

PNC FINANCIAL SERVICES GROUP, INC.
Form DEF 14A
March 15, 2017
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

THE PNC FINANCIAL SERVICES GROUP, INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
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**LETTER FROM THE CHAIRMAN AND
CHIEF EXECUTIVE OFFICER TO OUR
SHAREHOLDERS**

Dear Shareholder

We invite you to attend the 2017 Annual Meeting of Shareholders of The PNC Financial Services Group, Inc. on Tuesday, April 25, 2017.

The meeting will be held in Pittsburgh, Pennsylvania in the James E. Rohr Auditorium in The Tower at PNC Plaza, 300 Fifth Avenue, beginning at 11:00 a.m., Eastern time. We will consider the matters described in this proxy statement and also review significant developments since last year's meeting of shareholders.

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

The proxy statement contains important information and you should read it carefully. Even if you plan to attend the meeting in person, we strongly encourage you to designate the proxies named on the proxy card to vote your shares. If you will not be there in person, you will be able to listen to the meeting by webcast or conference call. Please see the notice that follows for more information.

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

March 15, 2017

Sincerely,

William S. Demchak

Chairman, President and Chief Executive Officer

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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 (NYSE) rules, if you hold your shares through a broker, bank, or other nominee (street name), and you do not provide any voting instructions, your broker has discretionary authority to vote on your behalf for items that are considered routine . 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.**

Proposals requiring your vote

		More	Board	Routine
		information	recommendation	item?
Item 1	Election of 13 nominated directors	Page 11	FOR each nominee	No
Item 2	Ratification of independent registered public accounting firm for 2017	Page 80	FOR	Yes
Item 3	Advisory approval of the compensation of PNC s named executive officers (say-on-pay)	Page 83	FOR	No
Item 4	Advisory approval of the frequency of future votes on executive compensation (frequency of say-on-pay)	Page 85	FOR one year	No
Item 5	Shareholder proposal requesting additional diversity disclosure, if properly presented	Page 86	AGAINST	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

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Please read this proxy statement with care and vote right away. We offer a number of ways for you to vote your shares. We include voting instructions in the Notice of 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 or bank. For registered holders, we offer the following methods to vote your shares and give us your proxy:

www.envisionreports.com/PNC

Follow the instructions
on the proxy card.

Complete, sign and date the proxy
card

and return it in the envelope provided.

Attend our 2017 Annual Meeting of Shareholders

**Directions to attend the annual meeting
are available at
www.pnc.com/annualmeeting**

**Tuesday, April 25, 2017 at 11:00 a.m.
The Tower at PNC Plaza James E. Rohr Auditorium
300 Fifth Avenue
Pittsburgh, Pennsylvania 15222**

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PROXY STATEMENT SUMMARY

Proxy Statement Summary

To assist you in reviewing the proposals to be acted upon, we have included a summary of certain information. This summary does not contain all of the information that you should consider, and you should review our entire proxy statement and the 2016 Annual Report before you vote.

You may also read our proxy statement and 2016 Annual Report at www.envisionreports.com/PNC.

Who can vote (page 89)

You are entitled to vote if you were a shareholder on the record date of February 3, 2017.

How to vote (page 90)

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.

Voting matters

Item 1: Election of 13 nominated directors (page 11)

The proxy statement contains important information about the experience, qualifications, attributes, and skills of the 13 nominees to our Board of Directors. Our Board's Nominating and Governance Committee performs an annual assessment to confirm that our directors continue to have the skills and experience to serve PNC, and that our Board and its committees continue to be effective in carrying out their duties.

Our Board recommends that you vote **FOR** all 13 director nominees.

Item 2: Ratification of independent registered public accounting firm for 2017 (page 80)

Each year, our Board's Audit Committee selects PNC's independent registered public accounting firm. For 2017, the Audit Committee selected PricewaterhouseCoopers LLP (PwC) to fulfill this role.

Our Board recommends that you vote **FOR** the ratification of the Audit Committee's selection of PwC as our independent registered public accounting firm for 2017.

