Defining Our Success
By the Success of the People
We Serve.
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I. Message from the CEO

Our industry has undergone significant transformation in recent years. Massive regulatory change and evolving customer preferences have redefined the basic business model for banks since 2008. Amid the challenges this change presents, we at PNC see an exciting opportunity to solidify relationships with the people we serve and to secure an even brighter future for our company and for the communities where we do business.

Recognizing that the ongoing success of our company depends upon our ability to provide a superior banking experience for every customer, we entered 2015 optimistic about opportunities to change the way people think about and do business with us. We are listening to those we serve and working to better understand what they value so that we can better help our customers achieve their financial goals, our communities thrive and our employees prosper.

In 2014, PNC renewed its focus on the customer experience to better engage with our customers, to understand the issues they face and to advocate on their behalf. To lead this effort, we created an Office of the Customer and appointed Executive Vice President Karen Larrimer as the company’s first chief customer officer. We took important steps in 2014 to serve and respond to our customers’ needs rapidly and effectively, improving everything from the way we open accounts, review credit applications and approach information security, to the way we interact with customers through social media.

The past year also was a time to celebrate and expand PNC’s work in our communities. This included celebrating the 10-year anniversary of PNC Grow Up Great, our $350 million bilingual initiative to expand and improve access to early childhood education. We kicked off the year by supporting the Thirty Million Words Initiative in Chicago, and in October we earned a Guinness World Record® for organizing history’s largest vocabulary lesson, simultaneously teaching 4,000 children across 37 communities. Over the past decade, Grow Up Great has helped more than two million children get a better academic start and a better chance at lifetime success.

In the Fall of 2015, we plan to open The Tower at PNC Plaza, our new global headquarters. In keeping with our focus on sustainability and the environment, it is expected to be the world’s greenest office tower. It will join 250 other LEED-certified projects in PNC’s real estate portfolio, including PNC’s net-zero energy branch in Fort Lauderdale, Fla., which was awarded Leadership in Energy and Environmental Design (LEED) Platinum certification in 2014.

Our businesses implemented a number of important changes in 2014 to make environmental considerations a more prominent factor in PNC’s lending while still balancing those considerations with the economic needs of the communities we serve.
As part of these efforts, we enhanced PNC’s mountaintop removal (MTR) financing policy. Due to environmental and health concerns, as well as our risk appetite, our MTR financing exposure has declined significantly over time, with current exposure to firms participating in MTR representing less than one-quarter of one percent of PNC’s total financing commitments, and it will continue to decline.

In addition to a number of other changes outlined in the Corporate Responsibility Report, we hired an environmental and social risk officer within our Corporate Banking business to coordinate and oversee the firm’s environmental and social risk policies, working closely with PNC’s Sustainability Group and recognized external stakeholders. We will remain focused on continuous improvement and engagement to ensure that our business practices are aligned with our corporate commitment to sustainability and the environment.

Internally, we also enhanced our emphasis in 2014 on building a more diverse, inclusive and higher-performing workforce. PNC was recognized as a Gallup Great Workplace for the sixth consecutive year and earned the Secretary of Defense Employer Support Freedom Award for our support of veterans and employees serving in the National Guard or military reserves.

We welcome those workforce honors, but we recognize the need to do more. This year we are raising the bar on our effort to identify diverse talent at all levels of the organization and to create opportunities for advancement. We expanded our network of employee business resource groups. We partnered with other employers and civic officials to organize a regional disabled employment awareness summit. And we made important appointments at the highest levels to reflect our commitment to greater diversity. Today, there are more women than ever on our Executive Committee, and in October, we welcomed Marjorie Rodgers Cheshire, president and chief operating officer of A&R Companies, to our board of directors.

In the pages that follow you will read about many of these steps and more that we have taken in keeping with our commitments to the people and communities that we serve. You also will read about steps we are taking to enhance future editions of this report.

Thank you for your ongoing interest in PNC.

Sincerely,

William S. Demchak

Chairman, President and
Chief Executive Officer
II. PNC Corporate Profile

PNC is one of the leading financial services organizations in the country, with $345 billion in assets and $232 billion in deposits as of Dec. 31, 2014. For 162 years, PNC has been a strong competitor, innovator and engaged corporate citizen.

Headquartered in Pittsburgh, we provide consumer and small business banking, primarily in 19 states and the District of Columbia, with residential mortgage banking and corporate and institutional banking offices across the continental United States. PNC financial consultants bring savvy, local knowledge and truly personal service to all of their banking relationships. Whether serving an individual or institution, PNC can help clients bank intelligently and easily through four lines of business:

**Employees**  
Approximately 53,500 in the United States and abroad

**Locations**  
Branches: Approximately 2,700

**ATMs**  
Approximately 8,000 machines

**Online Banking**  
Nearly half (47 percent) of PNC customers used non-branch channels (online, mobile and ATM) for the majority of their transactions in 2014, compared to 38 percent in 2013.

**Strategic International Offices**  
- Canada
- China
- Germany
- United Kingdom

**Retail Banking**  
- Consumer Banking
- Business Banking
- PNC Investments
- Community Development Banking

**Asset Management offices are located primarily in the retail footprint.**

**Residential Mortgage Banking covers the retail banking footprint with additional offices across the U.S.**

**Corporate & Institutional Banking offices are located nationwide, specializing in:**  
- Real Estate Finance
- Asset-Based Lending
- Treasury Management
- Equipment Finance

Both Residential Mortgage Banking and Corporate & Institutional Banking located in these states.
III. A Diverse and Engaged Workforce is Our Most Valuable Asset

TALENT

“To win in the marketplace, our employees will be the differentiator,” said PNC Chairman, President and Chief Executive Officer William S. Demchak. “PNC needs the right people, in the right roles, with the right skills, doing their best work, to excel.”

PNC recognizes that its most valuable asset is its people, and that long-term success depends on a culture in which:

- Development is prioritized, ensuring that all employees have an opportunity to learn new skills and contribute to the best of their ability.

- Accelerated leadership development prepares leaders for future roles and yields greater bench strength.

- Clear career paths ensure that employees are in the most appropriate positions for their skills and experience, allowing PNC to better serve customers.

- Diversity and inclusion are part of all talent decisions. By embracing diversity of thought, background, ethnicity and gender, PNC is a more inclusive organization that delivers stronger business outcomes.

PNC strategically is investing in resources to foster a talent-focused culture. In 2014, more than 500 key leaders participated in “Raising the Bar on Talent,” a workshop that focused on how best to develop employees and ensure that diversity and inclusion are an integral part of all talent decisions.

Another initiative that supports our talent-focused culture is PNC’s new talent framework, the first phase of which was rolled out in 2014. This framework is designed to bring a more consistent and common structure to development opportunities across the organization and provides new job profiles, clear career paths and new technology and career development tools for managers and employees. PNC expects to complete the implementation of this framework by the end of 2015.

Workforce

Great results come from building a great team. PNC brings this belief to life by recruiting top talent that contributes to a successful workforce.

PNC employs more than 53,000 people. It operates retail banking in 19 states and the District of Columbia and provides other banking services across the United States and in other parts of the world. Ninety-three percent of our workforce consists of full-time employees. Approximately 62 percent of our total employee population are women.
Employee Development

PNC’s ability to attract and retain top talent depends largely on its development opportunities. To ensure that we maintain a strong talent pipeline, we offer a competitive summer internship program and 10 full-time development programs to attract high-achieving college students and graduates. Our summer internship program is an important pipeline into our development programs and attracts diverse candidates from more than 50 national colleges and universities. Interns receive challenging and rewarding assignments and have an opportunity to meet and work with leaders across the organization. Development program associate and analyst trainees are full-time hires and receive structured and intentional training that prepares them to move from development roles into production roles in approximately 12 to 24 months. Associate and analyst trainees receive a hands-on experience and often serve in various roles to help them determine which role is most appropriate for their skills and interests. In 2014, PNC hired approximately 300 summer interns and 300 trainees.

Another valuable development initiative is PNC’s Women’s Leadership Development Program, a five-month program offered to certain mid- to executive-level women. The program provides coaching and mentoring to help participants support their teams’ growth and success and also prepares participants for advancement opportunities throughout the organization. In 2014, more than 50 participants completed the Women’s Leadership Development Program.

Veterans

PNC is committed to attracting and retaining military, veterans and reservists. We recognize the valuable skills and experience that veterans bring to the workplace and believe that our values of performance, respect, teamwork and integrity are common among those held by active and former military. To gain access to this talent, PNC has a Military Advisory Council, which consists of executives across the organization who contribute to our recruiting strategies. We also have a dedicated Talent Acquisition team that is available to answer questions, discuss career paths and guide veterans through the hiring process. PNC’s established military partnerships with Student Veterans of America, MBA Veterans and the U.S. Chamber of Commerce’s Hiring Our Heroes program, among other organizations, further support our hiring efforts.

Once veterans arrive at PNC, they have access to PNC’s active support network to help them transition to the civilian...
workforce. A few of the resources that we offer to veterans include:

- A Military/Veterans Employee Business Resource Group (EBRG), which offers professional development, mentoring and networking opportunities for military/veteran employees; and
- Competitive benefits and compensation, including a military leave policy that is in line with all of the provisions of the Uniformed Services Employment and Re-employment Rights Act (USERRA).

Under the USERRA, PNC offers job protection for eligible military leaves, the potential for continued pay and benefits for specific time periods during eligible leaves and paid time off for training or active duty for reservists and members of the National Guard.

In July 2014, PNC was recognized for its commitment to veterans with the Secretary of Defense Employer Support Freedom Award. This award recognizes companies that demonstrate exceptional commitment to employees who have served in the Guard or Reserve and is the highest honor offered by the U.S. Department of Defense to for-profit and nonprofit businesses. PNC was one of 15 organizations honored and was selected from nearly 3,000 applicants.

**People with Disabilities**

According to the U.S. Census Bureau, one in five Americans lives with a disability. Fewer than 20 percent of these Americans participate in the labor force, and among those who do, the unemployment rate is more than double the rate for people without disabilities. These figures reflect a need for employers to better understand the issue of disabled employment and to do a better job of attracting and retaining employees who have a disability.

In March 2013, The American Association of People with Disabilities (AAPD) designated Pittsburgh as the 2014 national host city for Disability Mentoring Day. Pittsburgh was chosen in part because of Allegheny County’s and the Allegheny Conference on Community Development’s commitment to economic equality. PNC participated in Disability Mentoring Day in Pittsburgh and several other cities, hosting high school children for a day of mentoring and job shadowing.

