UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2015

or

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

For the transition period from to

Commission file number 001-09718

The PNC Financial Services Group, Inc.

(Exact name of registrant as specified in its charter)

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

One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2707
(Address of principal executive offices, including zip code)

(412) 762-2000
(Registrant's telephone number, including area code)

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

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

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 24, 2015, there were 513,599,824 shares of the registrant's common stock ($5 par value) outstanding.

THE PNC FINANCIAL SERVICES GROUP, INC.
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FINANCIAL REVIEW

THE PNC FINANCIAL SERVICES GROUP, INC.

This Financial Review, including the Consolidated Financial Highlights, should be read together with our unaudited Consolidated Financial Statements and unaudited Statistical Information included elsewhere in this Report and with Items 6, 7, 8 and 9A of our 2014 Annual Report on Form 10-K (2014 Form 10-K). We have reclassified certain prior period amounts to conform with the current period presentation, which we believe is more meaningful to readers of our consolidated financial statements. For information regarding certain business, regulatory and legal risks, see the following sections as they appear in this Report and in our 2014 Form 10-K and our First Quarter 2015 Form 10-Q: the Risk Management and Recourse And Repurchase Obligations sections of the Financial Review portion of the respective report; Item 1A Risk Factors included in our 2014 Form 10-K; and the Legal Proceedings and Commitments and Guarantees Notes of the Notes To Consolidated Financial Statements included in the respective report. Also, see the Cautionary Statement Regarding Forward-Looking Information section in this Financial Review and the Critical Accounting Estimates And Judgments section in this Financial Review and in our 2014 Form 10-K for certain other factors that could cause actual results or future events to differ, perhaps materially, from historical performance and from those anticipated in the forward-looking statements included in this Report. See Note 17 Segment Reporting in the Notes To Consolidated Financial Statements included in Part I, Item 1 of this Report for a reconciliation of total business segment earnings to total PNC consolidated net income as reported on a GAAP basis.

T able 1: Consolidated Financial Highlights

THE PNC FINANCIAL SERVICES GROUP, INC. (PNC)

Dollars in millions, except per share data	Three months ended June 30		Six months ended June 30	
Unaudited	2015	2014	2015	2014
Financial Results (a)				
Revenue				
Net interest income	$ 2,052	$ 2,129	$ 4,124	$ 4,324
Noninterest income	1,814	1,681	3,473	3,263
Total revenue	3,866	3,810	7,597	7,587
Noninterest expense	2,366	2,328	4,715	4,592
Pretax, pre-provision earnings (b)	1,500	1,482	2,882	2,995
Provision for credit losses	46	72	100	166
Income before income taxes and noncontrolling interests	$ 1,454	$ 1,410	$ 2,782	$ 2,829
Net income	$ 1,044	$ 1,052	$ 2,048	$ 2,112
Less:				
Net income (loss) attributable to noncontrolling interests	4	3	5	1
Preferred stock dividends and discount accretion and redemptions	48	48	118	118
Net income attributable to common shareholders	$ 992	$ 1,001	$ 1,925	$ 1,993
Less:				
Dividends and undistributed earnings allocated to nonvested restricted shares	–	3	2	6
Impact of BlackRock earnings per share dilution	5	3	10	9
Net income attributable to diluted common shares	$ 987	$ 995	$ 1,913	$ 1,978
Diluted earnings per common share	$ 1.88	$ 1.85	$ 3.63	$ 3.67
Cash dividends declared per common share	$ .51	$ .48	$ .99	$ .92
Performance Ratios				
Net interest margin (c)	2.73%	3.12%	2.78%	3.19%
Noninterest income to total revenue	47	44	46	43
Efficiency	61	61	62	61
Return on:				
Average common shareholders' equity	9.75	10.12	9.54	10.24
Average assets	1.19	1.31	1.18	1.33

See page 49 for a glossary of certain terms used in this Report.

Certain prior period amounts have been reclassified to conform with the current period presentation, which we believe is more meaningful to readers of our consolidated financial statements.

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

(b) We believe that pretax, pre-provision earnings, a non-GAAP measure, is useful as a tool to help evaluate the ability to provide for credit costs through operations.

(c) Calculated as annualized taxable-equivalent net interest income divided by average earning assets. The interest income earned on certain earning assets is completely or partially exempt from federal income tax. As such, these tax-exempt instruments typically yield lower returns than taxable investments. To provide more meaningful comparisons of net interest margins for all earning assets, we use net interest income on a taxable-equivalent basis in calculating net interest margin by increasing the interest income earned on tax-exempt assets to make it fully equivalent to interest income earned on taxable investments. This adjustment is not permitted under generally accepted accounting principles (GAAP) in the Consolidated Income Statement. The taxable-equivalent adjustments to net interest income for the three months ended June 30, 2015 and June 30, 2014 were $49 million and $47 million, respectively. The taxable-equivalent adjustments to net interest income for the six months ended June 30, 2015 and June 30, 2014 were $98 million and $93 million, respectively.