Item 3: Say-on-pay (page 83)

We ask shareholders to cast a non-binding advisory vote on our executive compensation program known generally as the say-on-pay vote. We have offered an annual say-on-pay vote since 2009. Last year, 97% of the votes cast by our shareholders supported our executive compensation program, and PNC has averaged 92% support in its say-on-pay votes over the past five years.

We recommend that you read the Compensation Discussion and Analysis (CD&A) (beginning on page 38), which explains how and why our Board's Personnel and Compensation Committee made executive compensation decisions for 2016.

Our Board recommends that you vote **FOR** the non-binding advisory vote on executive compensation (say-on-pay).

Item 4: Frequency of say-on-pay (page 85)

We ask shareholders to cast a non-binding advisory vote on the frequency of future votes on our executive compensation program. After our shareholders voted in 2011 recommending that we hold an annual say-on-pay vote, the Board affirmed that recommendation and elected to hold future say-on-pay votes on an annual basis. We are once again soliciting input from our shareholders on how frequently we should hold a say-on-pay vote in the future. You may vote for a say-on-pay vote to be held every one, two or three years, or you may abstain from voting.

Our Board recommends that you vote **FOR** a frequency of **ONE YEAR** for future advisory votes on executive compensation.

Item 5: Shareholder proposal requesting additional diversity disclosure (page 86)

You are asked to consider a shareholder proposal described in this proxy statement. The proposal requests PNC to prepare a diversity report including a chart identifying employees according to gender and race in major Equal Employment Opportunity Commission-defined job categories and certain other diversity disclosures.

Our Board recommends that you vote **AGAINST** the shareholder proposal.

Table of Contents**PROXY STATEMENT SUMMARY****2016 PNC performance (page 38)**

We delivered consistent results in a challenging operating environment, with net income of approximately \$4.0 billion and diluted earnings per common share of \$7.30.

We grew net interest income despite the low interest rate environment, and we increased our fee income. We grew deposits and loans and managed our loan portfolio within our desired risk appetite. We maintained strong capital and liquidity positions.

We delivered value for our shareholders. Our one-year total shareholder return (TSR) was 25.8% and our three-year TSR was 17.3%, which was the highest in our peer group.

We met our continuous improvement goal of \$400 million in expense savings and continued to keep our noninterest expenses stable.

We continued to execute against our strategic priorities of building a leading banking franchise in our underpenetrated markets, capturing more investable assets, reinventing the retail banking experience, and bolstering critical infrastructure and streamlining core processes.

We returned more than \$3 billion in capital to our shareholders through share repurchases and common stock dividends, including raising the quarterly common stock dividend.

2016 compensation decisions (page 46)

The table below shows, for each named executive officer, the incentive compensation target for 2016 and the actual annual cash incentive and long-term equity-based incentives awarded in 2017 for 2016 performance.

	William S. Demchak	Robert Q. Reilly	Michael P. Lyons	E William Parsley, III	Steven C. Van Wyk
Incentive compensation target	\$ 10,500,000	\$ 3,000,000	\$ 6,050,000	\$ 6,900,000	\$ 2,750,000
Incentive compensation awarded for 2016 performance	\$ 10,150,000	\$ 3,050,000	\$ 5,900,000	\$ 6,600,000	\$ 2,660,000
<i>Annual cash incentive portion</i>	<i>\$ 3,400,000</i>	<i>\$ 1,275,000</i>	<i>\$ 1,940,000</i>	<i>\$ 2,250,000</i>	<i>\$ 1,080,000</i>
<i>Long-term incentive portion</i>	<i>\$ 6,750,000</i>	<i>\$ 1,775,000</i>	<i>\$ 3,960,000</i>	<i>\$ 4,350,000⁽¹⁾</i>	<i>\$ 1,580,000</i>
Incentive compensation disclosed in the Summary compensation table ⁽²⁾	\$ 11,200,000	\$ 3,175,000	\$ 6,020,000	\$ 7,050,000	\$ 2,680,000
<i>Annual cash incentive portion (2016 performance)</i>	<i>\$ 3,400,000</i>	<i>\$ 1,275,000</i>	<i>\$ 1,940,000</i>	<i>\$ 2,250,000</i>	<i>\$ 1,080,000</i>
<i>Long-term incentive portion (2015 performance)</i>	<i>\$ 7,800,000</i>	<i>\$ 1,900,000</i>	<i>\$ 4,080,000</i>	<i>\$ 4,800,000</i>	<i>\$ 1,600,000</i>