In response to the AAPD designation and to build upon Pittsburgh’s 2013 executive summit at which city leaders, including PNC Chief Executive Officer William S. Demchak, brought renewed attention to the importance of disabled employment, Allegheny County and the Allegheny Conference on Community Development hosted a Disability Employment Summit in Pittsburgh in October 2014. The summit was sponsored by PNC and other regional employers, connected these employers with individuals who have a disability and encouraged a broad discussion about the barriers to disabled employment, among other topics.

![Sean Fulton, a technology risk officer at PNC, retired as a police officer after suffering a career-ending injury and spent almost a year in recovery. He then pursued an internship at PNC that led to his current risk management role.](image-url)
Training and Development

PNC University (PNCU), the training function at PNC, continued its commitment in 2014 to provide learning and development solutions to help employees and leaders achieve exceptional results. Through a range of programs, courses and resources, PNCU aims to enhance skills and increase knowledge and focuses on several key areas:

- Job Skill Training
- New Employee Orientation
- Sales and Product Training
- Employee Development Programs
- Leadership Development
- Mentoring
- Certifications
- Executive Coaching
- Job Rotation
- Career Guidance

PNCU offers training to nearly 62,000 employees, independent contractors and franchisees. Its learning management system (My Learning) deploys, manages and tracks approximately 3,300 unique courses, of which 500 are led by an instructor, 200 are conducted in virtual classrooms and 2,600 are web-based.

Employee Engagement

PNC is committed to creating a workplace where employees are engaged, respected and supported. We have measured employee engagement and provided tools and templates for managers and employees to work together to address and improve drivers of engagement in the workplace.

In 2014, PNC measured employee engagement through a survey conducted with The Gallup Organization. Our survey results are a testament to the commitment of PNC’s managers, who together with their teams, develop action plans to enhance engagement. Highlights include:

- Ninety-four percent of employees participated in the survey;
- PNC was named a “Gallup Great Workplace” award winner for the sixth year in a row. This distinction recognizes various companies worldwide that have demonstrated an extraordinary ability to create and sustain an engaged workforce; and
- PNC’s overall workforce engagement increased to 4.40 in 2014 from 4.37 in 2013 (on a five-point scale). Additionally, 70 percent of employees are engaged, making PNC a “benchmark” company, according to Gallup.

Employee Recognition

Acknowledging the valuable contributions of our workforce is vital to engaging and retaining our employees. Some of the ways in which we recognize and thank employees for their exceptional work include:

- Spotlight, our corporate employee recognition program. In just four years, this program has facilitated more than two-million recognition messages across all regions and businesses.
Our annual Performance Awards program, which provides executive leadership with the opportunity to honor an elite class of employees at a ceremony in Pittsburgh. 2014 marked the 22nd Performance Award program, which was broadcast live via streaming video to the desktops of thousands of employees across the country.

Our annual Market All-Stars dinners and awards ceremonies, which occur in each of the 34 cities and regions where we operate. These events celebrate the accomplishments of high achievers across all businesses and facilitate networking and engagement opportunities.

DIVERSITY AND INCLUSION

By recruiting, developing and retaining top talent, we believe that we naturally will create a diverse and inclusive workplace in which all employees are respected and have an opportunity to contribute to the company’s success. To further support this culture, we have several resources for specific audiences, each with different goals.

Employee Business Resource Groups

Employee Business Resource Groups (EBRGs) are inclusive groups that support employees with a shared heritage, gender, sexual orientation or background. These groups provide a forum for discussion and professional development and offer employees an opportunity to contribute to PNC’s business success. PNC’s 10 EBRGs have 10,500 members across 51 chapters and represent the following groups: African American; Asian American; Disability Awareness; Emerging Professionals; Intergenerational; Latino; Lesbian, Gay, Bisexual and Transgender and Allies (LGBT); Multicultural; Veterans/Military; and Women.
Two of PNC’s EBRGs were recognized with PRISM International Inc.’s ERG & Council Honors Award™, a national award that recognizes the contributions and achievements of employee resource groups (ERGs) and diversity councils. PNC’s Pittsburgh African American EBRG won first place for implementing initiatives that have increased productivity, improved customer service, impacted the hiring and retention of diverse talent and demonstrated leadership in the community. PNC’s Kentucky LGBT A EBRG ranked 15th on the list, and PNC’s Finance Line of Business (LOB) Council ranked 18th. 2014 marks the first time that three groups within one company have received the ERG & Council Honors Award™ and the first time that a new entry (PNC’s Pittsburgh African American EBRG) has earned first place.

**Corporate Diversity Council**

Chaired by the CEO, PNC’s Corporate Diversity Council is responsible for integrating diversity into the company’s business practices. This council consists of executives from businesses across the organization and fosters open dialogue about how diversity and inclusion impact employee engagement, customer service and PNC’s ability to compete.

**Regional and Line of Business Diversity and Inclusion Councils**

PNC’s Regional Diversity & Inclusion (D&I) Councils identify and execute upon business opportunities that result from changing demographics in their respective region. They work closely with employees, customers, diverse suppliers and the community to ensure that PNC is best serving its diverse constituents. Line of Business (LOB) D&I Councils identify opportunities to integrate PNC’s D&I strategy in their respective business. These councils aim to enhance employee recruitment, development and engagement and to enrich the customer experience.

**History and Heritage Months**

PNC recognizes seven history and heritage months, including Black History Month, Women’s History Month, Asian Pacific American Heritage Month, LGBT Pride Month, Hispanic Heritage Month, Disability Employment Awareness Month and American Indian Heritage Month. PNC celebrates these months by hosting sponsorships and events across the company. These regional celebrations allow PNC to engage with existing and prospective customers and employees and to learn about the needs of its diverse customers.
EMPLOYEE BENEFITS

PNC’s benefits program reflects employee priorities and our company’s values. Our program is competitive with those of other similar companies and positions PNC for future growth.

Full-time employees are eligible for:

• Medical/prescription drug coverage, with a Health Savings Account (HSA), if eligible, that includes company contributions and allows pre-tax savings to pay for current/future eligible health care expenses
• Dental and vision coverage
• Company-provided basic life insurance and business travel insurance
• Optional life and spouse/domestic partner/child life insurance options
• Personal accident insurance
• Short-term disability coverage after six months of service and long-term disability coverage
• Dependent Care Reimbursement Account
• 401(k) plan, with a four percent company match after six months of service, and a $2,000 minimum match for eligible participants
• Company-funded pension plan after six months of service
• Employee stock purchase plan once eligible after six months of service
• Paid vacation and holidays
• PNC Living Well, a wellness program
• Commuter benefits program
• Educational assistance program

Part-time employees are eligible for:

• Medical/prescription drug coverage with an HSA, if eligible, that includes company contributions and allows pre-tax savings to pay for current/future eligible health care expenses
• Dental and vision coverage
• Company-provided basic life insurance and business travel insurance
• 401(k) plan with a four percent company match and a $2,000 minimum match once eligible based on hours worked and length of service
• Company-funded pension plan once eligible based on hours worked and length of service
• Employee stock purchase plan once eligible after 12 months of service
• Paid vacation and holidays
• PNC Living Well, a wellness program
• Educational assistance program
PNC Pathfinder, our internal Human Resources portal, provides employees with unlimited access—from work or home—to their personal compensation and benefits information. Launched in early 2012, Pathfinder is a one-stop shop that enables employees to enter and track time and attendance, view their online pay, make benefit transactions, enroll for training, complete a talent profile and conduct performance management activities, including goal-setting. It also links to “Your Total Rewards,” a personalized, online snapshot of an employee’s individual benefits and compensation, and to Guidance Resources Online, a wellness and employee assistance resource.

Tuition Reimbursement

PNC also offers tuition reimbursement to support employees’ educational goals and share in the cost of select education expenses. Our Educational Assistance Program reimburses up to $5,250 annually, depending on employee status and program type, among other eligibility requirements. In 2014, we provided more than $4.3 million in tuition reimbursement.

Tools for Better Health, Finances and Work/Life

PNC takes a comprehensive approach to wellness through “PNC Living Well,” a program that supports and enhances employee wellness in the areas of health, money and life. Because total well-being requires an integrated approach, PNC offers tools and resources that allow employees to take ownership of all facets of their wellness. Program offerings include health assessments, onsite biometric screenings and flu shots, tobacco cessation programs, telephonic, online and onsite health coaching, wellness challenges, financial counseling, adoption assistance, back-up child/adult/elder care and New Mothers’ Rooms for nursing mothers, among others.

Each geographic region has a PNC Living Well team that promotes and personalizes the program through various activities. Some of our 2014 highlights include:

Health

- Health assessments – Almost 19,000 employees completed a confidential online PNC Living Well Health Assessment to evaluate their health status and to identify areas and strategies for improvement.
- Biometric screenings – Almost 8,400 employees completed a biometric screening to learn about their critical health indicators, including cholesterol levels, blood pressure and body mass index.
- Health coaching – More than 3,200 employees and spouses completed a health coaching program to guide them to sustainable behavioral modifications and healthier lifestyles.
- Flu shots – Nearly 12,000 employees received an onsite or offsite flu vaccination, at no cost to them.
• Tobacco cessation – As part of its tobacco cessation support, PNC Living Well provides one-on-one telephonic counseling and reimbursement of up to $300 per person for eligible out-of-pocket expenses for nicotine replacement therapies, including over-the-counter products (e.g., patches and nicotine gum), as well as prescriptions (e.g., Chantix).

• Wellness challenges – The number of onsite wellness challenges more than doubled, engaging more than 5,000 employees in healthy activities across the company.

• Lunchtime webinars – Almost 4,000 employees participated in more than 50 free lunchtime webinars on health, money and work/life.

Money

• Employee discount website – More than 6,000 employees and spouses accessed a network of thousands of merchant discounts and special promotions.

• Lunchtime webinars – Live telephonic webinars on financial topics, including how to budget, invest and reduce debt attracted more than 2,200 employees.

Life

• “Healthy Halle” – An advice feature addresses employee questions on health, money and work/life issues. This monthly column has received two Golden Triangle awards from the Pittsburgh chapter of the International Association of Business Communicators for writing and “Best in Show.”

