,521	\$ 5,337	
Average total shareholders' equity	\$ 48,636	\$ 46,825	
Return on equity (b)	11.14%	11.42%	(2.5%)
Return on equity, as adjusted (Non-GAAP) (c)	11.35%	11.40%	(0.4%)

(a) 2019 reflects an after-tax adjustment in the amount of \$103 million due to the addition of provision for credit losses and subtraction of net charge-offs. 2018 reflects an after-tax adjustment in the amount of \$(9) million due to the addition of provision for credit losses and subtraction of net charge-offs.

(b) This metric was calculated by dividing net income by average total shareholders' equity.

(c) This metric was calculated by dividing adjusted net income by average total shareholders' equity.

## Return on Assets

Dollars in millions	Year ended December 31,		
	2019	2018	% change
Net income	\$ 5,418	\$ 5,436	
Personnel and Compensation Committee approved provision adjustments (a)	103	(9)	
Net Income, as adjusted (Non-GAAP)	\$ 5,521	\$ 5,337	
Average Assets	\$ 400,335	\$ 378,235	
Return on Assets (b)	1.35%	1.41%	(4.3)%
Return on Assets, as adjusted (Non-GAAP) (c)	1.38%	1.41%	(2.1)%

(a) 2019 and 2018 after-tax adjustment due to the addition of provision for credit losses and subtraction of net charge-offs.

(b) This metric was calculated by dividing net income by average assets.

(c) This metric was calculated by dividing adjusted net income by average assets.

## Risk-adjusted Efficiency Ratio

Dollars in millions	Year ended December 31,		% change
	2019	2018	
Revenue	\$ 17,827	\$ 17,132	
Noninterest Expense	\$ 10,574	\$ 10,296	
Personnel and Compensation Committee approved provision adjustments (a)	642	420	
Noninterest Expense, as adjusted (Non-GAAP)	\$ 11,216	\$ 10,716	
Efficiency Ratio (b)	59.31%	60.10%	(1.3)%
Efficiency Ratio, as adjusted (Non-GAAP)(c)	62.92%	62.55%	0.6 %

(a) 2019 and 2018 adjustment due to the addition of net charge-offs.

(b) This metric was calculated by dividing adjusted noninterest expense by revenue.

(c) This metric was calculated by dividing adjusted noninterest expense plus net charge-offs by revenue.

## Tangible Book Value per Common Share

Dollars in millions, except per share data	Year ended December 31,	
	2019	2018
Book value per common share	\$ 104.59	\$ 95.72
Tangible book value per common share		
Common shareholders' equity	\$ 45,321	\$ 43,742
Goodwill and Other Intangible Assets	(9,441)	(9,467)
Deferred tax liabilities on Goodwill and Other Intangible Assets	187	190
Tangible common shareholders' equity	\$ 36,067	\$ 34,465
Period-end common shares outstanding (in millions)	433	457
Tangible book value per common share (Non-GAAP)	\$ 83.30	\$ 75.42

## Return on Common Equity without Goodwill

Dollars in millions	Year ended December 31,	
	2019	2018
Net income attributable to common shareholders	\$ 5,129	\$ 5,061
Personnel and Compensation Committee approved adjustments (a)	79	(28)
Net income attributable to common shareholders, as adjusted (Non-GAAP)	\$ 5,208	\$ 5,033
Average common shareholders' equity	\$ 44,606	\$ 42,779
Average goodwill	9,225	9,213
Average common shareholders' equity less average goodwill (Non-GAAP)	\$ 35,382	\$ 33,567
Return on common equity (b)	11.50%	11.83%
Return on common equity without goodwill (Non-GAAP) (c)	14.72%	15.00%

(a) 2019 reflects an after-tax adjustment in the amount of \$79 million for net Visa activity. 2018 reflects an after-tax adjustment in the amount of \$(28) million for net Visa activity.

(b) This metric was calculated by dividing net income attributable to common shareholders by average common shareholders' equity.

(c) This metric was calculated by dividing adjusted net income attributable to common shareholders by average common shareholders' equity less average goodwill.