(1) Mr. Parsley's incentive compensation target and award includes two grants – the grant of equity-based awards that all other NEOs would otherwise receive (with a target value of \$3,000,000) and a separate grant of incentive

performance units related to the management of our Asset & Liability Management (ALM) unit, with a target value of \$1,500,000. Please see page 61 for a discussion of Mr. Parsley's ALM units.

(2) Due to SEC regulations, the incentive compensation amounts disclosed in the Summary compensation table on page 56 include the cash incentive award paid in 2017 (for 2016 performance) and the long-term incentive award granted in 2016 (for 2015 performance).

PNC governance (page 17)

You can find out more about our governance policies and principles at www.pnc.com/corporategovernance.

Our entire Board is re-elected every year; we have no staggered elections.

Our Board is subject to a majority voting requirement; any director not receiving a majority of votes 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 2/3) of independent directors. Currently, 12 out of 13 directors (92%) are independent, and our only non-independent director is our CEO. All of our current directors are nominees to the Board.

Our Board has had a Presiding Director, a lead independent director with specific duties, since 2004.

Our Presiding Director approves Board meeting schedules and agendas.

Our Board meets regularly in executive session, with no members of management present.

Table of Contents**PROXY STATEMENT SUMMARY**

In 2016, our Board met 13 times and each of our directors attended at least 75% of the aggregate number of meetings of the Board and the committees on which he or she served. The average attendance of all directors at Board and committee meetings was 97%. All current directors then serving attended our 2016 Annual Meeting of Shareholders.

We have four primary standing board committees:

Audit Committee

Personnel and Compensation Committee (Compensation)

Nominating and Governance Committee (Governance)

Risk Committee

Board nominees (page 11)

Name	Age	Director since	Independent	Primary Standing Committee Memberships
Charles E. Bunch	67	2007		Compensation; Governance
Marjorie Rodgers Cheshire	48	2014		Audit; Risk
William S. Demchak	54	2013		Risk
Andrew T. Feldstein	52	2013		Compensation; Risk (Chair)
Daniel R. Hesse	63	2016		Risk
Kay Coles James	67	2006		Governance; Risk
Richard B. Kelson	70	2002		Audit (Chair); Compensation
Jane G. Pepper	71	1997		Risk
Donald J. Shepard	70	2007		Audit; Governance (Chair); Risk
Lorene K. Steffes	71	2000		Risk
Dennis F. Strigl	70	2001		Compensation (Chair); Governance
Michael J. Ward	66	2016		Compensation; Governance
Gregory D. Wasson	58	2015		Audit

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**Notice of Annual Meeting
of Shareholders**

Tuesday, April 25, 2017

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 our annual meeting will be available at www.pnc.com/annualmeeting. An archive of the webcast will be available on our website for thirty days.

CONFERENCE CALL

You may access the listen-only conference call of the annual meeting by calling 877-272-3498 or 303-223-4384 (international). A telephone replay will be available for one week by calling 800-633-8284 or 402-977-9140 (international), conference ID 21843204.

ITEMS OF BUSINESS

1. Electing as directors the 13 nominees named in the proxy statement that follows, to serve until the next annual meeting and until their successors are elected and qualified;
2. Ratifying the Audit Committee's selection of PricewaterhouseCoopers LLP as PNC's independent registered public accounting firm for 2017;
3. An advisory vote to approve named executive officer compensation;
4. An advisory vote to approve the frequency of future votes on executive compensation;
5. Considering a shareholder proposal requesting additional diversity disclosure, if properly presented before the meeting; and
6. Such other business as may properly come before the meeting.

RECORD DATE

The close of business on February 3, 2017 is the record date for determining shareholders entitled to receive notice of and to vote at the meeting and any adjournment.