• PNC Just In Case Care – This program provides employees with affordable, high-quality and convenient back-up care options for children, adults and elderly relatives and helped employees avoid more than 8,500 days of missed work.

• Elder care – This program offers resources and referrals to employees faced with elder care concerns. Elder care is a growing national issue, and PNC Living Well’s Elder Care management resources and referrals remain among the top three topics of interest in our work/life offerings.

• PNC’s Flexible Work Arrangements – PNC strives to offer a flexible work environment that allows employees to be more effective at work and home. Some of PNC’s work arrangements include a compressed workweek, telecommuting, remote work, job sharing and flextime.

Commercial Banking relationship manager Lesley Wilson uses PNC’s flextime policy to better balance the demands of her personal and professional life. That way, Lesley can spend more time with her husband and her two-year-old son, Henry.
IV. Our Commitment to Customers Shapes Our Business

To deliver consistently the best-possible customer interactions, PNC created an Office of the Customer in the first quarter of 2014. The Office of the Customer is charged with enhancing the overall PNC customer experience by better delivering on the company’s customer-focused corporate value. Through a renewed emphasis on this priority, including training, employees are working together to address customer concerns, resolve potential customer issues and suggest opportunities for continued improvement. Through regular reviews, PNC is evaluating its progress in reaching better outcomes with customers through all communication channels.

This is important because PNC recognizes that providing exceptional customer service is a key differentiator among competitors and that this quality of service must apply to all customers, including diverse business owners, first-time home buyers and large corporations, among many others. We also acknowledge the need to address our customers’ questions and concerns through multiple channels, such as social media, which has become an increasingly popular platform for solving customer concerns. And we understand that no matter the channel, it is the responsibility of every employee to own the customer service process and resolve issues to the best of his or her ability.

DIVERSE CUSTOMERS

PNC provides a wide array of services to serve its increasingly diverse customer base. These services include:

- Customer service with interpretation services available in more than 170 languages and a dedicated Spanish language customer service team at 1-866-HOLA-PNC;
- Bilingual and multilingual branch personnel in key locations to assist customers with products and services;
- Many PNC ATMs featuring languages such as Spanish, French, German, Italian, Polish, Portuguese, Korean, Japanese, Vietnamese and Chinese; and
- Spanish-language financial education seminars on the foundations of money management, budgeting, borrowing and first-time home buying.

PNC also supports its diverse customer base with language needs by providing in-language branch materials and original, culturally-relevant advertising in key locations. Online, customers can access PNC information in Spanish, Polish, Chinese and Korean.

Women’s Business Advocates

PNC recognizes that the growth in women-owned businesses—the fastest-growing business segment in the United States—has not yet reached its full potential. According to findings from our biannual Economic Outlook survey, women business owners are just as optimistic about their businesses as their male counterparts but are less than half as likely to grow their businesses by taking on new loans or lines of credit.
At PNC, we are developing our bankers with proprietary training in order to better support the success of women business owners. More than 1,500 corporate-wide bankers, both male and female, have been certified by PNC as Women’s Business Advocates and understand the opportunities and challenges for female financial decision-makers, including women who own businesses.

We also provide an array of resources to women business owners to inspire business development and personal achievement, including:

• Sponsorship of the Women Presidents’ Organization and The Committee of 200, among other organizations that share our support for women in business and provide mentoring and networking opportunities for customers;
• Webinars and podcasts on PNC.com/women to foster continued education and development;
• “Women Who Achieve,” an online series of articles that celebrate successful customers; and
• Our Insights for Women in Business magazine and e-newsletter, which feature timely articles and executive profiles to help women grow companies, generate new ideas and share experiences.

Planning for Same-Sex Couples National Practice Group

PNC Wealth Management has a Planning for Same-Sex Couples National Practice Group that advises Lesbian, Gay, Bisexual and Transgender (LGBT) couples on numerous topics, including financial planning, estate planning, taxes, retirement and benefits. This group also educates community partners and PNC employees on best practices for working with LGBT customers.

CUSTOMER INFORMATION SECURITY AND FRAUD PROTECTION

The security of our customers’ personal and financial information is a priority at PNC. Our comprehensive security program, PNC Security Assurance, provides customers with account features that help protect their accounts from fraud and identity theft. We also use layered technologies and other security controls to protect customer information.

Customers can elect to receive alerts about certain account activity and also review recent account activity through Online Banking. Both of these tools can assist with early fraud detection. Furthermore, PNC’s security team constantly is at work monitoring card and account activity for potential fraudulent transactions and takes action to mitigate financial loss and other harm to our customers.

Throughout 2014, PNC actively worked with customers who potentially were impacted by several notable retail data breaches. In addition to tightening fraud monitoring, PNC worked directly with customers to address their concerns and reminded them that they are not responsible for unauthorized account activity that is promptly reported.
We also provided tips to customers about PIN management and card protection and cautioned about email, mail and telephone fraud. PNC routinely provides these security tips through numerous channels so that customers can take the necessary steps to protect themselves, and not just in the aftermath of a publicized security breach.

**CUSTOMER PRIVACY**

PNC takes steps to safeguard customer privacy and complies with all state privacy laws to the extent that they apply. PNC also complies with federal law by giving customers the right to limit the sharing of personal information and by disclosing how personal information is collected, shared and protected. All of this is communicated with retail customers through the PNC privacy notice provided at a new account opening and annually thereafter. The privacy notice also is provided with all consumer loan closing documents and is available online.

All financial institutions need to share customer information to run their everyday businesses. This includes information that allows PNC to process transactions, maintain accounts, respond to court orders or legal investigations, report to credit bureaus, offer PNC products or services and receive feedback about transactions and experiences. Information sharing for marketing purposes, however, will be limited upon customer request.

To protect customer information from unauthorized access and use, we maintain a number of security measures and controls that meet or exceed industry standards, such as computer safeguards and secured files and buildings where applicable. Additionally, we train and test all employees on our privacy standards and policies, which are designed to further protect customer information and privacy.

**SOCIAL MEDIA**

The emergence of social media has changed the way that companies communicate with current and prospective customers and the way that customers communicate with brands. Specifically, there has been a significant increase in those turning to social media to solve customer service-related issues, and they have set high expectations for resolution in these channels.

To meet these expectations, PNC expanded its team of customer care consultants who are responsible for social media. This team monitors PNC’s two-way channels, primarily Facebook and Twitter, and responds to customer inquiries seven days per week, 24 hours per day.
Throughout 2014, PNC’s customer care team published approximately 25,460 customer responses through company-owned social media channels. Because timely response matters, the company measures average response time, which by year-end improved by approximately 68%, decreasing from more than two hours in January to 44 minutes by the end of December. PNC’s 2015 goal is to further decrease its response time to 15 minutes.

All of the interactions on PNC’s social media channels provide valuable insight about consumers’ perceptions of PNC and actionable feedback regarding how we can improve processes, products and services that impact our customers.

**RESIDENTIAL MORTGAGE: UNDERSTANDING OUR CUSTOMERS AND HELPING HOMEOWNERS**

In 2014, we originated more than $15 billion in residential mortgage loans to those purchasing a new home, or improving or refinancing a current home.

Importantly, PNC is committed to encouraging home ownership in low and moderate income communities, and demonstrates this through an Affordable Lending Product Suite. PNC offers a number of products intended to enhance options to borrowers who do not meet the requirements of conventional, FHA or VA financing. One of those, PNC Community, has been offered for more than four years and has had no defaults.

PNC also has implemented Consumer Financial Protection Bureau (CFPB) regulations that went into effect in 2014, specifically related to qualified mortgages and ability-to-pay requirements.

As one of the nation’s top retail lenders and servicers of residential mortgage loans, we are committed to understanding our customers and offering them a variety of products so that they can choose an option that best meets their needs. But we understand that life changes and other unexpected hardships can come in many forms and affect a borrower’s ability to re-pay a mortgage loan. PNC participates in a variety of government- and investor-sponsored programs to assist homeowners who are having trouble meeting their obligations, such as the Home Affordable Modification Program.

We also maintain a variety of loss-mitigation and payment modification options, including forbearance, repayment plans, modification, partial claims, short sales, assumptions and deeds in lieu of payment. Distressed homeowners are encouraged to contact PNC directly at 800-523-8654 to discuss the right option for their individual circumstances.

We recognize that preparing our employees for changes in the marketplace and the regulatory environment is the cornerstone of a differentiated customer experience. PNC continues to put customers at the center of the decision-making process, reflecting our commitment to sustainable home ownership and working with customers to help them make educated decisions that allow them to buy and stay in their homes.
ENERGY FINANCING

PNC recognizes the opportunities and complexities associated with energy financing and understands the value of innovative technology that leverages the wind and sun.

Renewable Power Sources and Energy-Efficient Projects

Renewable energy, including solar and wind power, has become an increasingly important contributor to our power supply. Cumulative solar generation capacity, the maximum electricity that all solar systems can produce, reached 17.5 gigawatts in September 2014. This is 100 times greater than the cumulative solar generation capacity as of late 2007 and equates to the amount of electricity required to power 3.5 million average American homes for one year.

PNC supports the continued adoption of renewable energy and has become an industry leader in financing solar distributed generation. Through our PNC Energy Capital business, we encourage innovation in the deployment of alternative energy sources by helping our customers implement economically viable renewable energy solutions. For example, in 2014, PNC Energy Capital provided financing to the first utility-scale solar project constructed on an active Environmental Protection Agency (EPA) Superfund site. The completion of the Maywood Solar Farm, a 10.8MWdc project located in Indianapolis, required significant creativity and collaboration between PNC Energy Capital, the project developer and the EPA.
In addition to offering innovative products that meet the evolving needs of the solar industry, PNC supports the renewable energy industry through its green banking practices.

Our Green Banking Practices Have Included:

• Financing and supporting the implementation of solar and energy efficiency projects for universities, school districts and commercial and municipal organizations.

• Reducing loan fees and interest rates to qualifying small businesses that make environmentally-friendly decisions, including:
  - Purchasing low-emission fleet vehicles and energy-efficient appliances;
  - Upgrading HVAC systems and lighting fixtures and controls;
  - Planting native species that do not require irrigation; and
  - Purchasing water-efficient fixtures, photovoltaic electric panels, solar hot water systems or energy-efficient roofs.