Table 1: Consolidated Financial Highlights (Continued) (a)

Unaudited	June 30 2015	December 31 2014	June 30 2014
Balance Sheet Data (dollars in millions, except per share data)			
Assets	$353,945	$ 345,072	$327,064
Loans	205,153	204,817	200,984
Allowance for loan and lease losses	3,272	3,331	3,453
Interest-earning deposits with banks (b)	33,969	31,779	16,876
Investment securities	61,362	55,823	56,602
Loans held for sale	2,357	2,262	2,228
Goodwill	9,103	9,103	9,074
Mortgage servicing rights	1,558	1,351	1,482
Equity investments (c)	10,531	10,728	10,583
Other assets	24,032	23,482	23,527
Noninterest-bearing deposits	77,369	73,479	71,001
Interest-bearing deposits	162,335	158,755	151,553
Total deposits	239,704	232,234	222,554
Transaction deposits	205,296	198,267	188,489
Borrowed funds	58,276	56,768	49,066
Total shareholders' equity	44,515	44,551	44,205
Common shareholders' equity	41,066	40,605	40,261
Accumulated other comprehensive income	379	503	881
Book value per common share	$ 79.64	$ 77.61	$ 75.62
Common shares outstanding (millions)	516	523	532
Loans to deposits	86%	88%	90%
Client Investment Assets (billions)			
Discretionary client assets under management	$ 134	$ 135	$ 131
Nondiscretionary client assets under administration	128	128	126
Total client assets under administration	262	263	257
Brokerage account client assets	44	43	43
Total	$ 306	$ 306	$ 300
Capital Ratios			
Transitional Basel III (d) (e)			
Common equity Tier 1	10.6%	10.9%	11.0%
Tier 1 risk-based	12.0	12.6	12.7
Total capital risk-based	14.9	15.8	16.0
Leverage	10.3	10.8	11.2
Pro forma Fully Phased-In Basel III (e)			
Common equity Tier 1	10.0%	10.0%	10.0%
Common shareholders' equity to assets	11.6%	11.8%	12.3%
Asset Quality			
Nonperforming loans to total loans	1.10%	1.23%	1.39%
Nonperforming assets to total loans, OREO and foreclosed assets	1.25	1.40	1.57
Nonperforming assets to total assets	.73	.83	.97
Net charge-offs to average loans (for the three months ended) (annualized)	.13	.23	.29
Allowance for loan and lease losses to total loans	1.59	1.63	1.72
Allowance for loan and lease losses to nonperforming loans (f)	145%	133%	123%
Accruing loans past due 90 days or more (in millions)	$ 914	$ 1,105	$ 1,252

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

(b) Amounts include balances held with the Federal Reserve Bank of Cleveland (Federal Reserve Bank) of $33.6 billion, $31.4 billion, and $16.5 billion as of June 30, 2015, December 31, 2014 and June 30, 2014, respectively.

(c) Amounts include our equity interest in BlackRock.

(d) Calculated using the regulatory capital methodology applicable to PNC during each period presented.

(e) See Basel III Capital discussion in the Capital portion of the Consolidated Balance Sheet Review section of this Financial Review and the capital discussion in the Banking Regulation and Supervision section of Item 1 Business in our 2014 Form 10-K. See also the Estimated Pro forma Fully Phased-In Basel III Common Equity Tier 1 Capital Ratio – 2014 Periods table in the Statistical Information section of this Report for a reconciliation of the 2014 periods' ratios.

(f) The allowance for loan and lease losses includes impairment reserves attributable to purchased impaired loans. Nonperforming loans exclude certain government insured or guaranteed loans, loans held for sale, loans accounted for under the fair value option and purchased impaired loans.

EXECUTIVE SUMMARY

The PNC Financial Services Group, Inc. (PNC) is one of the largest diversified financial services companies in the United States and is headquartered in Pittsburgh, Pennsylvania.

We have businesses engaged in retail banking, corporate and institutional banking, asset management and residential mortgage banking, providing many of our products and services nationally, as well as other products and services in our primary geographic markets located in Pennsylvania, Ohio, New Jersey, Michigan, Illinois, Maryland, Indiana, North Carolina, Florida, Kentucky, Washington, D.C., Delaware, Virginia, Alabama, Missouri, Georgia, Wisconsin and South Carolina. We also provide certain products and services internationally.