MATERIALS TO REVIEW

We began providing access to this proxy statement and a form of proxy card on March 15, 2017. We have made our proxy materials available electronically. Certain shareholders will receive a notice explaining how to access our proxy materials and vote. Other shareholders will receive a paper copy of this 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. This Notice of Annual Meeting and Proxy Statement and our 2016 Annual Report are available at www.envisionreports.com/PNC.

ADMISSION

To be admitted to our annual meeting you must present proof of your stock ownership as of the record date and valid photo identification. Each shareholder may bring one guest who must present valid photo identification. Please follow the admission procedures described beginning on page 88 of this proxy statement.

March 15, 2017

By Order of the Board of Directors,

Christi Davis

Corporate Secretary

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ELECTION OF DIRECTORS (ITEM 1)

Our Board of Directors determines the number of directors to nominate for election. Our By-laws contemplate a Board that ranges in size from five to 36 directors. For this annual meeting, our Board fixed the number of directors to be elected at 13.

Each of the 13 nominees currently serves on our Board. Beginning on page 12, we include the following information for our 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 our Board's conclusion that the person should serve as a director

The directors will serve for one year, unless they leave the Board early. We do not stagger our elections. The entire Board will be considered for election at the 2017 meeting. If elected, each nominee will hold office until the next annual meeting of our shareholders, and until the election and qualification of his or her successor.

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

In addition to information on the background and qualifications of each director, this proxy statement contains other important information related to your evaluation of our nominees. We discuss:

our Board's leadership structure

how our 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 more details on these topics:

Corporate Governance (page 17)

Director and Executive Officer Relationships (page 29)

Related Person Transactions (page 34)

Director Compensation (page 35)

Security Ownership of Management and Certain Beneficial Owners (page 78)

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 named on pages 12 to 16. See page 91 regarding the vote required for election of the nominees as directors.

The Board of Directors recommends a vote FOR each of the nominees listed on pages 12 to 16.

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ELECTION OF DIRECTORS (ITEM 1)

Charles E. Bunch

Age 67

Director Since 2007

Experience, Qualifications, Attributes, or Skills

Mr. 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 our Board. In addition, Mr. Bunch brings regulatory and banking industry experience to our 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

Nominating and Governance Committee

Personnel and Compensation Committee

Public Company Directorships

ConocoPhillips

H.J. Heinz Company (until June 2013)

Marathon Petroleum Corporation

Mondelēz International, Inc.

PPG Industries, Inc. (until September 2016)

Marjorie Rodgers Cheshire

Age 48

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 development organization focused on the Baltimore and Washington markets. A&R's portfolio includes residential, commercial and mixed-use developments, ranging in value from \$1 million to \$152 million, with an aggregate 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 has 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 a Trustee of Baltimore Equitable Insurance, Baltimore School for the Arts, Johns Hopkins Bayview Medical Center, and Johns Hopkins Hospital.

Our Board values Ms. Cheshire's executive management experience, 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

Audit Committee

Risk Committee

Special Compliance Committee

Public Company Directorships

None

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ELECTION OF DIRECTORS (ITEM 1)

William S. Demchak

Age 54

Director Since 2013

Experience, Qualifications, Attributes, or Skills

Mr. 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, named head of PNC businesses in August 2010, elected president in April 2012 and chief executive officer in April 2013 and appointed 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 director of BlackRock, Inc. He is a member of the Board of The Financial Services Roundtable. In addition, he serves on the boards of directors of the Extra Mile Education Foundation and the YMCA of Pittsburgh. He is Vice-Chair of the Allegheny Conference on Community Development, Chairman of The Clearing House, and a member of the Board of the Pittsburgh Cultural Trust. Mr. Demchak also is the Chair of the Advisory Committee of Envision Downtown.

Mr. Demchak received a Bachelor of Science degree from Allegheny College and earned 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 our 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 52

Director Since 2013

Experience, Qualifications, Attributes, or Skills

Mr. Feldstein is the Chief Executive Officer and Co-Chief Investment Officer of BlueMountain Capital Management, a leading alternative asset manager with \$22 billion in assets under management and approximately 238 professionals worldwide. Mr. Feldstein is the Chair of the firm's Management Committee and a member of the Investment and Risk Committees.