• Advising and supporting businesses to help develop sites into commercially viable projects. These projects can help generate jobs, expand business districts, enhance the tax base and spur environmental land improvements.
V. Giving Back to the Community Supports Economic Growth

PNC has a long history of strengthening and enriching the communities in which it operates and established the PNC Foundation in 1969 to support nonprofit organizations that serve the people in these communities.

The Foundation’s philanthropic mission focuses on early childhood education and community and economic development, which includes arts and culture. In support of this approach, PNC provided $49 million in 2014 to help seed ideas, foster development initiatives and encourage leadership within various nonprofit organizations.

PNC GROW UP GREAT

PNC collaborates with community-based organizations to enhance early childhood education opportunities through our signature program, PNC Grow Up Great. In 2014, the $350 million, multiyear, bilingual initiative celebrated its 10th anniversary of helping to prepare children, particularly at-risk children from birth to age five, for success in school and life.

Through this program, PNC provides leadership, advocacy, funding, volunteers and educational resources to help families, educators and community partners provide innovative opportunities that enhance learning and development among young children. As of December 2014, the program served more than 2 million children and awarded more than $86 million in grants to nonprofit organizations focused on improving school readiness.
in math, science, the arts and financial education. PNC established an advisory council of some of the nation’s most highly respected experts and organizations within the early childhood education field to help guide Grow Up Great. Additionally, we have partnered with nationally renowned early education authorities such as Sesame Workshop, The Fred Rogers Company and the National Head Start Association.

In 2014, Grow Up Great earned two national awards for impacting early childhood education and improving communities:

- The Community Reinvestment Award, Excellence in Cross-Sector Community Development Collaboration; and
- The U.S. Chamber of Commerce Foundation, 2014 Citizens Award, Best Commitment to Education Program.

**Vocabulary**

During its 10th anniversary, PNC Grow Up Great emphasized services and programming that help to promote vocabulary development in young children. It seeded $19 million in programs to raise awareness of vocabulary’s critical role in a child’s early learning and to encourage families and teachers to talk and read to their children as a means of building vocabulary and gaining the skills needed to succeed in school.

The key vocabulary initiatives introduced through Grow Up Great in 2014 included:

- **The Thirty Million Words® Initiative** is based at the University of Chicago Medicine and led by Dr. Dana Suskind, whose work is named after a study that found that by age four, an at-risk child may hear 30 million fewer words than a child from a higher-income family. This PNC-funded initiative has engaged 200 to 250 families to help parents build their children’s vocabulary. In addition, it follows the children from age 15-months to kindergarten as part of a five-year longitudinal study.

- **The Community-Wide Vocabulary Building Collaborative** is an early education program that engages community-facing organizations to help families develop positive routines and habits that support vocabulary development. In 2014, a collaboration of arts and cultural organizations were funded in five cities with five additional cities receiving the program in 2015. This initiative provides neighborhood-based programming and events that involve families in their children’s learning and offers access to community resources to help reinforce word-learning practices.

- **“Words Are Here, There, and Everywhere”** is the latest multimedia, English/Spanish educational kit developed by Sesame Workshop, the nonprofit educational organization behind *Sesame Street*. The educational kit introduced “Buzz Word,” a new Muppet, to build on young children’s natural sense of curiosity and to grow their vocabulary around math concepts, science and the arts. This initiative also includes “Words that Help Me Grow” vocabulary tree posters. All bilingual materials are available for free at PNC Bank branches, at pncgrowupgreat.com and at sesamestreet.org/words. Additional materials, including an educator’s guide and fun, educational videos, also are available online.

A PNC employee in Pittsburgh attaches a wrist band to a pre-K student to verify participation in the Guinness World Record’s® largest vocabulary lesson.
• Guinness World Record® recognized PNC for organizing the largest vocabulary lesson, which featured 4,000 children who simultaneously participated in 37 cities across 15 states and the District of Columbia. The culminating 10th anniversary celebration involved the children holding tiger masks and wearing top hats as they learned words and listened to their teachers read “Mr. Tiger Goes Wild,” by Caldecott Honoree Peter Brown (Copyright © 2013 by Peter Brown. Little, Brown and Company, New York, NY. All rights reserved.) To foster the home-to-school connection, each participating child was given the book and the Sesame multimedia kit, “Words are Here, There, and Everywhere.”

• The Lesson Center hosts the vocabulary lesson that earned PNC the Guinness World Record® title. This center features practical, developmentally appropriate activities for pre-K teachers. The lesson plans were developed by organizations that collaborated over the past several years to enhance science and arts education for young children who are served by PNC’s early education programs. The online Lesson Center is organized by common preschool themes and features a “Home/School Connections” printout in English or Spanish for each lesson, which can be used by families to reinforce what their children learned in class. The repository is housed on the Grow Up Great website at pncgrowupgreat.com/lesson center and was designed with Barbara Wasik, Ph.D., who holds the PNC Chair in Early Childhood at Temple University and serves on the PNC Grow Up Great Advisory Council.
**Volunteerism**

PNC encourages employee involvement in Grow Up Great through a progressive policy that offers employees 40 hours of paid time off per year for volunteerism. In 2014, PNC employees volunteered more than 60,000 hours in support of early childhood education.

Since the program’s inception, more than 42,000 employees have logged more than 450,000 volunteer hours. Employees also donated more than 626,000 items for preschool children’s personal and classroom use.

In addition, the Grants for Great Hours program allows a PNC employee who volunteers at least 40 hours over 12 months at a qualified, early education nonprofit, to earn and donate a $1,000 grant to the preschool where the employee volunteered. Groups of employees may volunteer as a team and apply for a grant of up to $3,000. From the program’s inception, donated grants total approximately $2.1 million.

**Awareness**

Another component of PNC Grow Up Great is an ongoing awareness campaign to communicate the importance of school readiness. PNC and Sesame Workshop also have launched a series of bilingual multimedia education kits, including the “Happy, Healthy, Ready for School: Math Is Everywhere” kit, which is free at PNC branches.

In total, more than 3 million outreach kits have been distributed to help children and families turn everyday moments into learning opportunities. Through Grow Up Great, PNC also operates two mobile educational tours:

- **Mobile Learning Adventure:** These traveling exhibits provide an opportunity for parents and caregivers to learn about the importance of early childhood education while engaging in fun activities with their children through interactive kiosks, a photo station and a craft center.

- **Growing Up Great Together Under One Big Sky:** This tour introduces children to astronomy, fosters cultural appreciation and promotes positive attitudes toward science. It features a mobile planetarium with an inflatable dome that illustrates the night sky.

PNC works with the corporate community, policymakers and other key influencers to elevate discussions about the importance of access to quality early childhood education. Our reputation as a strong advocate for children has attracted the attention of the business community, nonprofits, customers and other thought leaders.

**PNC Arts Alive**

While government and corporate support for the arts has waned, the PNC Foundation launched PNC Arts Alive, a multiyear, multimillion dollar initiative to make the visual and performing arts more accessible in the Columbus, Ohio; St. Louis; Greater Philadelphia; and southern New Jersey regions. The PNC Foundation always has believed that engagement in the arts enriches lives and builds stronger, more vibrant communities.
• With the goal of increasing engagement in and access to the arts in the Philadelphia metropolitan area and in southern New Jersey, PNC launched a five-year, $5 million Arts Alive program in 2009. The success of the program led to an extension beyond its original mission to include a seventh funding cycle beginning in 2015, representing a total commitment of $7 million in support of arts and culture. To date, PNC Arts Alive has funded more than 140 arts programs and 60 organizations, representing a wide range of disciplines, audiences and participatory experiences. Of the funded groups, all reported greater participation in the arts among individuals with limited access.

• In central Ohio, PNC has awarded 56 Arts Alive grants totaling $2 million to 24 local arts organizations to implement innovative programming, use technology to reach new audiences and to increase audience engagement. In the program’s first year, all funded projects reported an increase in audience attendance.

• PNC Arts Alive provided a $1 million initiative to support visual and performing arts organizations in St. Louis and southern Illinois. During the first two years of the program, 33 grants were awarded to 24 organizations. The PNC Foundation has since committed an additional $1 million to continue the Arts Alive program.

COMMUNITY DEVELOPMENT BANKING

PNC helps to build strong communities and create financial opportunities for individuals, families and businesses through executive leadership, technical expertise, strategic investments, project financing and employee volunteerism. Specifically, PNC’s Community Development Banking group boosts the quality of life in low-income neighborhoods through affordable housing, economic revitalization and customized financial solutions.

The work of Community Development Banking is supplemented by PNC’s Tax Credit Capital Group, which provides expertise and financing through federal tax credit program investments. Flexible loans, public-private partnerships and financial education classes help to revitalize communities in need.

In 2014, PNC provided $2.7 billion in financing that benefited low- and moderate-income populations and communities, including:

• Approximately $2 billion in community development loans;
• $395 million in equity commitments to construct affordable housing through the Low-Income Housing Tax Credit (LIHTC) Program;
• $104 million to invest in community-supported economic development projects through the New Markets Tax Credit (NMTC) Program;
• $18 million to restore historic properties and return them to productive use through the Historic Tax Credit Program; and
• $137 million in other investments to benefit underserved populations and communities where PNC conducts business.
PNC’s 2014 community development initiatives include:

**Unity Park – Detroit**

PNC invested in LIHTC in the Community Housing Network’s (CHN) Unity Park housing development in the city of Pontiac. The development features 32 rent-to-own homes that target residents who are between 30 and 60 percent of the Area Median Income (AMI). The PNC Foundation also awarded CHN a community revitalization grant to support a number of projects and activities, including a community garden, neighborhood beautification, a neighborhood watch organization and a homeowners’ resource fair.

**Emerald Ridge - East Alton, Ill. and St. Louis**

Originally developed as housing and support buildings for a World War II-era munitions plant, Emerald Ridge is being transformed into a community with 46 new single-family homes for families that earn up to 60 percent of the AMI. The homes will feature energy-efficient designs and construction, including ENERGY STAR® appliances and reflective roofing. PNC provided tax credits for the project and a bridge loan.

**The PNC Transformative Art Prize - Baltimore**

The PNC Transformative Art Prize, previously known as the PNC Transformative Art Project, supports communities’ efforts to improve their surroundings through art projects. Neighborhoods are asked to partner with artists and/or arts organizations to permanently reinvent public spaces using art. This initiative is a program of the Baltimore Office of Promotion & The Arts, and additional support is provided by the Baltimore City Department of Housing and Community Development.