Key Strategic Goals

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

We strive to expand and deepen customer relationships by offering a broad range of deposit, fee-based and credit products and services. We are focused on delivering those products and services where, when and how our customers choose with the goal of offering insight that addresses their specific financial needs. Our approach is concentrated on organically growing and deepening client relationships that meet our risk/return measures. Our strategies for growing fee income across our lines of business are focused on achieving deeper market penetration and cross selling our diverse product mix.

Our strategic priorities are designed to enhance value over the long term. A key priority is to drive growth in acquired and underpenetrated geographic markets, including in the Southeast. In addition, we are seeking to attract more of the investable assets of new and existing clients. PNC is focused on transforming our retail banking business to a more customer-centric and sustainable model while lowering delivery costs as customer banking preferences evolve. We are also working to build a stronger residential mortgage banking business with the goal of becoming the provider of choice for our customers. Additionally, we continue to focus on expense management while investing in technology and business infrastructure and streamlining our processes.

Our capital priorities are to support client growth and business investment, maintain appropriate capital in light of economic conditions and the Basel III framework and return excess capital to shareholders, in accordance with the capital plan included in our 2015 Comprehensive Capital Analysis and Review (CCAR) submission to the Board of Governors of the Federal Reserve System (Federal Reserve). New regulatory short-term liquidity standards became effective for PNC and PNC Bank, National Association (PNC Bank) beginning January 1, 2015. For more detail, see the Balance Sheet, Liquidity and Capital Highlights portion of this Executive Summary, the Capital portion of the Consolidated Balance Sheet Review section and the Liquidity Risk Management portion of the Risk Management section of this Financial Review and the Supervision and Regulation section in Item 1 Business of our 2014 Form 10-K.

Recent Market and Industry Developments

There have been numerous legislative and regulatory developments and significant changes in the competitive landscape of our industry over the last several years. The United States and other governments have undertaken major reform of the regulation of the financial services industry, including engaging in new efforts to impose requirements designed to strengthen the stability of the financial system and protect consumers and investors. The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), enacted in July 2010, mandates the most wide-ranging overhaul of financial industry regulation in decades. Many parts of the law are now in effect, and others are now in the implementation stage, which is likely to continue for several years. We expect to face additional regulation of our industry as a result of Dodd-Frank as well as other current and future initiatives intended to enhance the regulation of financial services companies, the stability of the financial system, the protection of consumers and investors, and the liquidity and solvency of financial institutions and markets. We also expect the scrutiny from our supervisors in the examination process and the enforcement of laws and regulations on both the federal and state levels to remain at elevated levels. Compliance with new regulations will increase our costs and reduce our revenue. Some new regulations may limit our ability to pursue certain desirable business opportunities.

On June 17, 2015, the OCC terminated the 2011 consent order and 2013 amended consent order against PNC Bank entered into following a publicly-disclosed interagency horizontal review of residential mortgage servicing operations at 14 federally regulated mortgage servicers. For more information, see Note 15 Legal Proceedings of this Report and Note 21 Legal Proceedings in our 2014 Form 10-K.

On July 20, 2015, the Federal Reserve issued final rules to implement an additional risk-based common equity Tier 1 capital surcharge on U.S. bank holding companies (BHCs) identified as global systemically important banks (GSIBs) using a scoring methodology that is based on five measures of global systemic importance (size, interconnectedness, substitutability, complexity, and cross-jurisdictional activity). Based on that methodology, PNC is not subject to the surcharge. The release accompanying the final rules indicates that there is a wide gap between the scores of U.S. BHCs identified as GSIBs and the

significantly lower scores of other advanced approaches BHCs (such as PNC) that are not identified as GSIBs.

On July 21, 2015, the Consumer Financial Protection Bureau issued final rules delaying to October 3, 2015 (from August 2015) the effective date of broad new regulations concerning the disclosures required to be provided to prospective residential mortgage customers. These regulations, among other things, require the provision of new disclosures near the time a prospective borrower submits an application and three days prior to closing of a mortgage loan.

For additional information concerning recent legislative and regulatory developments, as well as certain governmental, legislative and regulatory inquiries and investigations that may affect PNC, please see the Supervision and Regulation section of Item 1 Business, Item 1A Risk Factors, and Note 21 Legal Proceedings and Note 22 Commitments and Guarantees in the Notes To Consolidated Financial Statements in our 2014 Form 10-K, as well as Note 15 Legal Proceedings and Note 16 Commitments and Guarantees in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report.