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; a Trustee of the Santa Fe Institute, an independent research and education center; and a member of the Harvard Law School Leadership Council.

Mr. Feldstein received an undergraduate degree from Georgetown University and a JD from Harvard Law School.

Our 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

Personnel and Compensation Committee

Risk Committee (Chair)

Technology Subcommittee

Public Company Directorships

None

Daniel R. Hesse

Age 63

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 bachelor's degree from the University of Notre Dame, an MBA from Cornell University and a MS from Massachusetts Institute of Technology where he was awarded the Brooks Thesis prize.

Mr. Hesse brings extensive corporate leadership experience to our 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

Public Company Directorships

Akamai Technologies, Inc.

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ELECTION OF DIRECTORS (ITEM 1)

Kay Coles James

Age 67

Director Since 2006

Experience, Qualifications, Attributes, or Skills

Ms. James is President and Founder of The Gloucester Institute, a non-profit organization that trains and nurtures leaders in the African-American community.

From 2001 to 2005, she served as director of the U.S. Office of Personnel Management, where she was President George W. Bush's principal human resources advisor.

She has also provided consulting services as a former Senior Partner in The J.C. Watts Companies.

Ms. James received an undergraduate degree from Hampton University.

Having supervised the management of thousands of federal employees, Ms. James understands large-scale human resources operations. Our Board values these senior-level federal government and regulatory experiences, Ms. James experience as former Chair of the Nominating and Governance Committee and the Compensation Committee at AMERIGROUP Corporation, and her leadership of a non-profit organization in the Greater Washington, D.C. area, a significant market for PNC.

PNC Board Committee Memberships

Nominating and Governance Committee

Risk Committee

Public Company Directorships

AMERIGROUP Corporation (until 2012)

Magellan Health, Inc.

Richard B. Kelson

Age 70

Director Since 2002

Experience, Qualifications, Attributes, or Skills

Mr. Kelson is the Chairman, President and Chief Executive Officer of ServCo, LLC, a strategic sourcing and supply chain management company. He has also served as an Operating Advisor with Pegasus Capital Advisors, L.P., a private equity fund manager.

Mr. Kelson retired in 2006 as Chairman's Counsel for Alcoa, a leader in the production and management of primary aluminum, fabricated aluminum, and alumina. At Alcoa, he served as a member of the executive council, the senior leadership group for the company. From 1994 to 1997, Mr. Kelson served as Alcoa's General Counsel. From 1997 through 2005, he served as Alcoa's Chief Financial Officer.

Mr. Kelson received an undergraduate degree from the University of Pennsylvania, and a law degree from the University of Pittsburgh.

Mr. Kelson's service as a public company CFO and his designation as an audit committee financial expert assist the Board and Audit Committee with the oversight of financial and accounting issues. His financial background provides strong leadership of our Audit Committee as its Chair. The Board also values Mr. Kelson's executive management experience and his background as a public company general counsel, although he does not serve in a legal capacity or provide legal advice to PNC or our Board.

PNC Board Committee Memberships

Audit Committee (Chair)

Executive Committee

Personnel and Compensation Committee

Special Compliance Committee

Public Company Directorships

ANADIGICS, Inc. (until 2016)

Commercial Metals Company (Lead Director)

Ingevity Corporation (Non-Executive Chairman of Board)

MeadWestvaco Corp. (until 2015)

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ELECTION OF DIRECTORS (ITEM 1)

Jane G. Pepper

Age 71

Director Since 1997

Experience, Qualifications, Attributes, or Skills

In June 2010, Ms. Pepper retired as the President of The Pennsylvania Horticultural Society (PHS), a non-profit organization, and America's first horticultural society.

Ms. Pepper received undergraduate and graduate degrees from the University of Delaware.

Ms. Pepper brings a diverse set of experiences to our Board, beginning with her management experience at PHS. For 30 years, Ms. Pepper led this Philadelphia-based organization, supervising over 100 employees, and executing a strategic plan with a vision of sustainability and community impact. Beyond this leadership, the Board appreciates her insights as PNC continues to expand our own environmentally conscious initiatives.