**Habitat for Humanity of Southwest Alabama - Mobile, Ala.**

PNC invested in conjunction with Habitat for Humanity of Southwest Alabama to fund homes for Mobile families whose income is between 30 and 80 percent of AMI. Habitat for Humanity used the funding to purchase buildable lots, complete infrastructure and construct or rehabilitate more than 20 homes in Mobile and Washington counties.

**Allentown Neighborhood Housing – Pittsburgh**

As part of the Hilltop Alliance’s six-year economic development and community services plan funded by PNC Bank and other local businesses, struggling home owners in the budding South Pittsburgh neighborhood of Allentown will receive assistance to improve their properties. The Neighborhood Assistance Program (NAP) also will include funding for revitalization to the East Warrington Avenue business district, which runs through the center of Allentown.
The NAP is a tax credit program administered by the Pennsylvania Department of Community and Economic Development that encourages businesses to collaborate with and invest in low- to moderate-income communities. The Hilltop Alliance will manage the program, which also will support a fresh foods initiative, a neighborhood employment center and children’s educational programs.

**CrossRoads Corporation for Affordable Housing and Community Development – Charlotte, N.C.**

As part of CrossRoads Corporation for Affordable Housing and Community Development’s “Bulldogs Matter After School Program,” PNC is helping middle school children in a struggling neighborhood attend school regularly, achieve better grades and stay in school. CrossRoads’ focus is to help revitalize the Grier Heights neighborhood, south of downtown Charlotte, and to offer educational opportunities to young residents.

PNC provided a grant to the “Bulldogs Matter After School Program,” which is entering its third year and serves about 85 at-risk middle school students. Bulldogs Matter offers PNC employees an array of volunteer opportunities and continues during the summer with a Freedom School site that serves 50 students for six weeks.

**Project HOME Wellness Center – Philadelphia**

PNC Community Development Banking has maintained a long-term relationship with Project HOME, one of the city’s leading social services and economic development organizations. In 2014, PNC delivered NMTC equity financing and a construction loan to support the development of Project HOME’s new Stephen Klein Wellness Center. PNC’s financing expertise will support a federally qualified health center that will serve a low-and moderate-income community in North Philadelphia.

**Dilworth Park – Philadelphia**

Reflecting PNC’s deep ties to the city, the bank was among the earliest supporters of the redevelopment of a plaza behind the historic city hall. Led by the business district improvement nonprofit, Center City District, the renovation features 120,000-square feet of multipurpose space complete with a lawn, a programmable water fountain and an upscale cafe. A central component of the project is an improved transit center that offers convenient access to the SEPTA public transit system.

PNC’s support for the project included a philanthropic grant to support the creation of PNC Terrace, an outdoor seating area that serves as a lunchtime gathering place and live entertainment venue for the Center City community. PNC also provided a construction line of credit to bridge grant pledges from the many nonprofits and corporations supporting the project, as well as financing to help Center City District complete the construction and refinance existing debt that resulted in interest cost savings.
FINANCIAL EDUCATION

PNC understands the value of providing knowledge and skills to help people take control of their finances and improve their quality of life. We offer useful financial education programs, including:

- **The PNC School Bank Program** engages schools and community partners to develop a “hands on” banking experience while providing financial education and career exploration for school-aged students. Under the supervision of school staff, PNC helps children learn money-management and savings skills through School Bank Days, when student tellers handle small cash and check deposits from other students by following standard bank procedures. From the program’s inception in September 2008, more than 80 School Bank programs have been established in low-to-moderate income communities and schools throughout the regions where PNC operates.

- **Foundations Checking** is a transitional checking account for customers who are just entering or re-establishing themselves in the banking system. This account has no balance requirements and provides ATM access with lower daily point-of-sale and ATM limits. A key element of Foundations is its financial education component, which teaches the basics of money management. Successful customers can graduate to a standard checking account after six to 18 months.

- **An Individual Development Account Program** helps low-income individuals save money in special matched savings accounts called Individual Development Accounts (IDA). PNC facilitates IDA programs in its communities with logistical support, operational grants and account services for the agencies and their clients. PNC-managed IDA accounts have grown from 750 in 2009 to 2,694 accounts in December 2014, with total savings of $994,000.

- **Financial Education courses** are available to consumers, small businesses and nonprofit organizations through PNC’s community outreach and branch educational activities. PNC offers adult education workshops that span a variety of topics and that are taught in English and Spanish by bank employees and community organization staff. PNC also works with VISA® and the FDIC to deliver their educational materials to PNC customers.

- **The PNC Homebuyers’ Club** allows PNC to collaborate with several nonprofit housing counseling agencies to provide first-time homebuyers with the knowledge and tools necessary for purchasing a home. Course topics include developing a budget, estimating a house payment, understanding credit, shopping for a mortgage and saving.
PRO BONO WORK

In June 2014, PNC’s Legal Department initiated a pro bono project that offers PNC attorneys an opportunity to provide free legal services to individuals in their local communities who need, but cannot afford, legal assistance. The program enables PNC attorneys to develop new skills and fulfill practice requirements by working with local groups to do good for the community.

The project is run by a committee of PNC attorneys who approve various pro bono opportunities each month and encourage their peers to participate. While PNC attorneys are not obligated to participate, the number of their pro bono engagements already had exceeded PNC’s 2014 goal by October 30.

While PNC attorneys cannot handle cases involving transactions that may create conflicts of interest with, or reputational issues involving, PNC, the project offers a wide variety of opportunities. For example, 11 PNC attorneys provided legal services to clients through a clinic hosted by the Senior Law Center, a nonprofit agency in Philadelphia, where they drafted simple wills and powers of attorney for elderly clients. Other PNC attorneys represented the homeless in Pittsburgh to obtain federal and state benefits, immigrant women in the Washington, D.C. area who escaped violence in their home countries and children in the Philadelphia foster care system.

THE PNC LEGACY PROJECT

Banks stand at the center of local commerce, helping to build businesses, schools and places of worship. While the way we bank will continue to evolve, the importance of trust between banks, customers and communities remains constant.

With the acquisition of Riggs Bank in Washington, D.C. in 2005, PNC created the PNC Legacy Project to honor, document and preserve the history of its predecessor banks, their employees, their leaders and the communities they served. PNC created new installments with each subsequent bank acquisition, hosting exhibits over time in: Annapolis, Md.; Baltimore; Cleveland; Fredericksburg, Va.; Lancaster, Pa.; Pittsburgh; and Rocky Mount, N.C.

In February 2014, the PNC Legacy Project in Rocky Mount, N.C. celebrated its one-year anniversary. The exhibit, which is on display in the History Room of the Imperial Centre for the Arts & Sciences, honors PNC’s predecessor banks founded in Rocky Mount, including: Planters National Bank, founded in 1899; Peoples Bank & Trust, founded in 1931; and Centura Bank, established in 1990 with the merger of Planters and Peoples.

In Pittsburgh, the Legacy Project is located downtown in the Lantern Building, which PNC recently decided to donate to a local community-based group. The Legacy Project will be represented in the company’s new headquarters building, The Tower at PNC Plaza, when it opens in 2015. In addition, a display honoring PNC’s history in Pittsburgh is featured in the downtown Fairmont hotel.
In early 2015, the PNC Legacy Project began to celebrate the history of PNC’s predecessor banks in Philadelphia and Delaware with an online exhibit of artifacts and oral histories from long-time customers, community partners and former executives and employees. Artifacts include the minutes from the first meeting of Provident Mutual Life and Trust, dated Nov. 4, 1864, and a 1796 $10,000 check to George Washington. The detailed online exhibit features Provident and the Bank of Delaware.

For more information about the PNC Legacy Project and to access some of the historic documents, visit http://www.pnclegacyproject.com/about.html.

SUPPLIER DIVERSITY

PNC further demonstrates its commitment to strengthening the communities and businesses in each region it serves through a Supplier Diversity Program, which offers qualified minority, women-owned, veteran, LGBT and small and disadvantaged business enterprises the opportunity to provide the company with products and services.

Through its diverse supply base, PNC is exposed to the varying perspectives, unique skills and innovative thinking that is critical to enhancing business success. By respecting and considering different views, PNC can better serve customers and employees and promote economic growth within its communities. PNC Spent more than $338 million with diverse business owners in 2014, which represents 15 percent of PNC’s eligible spend, up from 13% in 2013. In its active supply base, PNC has more than 3,300 diverse-owned companies that provide a broad array of products and services, including computer hardware, title and settlement services, commercial print, custom millwork, contingent labor, courier services, consulting, training, advertising and market research.

To ensure that supplier diversity continues to play a significant role in our strategic sourcing decisions, PNC Supply Chain Management maintains a team of sourcing professionals who are dedicated to supporting this work within our organization. These resources focus on increasing organizational accountability and identifying additional opportunities for diverse supplier participation.

PNC’s Supplier Diversity program has been vital to the growth of many minority-owned companies. Looking ahead, we plan to further grow the diversity of our supply chain as our business needs and geographic footprint continue to evolve.

Learn more

We seek suppliers who can provide high-quality, low-cost products and services. If you are interested in becoming a supplier or learning more about our program, visit www.pnc.com/supplierdiversity or email us at supplierdiversity@pnc.com.
VI. Green Building Practices Increase Operational Efficiency

PNC is committed to sustainable building practices and continues to seek new ways to minimize its impact on the environment. This commitment has enabled the company to lower costs, increase efficiency and productivity and strengthen the communities where we conduct business. In 2014, PNC’s efficiency efforts and adoption of new technology helped us to achieve our 250th Leadership in Energy and Environmental Design (LEED®) certification, successfully complete an innovative plug load study and continue to optimize our building portfolio’s energy performance.

PNC’s 2014 continuous improvement efforts are reflected below:

BUILDINGS

In the late 1990s, PNC adopted green building practices to cut operating expenses, increase employee satisfaction and reduce our environmental impact. In 2002, PNC became the first major U.S. bank to apply green building standards to all newly constructed or renovated retail branches and offices. Five years later, we trademarked “Green Branch” to distinguish branches that are constructed with recycled and local materials and that use 26 percent less energy and 5,800 fewer gallons of water per year than a conventionally designed and constructed branch.
At the end of 2014, PNC had 250 LEED-certified projects in 19 states, as well as Washington, D.C. and London. This milestone reflects our leadership in green building, which has translated into significant cost savings and greater employee satisfaction. PNC's LEED-certified projects feature LED lights, occupancy sensors, energy-efficient heating and cooling, highly insulated facades and windows, recycled building materials and water-efficient appliances and fixtures, among other green elements.