## Fee Income

Dollars in millions	Year ended December 31		
	2019	2018	% Change
Noninterest income			
Asset management	\$ 1,850	\$ 1,825	
Consumer services	1,555	1,502	
Corporate services	1,914	1,849	
Residential mortgage	368	316	
Service charges on deposits	702	714	
Total fee income	6,389	6,206	3.0%
Other	1,473	1,205	
Total noninterest income	\$ 7,862	\$ 7,411	6.0%



# ANNEX B (REGULATIONS FOR CONDUCT AT ANNUAL MEETING)

In the interest of a fair and orderly meeting, and to accommodate as many shareholders as possible who may wish to speak, we have established the following rules:

## 1. **Calling the Meeting to Order**

Our CEO will preside as the Chairman of the meeting. The Chairman will call the meeting to order promptly at 11:00 a.m. The Chairman will conduct the meeting in accordance with the meeting agenda and these Regulations for Conduct. The Chairman retains sole authority to make any and all determinations with respect to the conduct of the meeting.

## 2. **How to Vote**

If your shares are registered in your name, you may vote in person by submitting a ballot at the meeting. If you hold PNC shares in street name, you may present a written legal proxy from your broker or bank authorizing you to vote the shares it holds for you in its name. The Chairman will announce the opening and closing of the polls. No proxies or ballots will be accepted after the polls have closed. PNC representatives will be on hand to distribute ballots or to accept proxies. If you have already submitted your proxy, your shares will be voted in accordance with the instructions you provided. Unless you want to change your vote or you have not submitted a proxy, you do not need a ballot.

## 3. **Questions and Comments**

You will have an opportunity to ask questions or make comments about each agenda item as it is addressed. Your questions or comments must pertain to the agenda item. We have scheduled a general question and answer session at the conclusion of the meeting to discuss matters not on the meeting agenda, but appropriate for discussion.

## 4. **Procedures for Speaking**

Only shareholders or their proxies may be heard during the meeting. To ask a question or make a comment, please raise your hand and wait to be recognized by the Chairman. All questions or comments must be addressed to the Chairman, once a microphone has been passed to you. Please give your name and state whether you are a shareholder or a proxy for a shareholder. Speaking out of turn or interfering when another speaker has the floor is prohibited. After a shareholder has spoken, the Chairman may respond personally or designate another person to respond.

## 5. **Speaker Rotation and Time Limits**

The Chairman may limit questions to one at a time. Shareholders who wish to speak will be recognized on a rotating basis. Please keep your comments brief in order to give other shareholders the opportunity to speak. You may speak for up to two minutes on a particular matter and no one person may speak for more than six minutes.

## 6. **Other Limitations**

The Chairman may refuse to permit a nomination or proposal to be made by a shareholder who has not complied with applicable laws or rules, or the procedures set forth in PNC's By-laws. The Chairman may end discussion if it appears the matter has been adequately addressed or is not appropriate, or for other reasons. Personal matters are not appropriate for discussion. Representatives of PNC will be available following the meeting to address individual shareholder concerns. Rudeness, personal attacks, comments in bad taste and the injection of irrelevant controversy are not permitted at any time.

## 7. **Mobile Devices, Recording Devices and Briefcases**

The use of cameras, mobile phones, laptops, tablets and recording equipment is prohibited in the meeting room. In addition, large bags, backpacks, briefcases and similar items are not permitted in the meeting room. A staffed coat check for personal belongings is available.

## 8. **Safety and Security**

- Disturbing this meeting is a misdemeanor punishable by imprisonment and fines. 18 Pa. Cons. Stat. §§ 1101, 1104, 5508. Violators will be prosecuted.
- A sergeant at arms and/or local law enforcement will be present to enforce compliance with these Regulations for Conduct and all applicable laws at the direction of the Chairman, including removal of noncompliant attendees, as necessary.
- Weapons are not permitted in the meeting room and may not be checked in the staffed coat room.
- Security measures, including bag screening procedures and the use of metal detectors, may be employed prior to granting admission to the annual meeting.
- In the event of an emergency, exit through the doors at the front of the room.

**Failure to comply with these Regulations for Conduct or otherwise impeding a fair and orderly meeting may be grounds for removal from the meeting.**

**The Annual Meeting of Shareholders is audio recorded.**



**Corporate Headquarters**

The PNC Financial Services Group, Inc.

The Tower at PNC Plaza

300 Fifth Avenue

Pittsburgh, PA 15222-2401