Key Factors Affecting Financial Performance

PNC faces a variety of risks that may impact various aspects of our risk profile from time to time. The extent of such impacts may vary depending on factors such as the current economic, political and regulatory environment, merger and acquisition activity and operational challenges. Many of these risks and our risk management strategies are described in more detail in our 2014 Form 10-K and elsewhere in this Report.

Our financial performance is substantially affected by a number of external factors outside of our control, including the following:

- General economic conditions, including the continuity, speed and stamina of the current U.S. economic expansion in general and on our customers in particular,
- The monetary policy actions and statements of the Federal Reserve and the Federal Open Market Committee (FOMC),
- The level of, and direction, timing and magnitude of movement in, interest rates and the shape of the interest rate yield curve,
- The functioning and other performance of, and availability of liquidity in, the capital and other financial markets,
- Loan demand, utilization of credit commitments and standby letters of credit, and asset quality,
- Customer demand for non-loan products and services,
- Changes in the competitive and regulatory landscape and in counterparty creditworthiness and performance as the financial services industry restructures in the current environment,
- The impact of the extensive reforms enacted in the Dodd-Frank legislation and other legislative, regulatory and administrative initiatives and actions, including those outlined elsewhere in this Report, in our 2014 Form 10-K and in subsequent filings with the SEC, and
- The impact of market credit spreads on asset valuations.

In addition, our success will depend upon, among other things:

- Focused execution of strategic priorities for organic customer growth opportunities,
- Further success in growing profitability through the acquisition and retention of customers and deepening relationships,
- Driving growth in acquired and underpenetrated geographic markets, including our Southeast markets,
- Our ability to effectively manage PNC's balance sheet and generate net interest income,
- Revenue growth from fee income and our ability to provide innovative and valued products to our customers,
- Our ability to utilize technology to develop and deliver products and services to our customers and protect PNC's systems and customer information,
- Our ability to bolster our critical infrastructure and streamline our core processes,
- Our ability to manage and implement strategic business objectives within the changing regulatory environment,
- A sustained focus on expense management,
- Managing our credit risk in our portfolio,
- Managing the non-strategic assets portfolio and impaired assets,
- Continuing to maintain and grow our deposit base as a low-cost funding source,
- Prudent risk, liquidity and capital management related to our efforts to manage risk to acceptable levels and to meet evolving regulatory capital, capital planning, stress testing and liquidity standards,
- Actions we take within the capital and other financial markets,
- The impact of legal and regulatory-related contingencies, and
- The appropriateness of reserves needed for critical accounting estimates and related contingencies.

For additional information, see the Cautionary Statement Regarding Forward-Looking Information section in this Financial Review and Item 1A Risk Factors in our 2014 Form 10-K.

Income Statement Highlights

Net income decreased $8 million, or 1%, in the second quarter of 2015 to $1.0 billion, or $1.88 per diluted common share, compared to $1.1 billion, or $1.85 per diluted common share for the second quarter of 2014. Growth in noninterest income and a lower provision for credit losses were more than offset by lower net interest income and higher noninterest expense.

- Net interest income of $2.1 billion for the second quarter of 2015 decreased 4% compared with the second quarter of 2014, reflective of the ongoing low rate environment, primarily resulting in lower loan yields, and decreased purchase accounting accretion, partially offset by commercial and commercial real estate loan growth and higher securities balances.
- Net interest margin decreased to 2.73% for the second quarter of 2015 compared to 3.12% for the second quarter of 2014 principally due to the impact of increasing the company's liquidity position, lower loan yields and lower benefit from purchase accounting accretion.
- Noninterest income of $1.8 billion for the second quarter of 2015 increased $133 million, or 8%, compared to the second quarter of 2014, due to strong client fee income growth and higher gains on asset sales, including gains on sales of Visa Class B common shares.
- The provision for credit losses decreased to $46 million for the second quarter of 2015 compared to $72 million for the second quarter of 2014 reflecting improved credit quality.
- Noninterest expense of $2.4 billion for the second quarter of 2015 increased $38 million, or 2%, compared with the second quarter of 2014 due to investments in technology and business infrastructure in support of its strategic priorities and higher personnel expense associated with higher business activity, partially offset by lower asset impairment charges related to historic tax credits recorded as reductions to the associated investment asset balance. PNC maintains a continued focus on disciplined expense management.

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

Credit Quality Highlights

Overall credit quality improved during the first six months of 2015.