Notable green building projects include our net-zero energy branch in Fort Lauderdale, Fla., which generates more energy than it consumes; 500 Smithfield Street, a historic building in downtown Pittsburgh that PNC renovated to LEED standards; and The Tower at PNC Plaza, which is scheduled to open in Pittsburgh in the fall of 2015 as PNC's new global headquarters.

Net-Zero Energy Branch

In June 2014, PNC's net-zero energy branch in Fort Lauderdale, Fla. achieved LEED Platinum certification, the U.S. Green Building Council’s highest certification. PNC’s branch was awarded for its energy strategy, including its ability to generate more power than it consumes. PNC worked closely with Florida Power & Light (FPL) to track its renewable energy production through a net metering agreement, which measures a customer’s purchased electricity during a billing period and credits the customer for any electricity returned to the utility company’s grid.

In 12 months, PNC’s net-zero energy branch generated the amount of electricity used by seven U.S. homes in one year. As the building’s solar output was greater during the summer months, PNC was able to return power to FPL for four consecutive months.

The branch features innovative green technology and amenities, including 211 solar panels, high-efficiency LED lights, ENERGY STAR® appliances, a riverfront public walking path and paving designed to reduce rainwater runoff.

As for business, the branch’s sales are 122 percent of its goals and the branch team has received above-average customer loyalty scores, the most recent being 4.88 on a five-point scale.
The Tower at PNC Plaza

In June 2014, PNC topped off The Tower at PNC Plaza, placing the final steel beam atop the building structure. The 33-story, 800,000-square foot tower is located on the corner of Fifth Avenue and Wood Street in downtown Pittsburgh and will house approximately 2,200 employees upon its opening in the fall of 2015.

By utilizing ground-breaking technology, including a double-skin façade and a solar chimney, the tower is anticipated to ventilate naturally at least 42 percent of the year and consume 50 percent less energy than a typical office building. The building’s floor-to-ceiling windows and narrow floor plates will allow daylight to illuminate 90 percent of all open workspaces, and a water recycling system is expected to decrease the tower’s annual water consumption by 77 percent. PNC believes that the building will exceed LEED Platinum certification and set the new standard for green building.

As part of its commitment to support the local community, PNC expects 2,500 people to be hired during construction of The Tower at PNC Plaza. In addition to hiring locally, PNC’s project team is procuring products and services from local businesses and has committed to spend at least 15 percent of the project’s total construction budget with women- and minority-owned businesses.

The U.S. Secretary of Energy Visits the Tower

In July 2014, U.S. Secretary of Energy Ernest Moniz visited The Tower at PNC Plaza to learn about the building’s natural ventilation system, effective lighting design and healthy work environment. Secretary Moniz was especially interested in the solar chimney, which will absorb and trap heat from the sun, and the operable double-skin façade, two walls that allow outside air to enter the workplace. He said that U.S. companies are “leaving a lot of money on the table” by not investing in design features similar to those in the tower. “This facility is part of seeing the future, which is what I like to see in my job.”

Secretary of Energy Ernest Moniz and PNC Energy Manager Nana Wilberforce on the tower site.
ENERGY

In 2010, we strengthened our commitment to green building by announcing our goal of decreasing building energy consumption 30 percent by 2020 (based on 2009 data). Setting this goal led to PNC’s implementation of lighting retrofits and occupancy sensors that prompt lights to shut off automatically in unoccupied spaces in more than 22 office buildings and 1,050 branches. Since 2009, these lighting retrofits and occupancy sensors have contributed to a 14.6 percent reduction in energy consumption and a 15 percent reduction in energy costs, while providing many locations with favorable light quality and longer lamp life. These efforts also have resulted in PNC earning 97 ENERGY STAR® certifications, of which 15 were achieved in 2014.
Plugwise Energy-Efficiency Study

PNC participated in a Carnegie Mellon University study to confirm the extent to which employee behavior can improve the company’s energy efficiency. This “Plugwise” study focused on how knowledge and control influence behavior and found that PNC employees who monitored their energy use and automated the timeframe for specific devices to turn on and off reduced their energy consumption by 38 percent.

In December 2013, PNC installed Plugwise meters, which measure plug load, or the energy drawn by devices from an electrical outlet, at 80 Pittsburgh employees’ workstations. These 80 employees were divided into four groups, each of which received a different amount of information and control.

The first group knew they were being monitored but received no information about their energy consumption. The second group received information through an energy dashboard that collected and displayed plug-load data in real time. The third group also had access to the dashboard and could manually turn on and off specific devices through the use of a switchboard. The fourth group had access to the dashboard and could automate when specific devices turned on and off. After monitoring the data from the 80 employees for six months, PNC confirmed the following results:

- Group one reduced overall energy consumption by 7 percent;
- Group two reduced overall energy consumption by 13 percent;
- Group three reduced overall energy consumption by 25 percent; and
- Group four, which received the most information and control, reduced overall energy consumption by 42 percent.

Further, energy consumption among group four increased by only four percent after the dashboards and automated controls were removed. These results demonstrate that knowledge and control have a tremendous long-term influence on energy use.

Due to the study’s results, PNC plans to begin rolling out plug-load meters and providing employees with access to dashboards and automated control across all of its U.S. branches and office buildings in 2015.

This collaboration between PNC and Carnegie Mellon has provided opportunities for both organizations to advance their work in energy efficiency. PNC has learned innovative approaches to analyzing energy data while giving Carnegie Mellon, which provided the Plugwise meters and developed the energy dashboards, real-world applications and an extensive database of energy information.
EMISSIONS
PNC also aims to reduce Scope 1 and 2 greenhouse gas emissions by 30 percent by 2020 (based on 2009 emissions). Over the past four years, PNC has lowered its greenhouse gas emissions by approximately 17.6 percent through energy efficiency efforts, better utilization of space and operational improvements. In 2014, PNC participated in the Carbon Disclosure Project, for which our emissions data was third-party verified by Bureau Veritas, and earned a score of 86 for the disclosure and a B grade for performance. While we specifically track our greenhouse gas emissions, we are seeking methods to reduce other air emissions, including diesel. For example, PNC has incorporated specific requirements in The Tower at PNC Plaza general construction contract to minimize diesel emissions from off-road equipment. PNC also is a Coalition Partner of the Breathe Project, which aims to improve air quality in southwestern Pennsylvania.

MATERIALS
In 2014, PNC reduced paper usage per employee by 9.2 percent compared to 2013, and since 2009, we have reduced our total usage by 43.2 percent through the adoption of new procedures and technology and through employee behavior. We also have explored ways to reduce consumption of other procured materials. In 2014, for example, approximately 18 percent of office products purchased by PNC contained recycled content or held a green certification.

WATER
Across the country, we use water for building systems, drinking and landscaping. As a result of our 2012 expansion into the Southeast, our irrigation needs have grown, which we continue to address by planting native, drought-resistant plant species that optimize irrigation systems and prevent leaks. As a result of these efforts, PNC has reduced its water consumption by 12.1 percent since 2013 and by 11 percent since 2009. Furthermore, we continue to pursue innovative technology to reduce water consumption in our buildings. For example, The Tower at PNC Plaza will feature a water recycling system that is expected to decrease the building’s annual water consumption by 77 percent compared to a typical office building.

WASTE
To further divert waste from landfills, PNC rolled out an expanded recycling program across our branch network to collect paper, plastics, glass, metal and cardboard. Based on the results of a branch waste audit—which indicated that PNC’s typical branch waste consists of 75 percent paper products and 16 percent recyclable packaging—the bank’s branches now have the potential to achieve recycling rates of approximately 90 percent.

PNC also is piloting a Near-Zero Waste program in two office buildings, where employees sort non-confidential waste that is shredded and recycled into three streams: recycle, compost and landfill trash. In addition, PNC recycles electronic waste, writing instruments and construction waste. For example, when deconstructing buildings, PNC salvages any materials and resources that can be recycled, reused or donated. This approach often allows us to divert more than 90 percent of waste from landfills, as we achieved when deconstructing the buildings on The Tower at PNC Plaza site.

Industry Challenges
• The President’s Better Buildings Challenge aims to make U.S. commercial buildings 20 percent more efficient by 2020.
• The Cleveland 2030 District and the Pittsburgh 2030 District aim to reduce energy and water usage and transportation emissions by 50 percent in both cities’ downtown business districts by 2030.
• The Green Workplace Challenge engages southwestern Pennsylvania’s businesses to reduce resource use and greenhouse gas emissions and to promote sustainable business practices.