Ms. Pepper brings additional regulatory and banking industry experience to our Board, having formerly served as a director and the Chairwoman of the Federal Reserve Bank of Philadelphia.

PNC Board Committee Memberships

Risk Committee

Special Compliance Committee (Chair)

Public Company Directorships

None

Donald J. Shepard

Age 70

Director Since 2007

Experience, Qualifications, Attributes, or Skills

Mr. Shepard is the retired Chairman of the Executive Board and Chief Executive Officer of AEGON N.V., a large life insurance and pension company.

Mr. Shepard received a master's degree in business administration from the University of Chicago.

Mr. Shepard joined our Board following PNC's acquisition of Mercantile Bankshares Corporation. He joined the Mercantile Board of Directors in 1992.

Mr. Shepard's service as the CEO of a large, international public company, particularly a company in the financial services sector, gives him insights into many issues facing PNC, and supports the Board's ability to oversee complex and dynamic issues. Mr. Shepard's duties and experiences at AEGON also assist our Board with its oversight of financial and risk issues. Our Board also values Mr. Shepard's experience on the board of a public company in the banking business and his familiarity with the Baltimore community.

PNC Board Committee Memberships

Audit Committee

Executive Committee (Chair)

Nominating and Governance Committee (Chair)

Risk Committee

Public Company Directorships

CSX Corporation

The Travelers Companies, Inc.

Lorene K. Steffes

Age 71

Director Since 2000

Experience, Qualifications, Attributes, or Skills

Ms. Steffes is an independent business advisor with executive, business management and technical expertise in the telecommunications and information technology industries. She formerly served as Vice President and General Manager, Global Electronics Industry, for IBM, an information technology company. Ms. Steffes also served as the President and Chief Executive Officer of Transarc Corporation, a software development firm, which was later acquired by IBM.

Ms. Steffes received undergraduate and master's degrees from Northern Illinois University.

Our Board values Ms. Steffes's managerial experiences throughout the technology industry, including as a chief executive. Her wide array of experiences in this industry and her understanding of operational and technological issues assist the Board in its oversight of technological and cyber security, which have become increasingly important for large, complex banking organizations.

PNC Board Committee Memberships

Risk Committee

Technology Subcommittee (Chair)

Public Company Directorships

RadiSys Corporation (until September 2015)

Dennis F. Strigl

Age 70

Director Since 2001

Experience, Qualifications, Attributes, or Skills

Mr. Strigl served as the President and Chief Operating Officer of Verizon Communications Inc., one of the world's leading providers of communications services, until his retirement in December 2009. Prior to that, he was the President and Chief Executive Officer of Verizon Wireless, a joint venture controlled by Verizon.

Mr. Strigl received an undergraduate degree from Canisius College and a master's degree in business administration from Fairleigh Dickinson University.

Our Board values Mr. Strigl's service as a senior executive at a large public company, and his former executive management expertise as the CEO of Verizon Wireless. His management of a large workforce at Verizon informs his judgment as the Chair of our Personnel and Compensation Committee and gives him a strong understanding of human

resources and compensation matters. Mr. Strigl's additional responsibility for internal functional services, such as finance and real estate, adds depth and experience to the Board's ability to oversee the operations of our company.

PNC Board Committee Memberships

Executive Committee

Nominating and Governance Committee

Personnel and Compensation Committee (Chair)

Technology Subcommittee

Public Company Directorships

ANADIGICS, Inc. (until March 2016)

Eastman Kodak Company (until September 2013)

Nokia Corporation (May 2014 to May 2015)

Tellabs, Inc. (until December 2013)

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ELECTION OF DIRECTORS (ITEM 1)

Michael J. Ward

Age 66

Director Since 2016

Experience, Qualifications, Attributes, or Skills

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

Mr. Ward received a bachelor's degree 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

CSX Corporation

Ashland Inc.