Active Memberships
• U.S. Green Building Council
• Urban Land Institute
• Sustainable Pittsburgh
• Pittsburgh Green Building Alliance
• Environmental Bankers Association
<table>
<thead>
<tr>
<th><strong>ENVIRONMENTAL INDICATORS</strong>*</th>
<th>2009**</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Information</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>55,820</td>
<td>54,400</td>
<td>53,500</td>
</tr>
<tr>
<td>Real Estate (square feet, thousands)</td>
<td>30,000</td>
<td>32,631</td>
<td>30,519</td>
</tr>
<tr>
<td>Annual Revenue ($MM)</td>
<td>16,228</td>
<td>16,000</td>
<td>15,375</td>
</tr>
<tr>
<td><strong>Internal Paper Use</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.5x11 sheets (thousands)</td>
<td>680,000</td>
<td>425,000</td>
<td>386,000</td>
</tr>
<tr>
<td>Sheets per employee</td>
<td>12,182</td>
<td>7,727</td>
<td>7,208</td>
</tr>
<tr>
<td><strong>Facilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEED-certified projects</td>
<td>68</td>
<td>215</td>
<td>251</td>
</tr>
<tr>
<td>New Construction</td>
<td>66</td>
<td>138</td>
<td>157</td>
</tr>
<tr>
<td>Commercial Interiors</td>
<td>2</td>
<td>77</td>
<td>94</td>
</tr>
<tr>
<td>ENERGY STAR-certified buildings</td>
<td>0</td>
<td>69</td>
<td>97</td>
</tr>
<tr>
<td>Space certified (square feet, thousands)</td>
<td>1,016</td>
<td>4,267</td>
<td>4,798</td>
</tr>
<tr>
<td>Portfolio certified (percentage)</td>
<td>3.4</td>
<td>13.0</td>
<td>16.0</td>
</tr>
<tr>
<td><strong>Emissions (Metric tons CO₂e)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct emissions (Scope 1)</td>
<td>48,962</td>
<td>52,729</td>
<td>54,149</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>26,425</td>
<td>31,900</td>
<td>34,038</td>
</tr>
<tr>
<td>Jet fuel</td>
<td>4,014</td>
<td>4,657</td>
<td>4,215</td>
</tr>
<tr>
<td>Other direct sources</td>
<td>18,523</td>
<td>16,172</td>
<td>15,896</td>
</tr>
<tr>
<td>Indirect emissions (Scope 2)</td>
<td>431,243</td>
<td>370,952</td>
<td>341,334</td>
</tr>
<tr>
<td>Electricity</td>
<td>428,061</td>
<td>366,932</td>
<td>337,153</td>
</tr>
<tr>
<td>Other indirect sources</td>
<td>3,182</td>
<td>4,020</td>
<td>4,181</td>
</tr>
<tr>
<td>Other emissions (Scope 3)</td>
<td>172,533</td>
<td>162,181</td>
<td>161,047</td>
</tr>
<tr>
<td>Commuting</td>
<td>130,933</td>
<td>126,796</td>
<td>124,698</td>
</tr>
<tr>
<td>Business air travel</td>
<td>9,877</td>
<td>18,437</td>
<td>15,527</td>
</tr>
<tr>
<td>Rental cars</td>
<td>4,626</td>
<td>3,312</td>
<td>3,669</td>
</tr>
<tr>
<td>Other sources</td>
<td>27,097</td>
<td>13,636</td>
<td>17,153</td>
</tr>
<tr>
<td>Target emissions (Scopes 1-2)</td>
<td>480,205</td>
<td>423,681</td>
<td>395,483</td>
</tr>
<tr>
<td>(change from previous year)</td>
<td>-6.2%</td>
<td>-6.7%</td>
<td>-6.7%</td>
</tr>
<tr>
<td>Target emissions (metric tons CO₂e) per 1,000 square feet</td>
<td>16.01</td>
<td>12.98</td>
<td>12.96</td>
</tr>
<tr>
<td>Target emissions (metric tons CO₂e) per employee</td>
<td>8.60</td>
<td>7.79</td>
<td>7.39</td>
</tr>
<tr>
<td>Target emissions (metric tons CO₂e) per million $ revenue</td>
<td>29.59</td>
<td>26.48</td>
<td>25.72</td>
</tr>
<tr>
<td><strong>Building Energy Consumption (MWh)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total building energy consumption</td>
<td>888,353</td>
<td>794,224</td>
<td>758,811</td>
</tr>
<tr>
<td>Electricity</td>
<td>730,054</td>
<td>600,906</td>
<td>552,598</td>
</tr>
<tr>
<td>Natural gas</td>
<td>142,066</td>
<td>175,885</td>
<td>187,674</td>
</tr>
<tr>
<td>Steam</td>
<td>10,498</td>
<td>13,272</td>
<td>13,798</td>
</tr>
<tr>
<td>Other</td>
<td>5,735</td>
<td>4,161</td>
<td>4,741</td>
</tr>
<tr>
<td>(change from previous year)</td>
<td>0.5%</td>
<td>-4.5%</td>
<td>-4.5%</td>
</tr>
<tr>
<td>Energy use (kWh) per square foot</td>
<td>28.17</td>
<td>24.34</td>
<td>24.86</td>
</tr>
<tr>
<td>Energy use (kWh) per employee</td>
<td>15,139</td>
<td>14,600</td>
<td>14,183</td>
</tr>
<tr>
<td>Energy use (kWh) per million $ revenue</td>
<td>54,742</td>
<td>49,639</td>
<td>49,354</td>
</tr>
<tr>
<td><strong>Green Power (MWh)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Renewable Energy Credits (RECs)</td>
<td>0</td>
<td>12,044</td>
<td>12,419</td>
</tr>
<tr>
<td><strong>Water Consumption</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased water (gallons, thousands)</td>
<td>416,068</td>
<td>421,314</td>
<td>370,391</td>
</tr>
</tbody>
</table>

* This data was verified by Bureau Veritas and updated in June 2015. Select data in PNC’s Environmental Indicators table was revised in June 2015 to incorporate Bureau Veritas’ feedback; to account for PNC’s adherence to the GHG Protocol’s base-year emissions recalculation guidelines; and to reflect the PNC Energy Management and Sustainability Group’s improved energy data methodology.

** PNC measures its environmental performance against 2009 baseline metrics, when PNC acquired National City, which doubled the size of our company.

Since 2009, PNC has reduced its energy, water and paper consumption and greenhouse gas emissions by implementing green building and operating practices.

PNC has lowered its greenhouse gas emissions through energy efficiency efforts, better utilization of space and operational improvements.

PNC has planted native, drought-resistant species and optimized irrigation systems to minimize water consumption.

Among other practices, PNC has implemented lighting retrofits at more than 1,000 locations and has installed energy-efficient HVAC units to reduce its energy consumption.

PNC has reduced paper usage through the adoption of new procedures and technology.

-14.6%
-17.6%
-43.2%
-11%
## VII. Stakeholder Engagement Yields Transparency and Trust

Our success largely depends on strong relationships with our stakeholders. To develop and maintain these relationships, we must build trust and engage in two-way communication with them. We must be transparent in our words and actions and actively listen and respond to our stakeholders’ questions and concerns. Below are a few ways in which PNC receives and responds to feedback:

### EMPLOYEES
- Monthly town halls
- Annual Gallup Employee Engagement survey
- PNC News Online (intranet) feedback mailbox
- Connections, PNC’s internal social media channel

### CUSTOMERS
- Social media (Facebook, Twitter, LinkedIn, Google+, YouTube)
- PNC Live Chat
- Customer surveys
- Call Center

### COMMUNITIES
- Community Development Banking team
- Town halls, emails and phone calls
- Dedicated website for various community programs
  - (PNC Fairfax Connection, PNC Legacy Project, etc.)

### SHAREHOLDERS AND INVESTORS
- Annual Meeting of Shareholders
- Quarterly earnings conference calls
- Regular investor events and forums
- Investor Relations email address, phone number and email alerts

### GOVERNMENT
- Government Relations team
- Ongoing dialogue with regulators and policy-makers
- Participation in industry groups, such as the Financial Services Roundtable
- Industry association memberships

### SUPPLIERS
- Daily interaction with suppliers via phone and email
- Quarterly, annual and bi-annual meetings during which PNC business leaders and executives meet with suppliers
- PNC’s Supplier Portal

### NON-GOVERNMENT ORGANIZATIONS
- Social media (Facebook, Twitter, LinkedIn, Google+, YouTube)
- Meetings, emails and phone calls

In addition to actively listening and responding to our stakeholders, we regularly monitor PNC and financial industry media coverage, which allows us to better gauge PNC’s reputation in all of the regions in which we operate. Furthermore, we are conducting a materiality analysis in 2015, when a third-party firm will survey our internal and external stakeholders about the issues that impact and interest them most. Based on these survey findings, we will confirm which issues are most material, or impactful, to PNC and our stakeholders, and subsequently, where we should better focus our resources and attention.
VIII. Risk Management Ensures Sustainable Growth

MTR POLICY

Driven by environmental and health concerns, as well as our risk appetite, we introduced a mountaintop removal (MTR) financing policy in late 2010 and subsequently enhanced that policy in 2014. As a result, our MTR financing exposure has declined significantly and will continue to do so moving forward. Overall, PNC’s exposure to firms participating in MTR represents less than one-quarter of 1 percent of PNC’s total financing commitments. Under the policy, PNC will not extend credit to individual MTR mining projects or to coal producers with 25 percent or more of their production coming from MTR mining.

ENHANCED DUE DILIGENCE AND UNDERWRITING

In 2014, Corporate Banking increased its focus on environmental risk during the underwriting process, the phase during which we conduct the most extensive client and transaction due diligence. In addition to considering environmental risk before finalizing any credit transaction, we apply supplemental due diligence criteria to companies in the following industries:

- Coal and Minerals
- Electric and Gas Utilities
- Oil and Gas

This enhanced due diligence focuses on:

- the borrower’s past and present environmental compliance related to existing laws and regulations;
- the borrower’s financial resources, including liquidity and access to public debt and equity markets, needed to adhere to environmental mandates;
- the potential impact of adhering to environmental mandates on the borrower’s debt rating;
- the borrower’s plans to adhere to current and future emission reduction mandates; and
- the transaction’s compliance with PNC’s credit and underwriting policies related to environmental risk.

As part of these enhanced practices, we are committed to disclosing in future Corporate Responsibility Reports the frequency with which we perform enhanced due diligence in these industries.

Corporate Banking also incorporated an environmental risk analysis into the due diligence that it conducts during the earliest stage of its lending process across all industries. This environmental pre-screening process for prospective clients occurs prior to PNC’s presentation of a term sheet and before underwriting.
COAL-FIRED POWER PLANTS

In the first quarter of 2015, PNC plans to adopt a formal policy that prohibits construction financing of single coal-fired power plants, which lack the most advanced environmental control processes, such as carbon sequestration.

ENVIRONMENTAL RISK ASSESSMENT IN CUSTOMER-LEVEL PORTFOLIO REVIEW

Beginning in the first quarter of 2015, Corporate Banking will incorporate an environmental assessment into its risk-based customer-level portfolio review. This quarterly review assesses customer relationships across the organization and will enhance our understanding of environmental risks in our existing portfolio.

ENVIRONMENTAL STRESS TEST

During 2015, PNC plans to undertake an internal analysis of how specific environmental events could impact its wholesale credit portfolio. This scenario analysis should allow us to better identify, understand and manage potential environmental credit risks embedded in our lending portfolio.

ADDITION OF ENVIRONMENTAL AND SOCIAL RISK OFFICER

PNC Corporate Banking hired an Environmental and Social Risk Officer to help coordinate and oversee the segment’s environmental and social risk management efforts. In this role, the risk officer assists in the development, management and implementation of Corporate Banking transaction review policies, including facilitating and assisting in enhanced environmental and social risk due diligence on prospective clients. In addition, the risk officer works with PNC’s portfolio management and credit risk management groups to design and undertake stress tests and portfolio reviews related to environmental and social risk factors. Further, the Environmental and Social Risk Officer provides training to employees on environmental and social risk issues and due diligence requirements, as well as insight and expertise to senior leaders. Finally, the risk officer engages with recognized external stakeholders to communicate PNC’s practices and to ensure that these practices continue to be aligned with the company’s commitment to sustainability.

THIRD-PARTY ENTERPRISE MANAGEMENT PROGRAM

PNC also manages risk with respect to its supply chain. In late 2014, the company rolled out the first phase of its enhanced Third-Party Enterprise Management Program, which is designed to mitigate risks that PNC could encounter when working with a supplier. This program establishes standards that PNC business units must follow when working with suppliers and requires business leaders and executives to meet with critical suppliers on a quarterly and annual basis. During these meetings, PNC reviews its suppliers’ performance, addresses potential risks and identifies new business opportunities.

This program supports PNC’s belief that we should manage our supplier relationships as much as we manage our own teams and ensures that our suppliers adhere to PNC’s policies and procedures as they relate to customer privacy, anti-money laundering and cyber security, among other topics.
IX. Governing Principles Guide Our Business

CODE OF ETHICS

PNC has long demonstrated a commitment to performance and integrity. This has not diminished as the company has grown to become one of the leading financial services companies in the country.

PNC employees created the company’s values, which reflect our culture and guide our day-to-day interactions with customers and colleagues. Our seven values—Performance, Customer Focus, Respect, Integrity, Diversity, Teamwork and Quality of Life—have served as guides to conducting business with the highest ethical standards.

Similarly, PNC’s Code of Business Conduct and Ethics and related policies provide important guidance for conducting daily business activities, from compliance with laws and managing and reporting conflicts of interest to fair dealing and protecting confidential information. As a team, PNC’s employees have worked very hard to build a successful and well-respected company. The company cannot and will not tolerate unethical or inappropriate behavior.

Detailed information about PNC’s corporate governance policies and procedures and other documents, including the Code of Business Conduct and Ethics, can be found at www.pnc.com/corporategovernance.

ANTI-CORRUPTION

PNC has a strict policy that prohibits its employees from engaging in or tolerating bribery or any other form of corruption. This policy is introduced to all employees through ethics training that must be completed upon employment with PNC and annually thereafter, and the full policy is available to employees for future reference through the PNC intranet.

The policy clearly states that all employees must comply with all applicable anti-bribery laws, including the Foreign Corrupt Practices Act, the Bank Bribery Act, the United Kingdom’s Bribery Act and Canada’s Corruption of Public Officials Act. Violations of these acts and other laws can result in serious consequences, up to and including criminal and civil penalties. Specifically, these laws prohibit the following:

- Bribing a government employee/government official
- Bribing a private party
- Accepting a bribe
- Failing to prevent a bribe
- Failing to maintain accurate records of expenditures and proper expenditure authorization

PNC has a clearly defined set of guidelines for employees to follow, should they suspect an employee or third party is engaging in behavior that violates this policy. The Corporate Ethics Office serves as a valuable resource to employees for ensuring the policy is closely enforced and to those requiring further guidance on this or other ethical matters.
BANK SECRECY ACT (BSA), ANTI-MONEY LAUNDERING (AML) AND SANCTIONS PROGRAM

PNC has a policy of strict compliance with all applicable laws and regulations regarding sanctions, money laundering, terrorist financing and other financial crimes in all regions where it operates. Further, we have a written BSA/AML and Sanctions Compliance Program approved by the Board of Directors. This includes a system of internal controls for reporting BSA-related information and for preventing, detecting and reporting sanctions violations, money laundering, terrorist financing and other financial crimes in a timely manner.

The Risk Committee of the Board of Directors has appointed an enterprise-wide BSA/AML Compliance Officer who serves as PNC’s primary point of contact with PNC’s regulatory authorities on AML and sanctions matters, and oversees PNC’s compliance with BSA/AML and sanctions requirements.

All PNC employees complete required annual AML, BSA and sanctions compliance training, which also includes details on identifying potential red flags and the appropriate escalation process should unusual or suspicious activity be detected.

PNC’s Internal Audit Department coordinates and conducts the independent review and validation of the BSA/AML and Sanctions Compliance Program.

GIFTS AND BUSINESS ENTERTAINMENT

PNC recognizes that appropriate gifts and entertainment can benefit business relationships, but requires that they be given and received in conformity with company policies and the law.

PNC employees and their immediate family members may not ask for or accept gifts or entertainment from anyone doing or seeking to do business with PNC if the gifts or entertainment are intended to influence or reward the employee for a favorable business decision or transaction. Gifts received by employees are limited by policy.

Similarly, gifts and entertainment provided to others by a PNC employee must not be excessive in value and must be equally acceptable under the policies of the recipient’s company or organization.

In addition, PNC requires employees to follow the pre-clearance process established by the Corporate Ethics Office for all gifts, meals, entertainment, travel, lodging or any other items, regardless of value, provided to government employees and officials. This process must be followed for each instance, even if pre-clearance previously has been granted.

POLITICAL CONTRIBUTIONS AND ENGAGEMENT

While PNC employees have the right to voluntarily participate in the political process, there are rules that restrict personal political activities. These rules may limit or prohibit personal political contributions, solicitation of political contributions or sponsorship of political events.

To comply with these statutes, PNC provides all employees with information to determine whether they are required to pre-clear their personal political activities or that of their immediate family with the Corporate Ethics Office.
PNC may sponsor one or more Political Action Committees (PACs) that make contributions at the federal, state and local levels. In 2014, federal candidate and federal PAC political contributions through the PNC PAC totaled $296,750. Federal and state laws also regulate political contributions by the corporation. PNC will not make corporate political contributions that are prohibited by law and will not provide reimbursement or compensation to anyone for personal political contributions, under any circumstances.

FINANCIAL EXPLOITATION OF ELDER AND VULNERABLE ADULTS

PNC is committed to its customers’ financial well-being and to building a relationship of trust. Financial exploitation of elder and vulnerable adults is a growing problem in the financial services industry. In 2014, PNC implemented a new enterprise-wide policy to address, detect and report exploitation known as the Financial Exploitation of Elder and Vulnerable Adults (FEEVA) policy.

PNC’s policy is intended to protect customers who may have been victimized. It identifies certain “red flags” that may indicate possible exploitation of an elder or vulnerable adult, based on standards established by the Financial Crimes Enforcement Network among other sources. It also establishes rules for developing, implementing and maintaining procedures designed to escalate incidents of suspected exploitation to a group within PNC Bank Operations that handles incident reporting in compliance with applicable state law.

Once potential incidents have been identified, PNC’s policy requires immediate and accurate reporting for appropriate escalation. Employees serving in roles where they have contact with elder and vulnerable adults receive training specific to this policy. Refresher training is required every other calendar year.

CORPORATE GOVERNANCE

PNC’s corporate governance structure assists the Board of Directors in overseeing PNC’s business and in fulfilling its fiduciary duties. The Board supports a governance structure that is appropriate for PNC’s business and strategic objectives, transparent to the public and PNC’s stakeholders, and flexible enough to accommodate a dynamic environment. We regularly review and enhance our governance processes and policies.

To help convey this philosophy, the Board has adopted and disclosed corporate governance guidelines, as well as policies on director and executive stock ownership, which include the following:

• The Board may choose to appoint a lead independent director with specific duties;
• At least two-thirds of directors will meet NYSE criteria for independence;
• Directors should meet regularly without management present;
• A director should submit a resignation if he or she does not receive a majority of the votes cast at a meeting for the uncontested election of directors;
• The directors should have unrestricted access to PNC employees;
• Stakeholders should understand how they can communicate with our Board;
• Shareholders should understand how they can provide director candidates to our Nominating and Governance Committee for consideration;
• Each Board committee should adopt a written charter of responsibilities;
• The Board should evaluate its performance at least annually; and
• Directors and senior executives are expected to retain certain amounts of PNC equity.

The corporate governance guidelines also outline the annual director assessment process, which includes an evaluation of independence, as well as a consideration of diversity, age, skills and experience in the context of the current needs of the Board and its committees.

Under the above guidelines, the Board has appointed a lead independent director and determined that all of our directors are independent under applicable rules with the exception of our Chairman and Chief Executive Officer.

While PNC has not adopted minimum qualifications for its directors, the following Board-approved criteria are considered in identifying individuals who are qualified to become Board members:

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

Through application of these criteria, the Board is composed of directors possessing a broad range of skills, experience and personal characteristics that result in a diverse Board of Directors.

In 2014, PNC held 11 Board meetings, as well as meetings for each of the Board’s standing committees: Audit, Nominating and Governance, Personnel and Compensation, and Risk. Each director attended at least 75 percent of the total number of meetings held by the Board and the committees on which he or she served.
Compensation Philosophy

To succeed in a highly competitive environment, PNC must attract, motivate, retain and reward employees who are crucial to our business’ success. We believe that we have designed an effective and balanced compensation program that is aligned with our risk management standards.

PNC’s executive compensation philosophy is based on a few core principles:

• Pay for performance;
• Align executive compensation with long-term shareholder value creation;
• Provide competitive compensation opportunities to attract, retain, and motivate executives; and
• Encourage the focus on the long-term success of PNC and discourage excessive risk taking.

The Board’s Personnel and Compensation Committee, composed entirely of independent directors, should maintain clear independence from management when evaluating the executive compensation program and making compensation decisions.

Public disclosure of our executive compensation program and decisions should be clear and understandable.
X. Awards

HIGH-PERFORMANCE FRANCHISE

*Fortune* magazine - Most Admired Companies 2014

*Fortune* 200 company 2014

EMPLOYER OF CHOICE

Human Rights Campaign - One of the Best Places to Work for LGBT Equality 2015

National Association for Female Executives - Top 50 Companies for Executive Women 2014

*Working Mother* magazine - 2014 100 Best Companies for Working Mothers 2014

Gallup - 2014 Great Workplace Award for Employee Engagement 2014

The Secretary of Defense – Employer Support Freedom Award 2014

COMMUNITY LEADER

U.S. Chamber of Commerce Foundation, 2014 Citizens Award, Best Commitment to Education Program 2014

Community Reinvestment Award, Excellence in Cross-Sector Community Development Collaboration 2014
Corporate Headquarters
The PNC Financial Services Group, Inc.
One PNC Plaza, 249 Fifth Avenue
Pittsburgh, PA 15222-2707
412-762-2000