Gregory D. Wasson

Age 58

Director Since 2015

Experience, Qualifications, Attributes, or Skills

Gregory D. Wasson is the former President and Chief Executive Officer of Walgreens Boots Alliance, a global pharmacy-led health and wellbeing enterprise.

Mr. Wasson received a bachelor's degree from Purdue University in Pharmaceutical Science.

Mr. Wasson has extensive operational and executive management experience at a complex organization with a large, diverse workforce. Mr. Wasson brings an in-depth knowledge of the retail industry and insight into the consumer experience. His background of leading a company with thousands of retail locations in an industry that, like banking, is undergoing rapid transformation will provide insight that benefits PNC as we work on our strategic priorities. His service as a public company CEO and his designation as an audit committee financial expert assist the Board and Audit Committee with the oversight of financial and accounting issues.

PNC Board Committee Memberships

Audit Committee

Technology Subcommittee

Public Company Directorships

Verizon Communications Inc.

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CORPORATE GOVERNANCE

Our Board is committed to strong corporate governance practices. Through the Nominating and Governance Committee, the Board evaluates its governance policies and practices against evolving best practices. This section highlights some of our corporate governance policies and practices. Please see www.pnc.com/corporategovernance for additional information about corporate governance at PNC, including:

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

This proxy statement is also available at

www.pnc.com/proxystatement

Corporate governance guidelines

Our Board has approved corporate governance guidelines. Our Board's Nominating and Governance Committee reviews the corporate governance guidelines at least once a year. Any changes recommended by the Committee are

approved by the Board. The guidelines address important principles adopted by the Board, including:

The qualifications that we want to see in a director

The director nomination process

The duties of our lead independent director (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 meeting in executive session without management

The importance of having access to management

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 other board positions

How the Board continually evaluates its own performance

Our approach to director education

The Board's role in strategic planning

Our Board leadership structure

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

A substantial majority (at least 2/3) of independent directors

A Presiding Director

Regular executive sessions of all independent directors without management present

The Board's current leadership structure includes all three attributes. The Board has not adopted a policy with respect to separating the Chairman and CEO positions. The Board believes that 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. 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. Donald J. Shepard, the Board's Presiding Director and Chair of the Nominating and Governance Committee, serves as our lead independent director. We describe his duties 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. The NYSE requires at least a majority of our directors to be independent from management.

Mr. Demchak is the only director who is not independent under the NYSE's bright-line rules because he is our CEO. The Board has affirmed the

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CORPORATE GOVERNANCE

independence of each of our other 12 nominees for director. Please see *Director and Executive Officer Relationships* on pages 29 and 30 for a description of how we evaluate independence.

Presiding Director duties. As the Presiding Director, Mr. Shepard is the lead independent director for our Board. The Board's independent and non-management directors selected him for this role. The Board approved the following duties for the Presiding Director, which are included in our corporate governance guidelines:

Preside at meetings of the Board of Directors in the event of the Chairman's unavailability.

Convene and preside at executive sessions of the Board's independent directors whenever he or she deems it appropriate to do so.

Preside at regularly scheduled executive sessions of the Board's non-management and independent directors.

Confer with the Chairman or CEO immediately following the executive sessions of the Board's non-management or independent 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 directors.

Be available for confidential discussions with any non-management or independent director who may have concerns which 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 schedule and agendas, and the information provided to the Board, in order to promote the effectiveness of the Board's operation and decision making and help ensure that 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 the 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 among the non-management or

independent directors.

As Chairman 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. That committee also reviews, and the Presiding Director as chairman of the committee reports to the board, significant developments in corporate governance.

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

Communicating with our Board

Shareholders and other interested parties who wish to communicate with the Board of Directors, any director (including the Presiding Director), the non-management or independent directors as a group, or any Board committee may send either (1) an email to corporate.secretary@pnc.com, or (2) 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 forward the email communication to the appropriate director(s) named. The Corporate Secretary may elect not to forward 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.

The Corporate Secretary will not open the written communication addressed to the Board of Directors, any director (including the Presiding Director), the non-management or independent directors as a group, or any Board committee. The Corporate Secretary will forward the communication to 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 committee, or the full board.

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