- Nonperforming assets decreased $.3 billion, or 10%, to $2.6 billion at June 30, 2015 compared to December 31, 2014. Nonperforming assets to total assets were 0.73% at June 30, 2015, compared to 0.83% at December 31, 2014.
- Overall loan delinquencies of $1.6 billion at June 30, 2015 decreased $.3 billion, or 16%, compared with December 31, 2014.
- The allowance for loan and lease losses was 1.59% of total loans and 145% of nonperforming loans at June 30, 2015, compared with 1.63% and 133% at December 31, 2014, respectively.
- Net charge-offs of $67 million for the second quarter of 2015 were down 54% compared to net charge-offs of $145 million for the second quarter of 2014.

  Annualized net charge-offs were 0.13% of average loans in the second quarter of 2015 and 0.29% of average loans in the second quarter of 2014. For the first six months of 2015, net charge-offs were $170 million, and 0.17% of average loans on an annualized basis, compared with $331 million and 0.34% for the first six months of 2014.

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

Balance Sheet, Liquidity and Capital Highlights

PNC's balance sheet was well-positioned at June 30, 2015 reflecting strong liquidity and capital positions.

- Total loans increased by $.3 billion to $205.2 billion at June 30, 2015 compared to December 31, 2014.
  - Total commercial lending increased $2.3 billion, or 2%, as a result of increases in commercial real estate and commercial loans.
  - Total consumer lending decreased $2.0 billion, or 3%, due to declines in home equity, automobile, education and credit card loans, including runoff in the nonstrategic portfolio.
- Investment securities increased $5.5 billion, or 10%, to $61.4 billion at June 30, 2015 compared to December 31, 2014, primarily funded by deposit growth.
- Total deposits increased $7.5 billion, or 3%, to $239.7 billion at June 30, 2015 compared with December 31, 2014, driven by higher retail deposits.
- PNC's balance sheet remained core funded with a loans to deposits ratio of 86% at June 30, 2015.
- PNC maintained a strong liquidity position.
  - New regulatory short-term liquidity standards became effective for PNC and PNC Bank as advanced approaches banking organizations beginning January 1, 2015, with a minimum phased-in Liquidity Coverage Ratio requirement of 80% in 2015, calculated as of month end.
  - The Liquidity Coverage Ratio (LCR) at June 30, 2015 exceeded 100% for both PNC and PNC Bank.
- PNC maintained a strong capital position.
  - The Transitional Basel III common equity Tier 1 capital ratio was 10.6% at June 30, 2015 and 10.9% at December 31, 2014, calculated using the regulatory capital methodologies applicable to PNC during 2015 and 2014, respectively. The decline in the capital ratio during the comparable periods was mainly due to higher risk-weighted assets.
  - Pro forma fully phased-in Basel III common equity Tier 1 capital ratio was an estimated 10.0% at June 30, 2015 and 10.0% at December 31, 2014 based on the standardized approach rules. See the Capital discussion and Table 19 in the Consolidated Balance Sheet

Review section of this Financial Review and the December 31, 2014 capital ratio tables in the Statistical Information (Unaudited) section of this Report for more detail.

- PNC returned capital to shareholders.
  - In the first quarter of 2015, in accordance with the 2014 capital plan, PNC repurchased 4.4 million shares of common stock on the open market, with an average price of $89.48 per share and an aggregate repurchase price of $.4 billion. These first quarter 2015 repurchases completed PNC's common stock repurchase program for the four quarter period that began in second quarter 2014 with total repurchases of 17.3 million common shares for $1.5 billion.
  - In connection with the 2015 CCAR process, PNC submitted its 2015 capital plan, as approved by its Board of Directors, to the Federal Reserve in January 2015. As we announced on March 11, 2015, the Federal Reserve accepted the capital plan and did not object to our proposed capital actions, which included the actions discussed below.
    - In the second quarter of 2015, we repurchased 5.9 million shares of common stock on the open market, with an average price of $93.93 per share and an aggregate repurchase price of $.6 billion. Purchases were made under share repurchase programs of up to $2.875 billion for the five quarter period beginning in the second quarter of 2015. See the Capital portion of the Consolidated Balance Sheet review of this Financial Review for more detail on these share repurchase programs.
    - In April 2015, the Board of Directors raised the quarterly dividend on common stock to 51 cents per share, an increase of 3 cents per share, or 6 percent, effective with the May dividend. On July 2, 2015, the PNC Board of Directors declared a quarterly common stock cash dividend of 51 cents per share payable on August 5, 2015.
    - On May 4, 2015, we redeemed $500 million of PNC's Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series K, as well as all Depositary Shares representing interests therein. Each Depositary Share represented a 1/10 interest in a share of the Series K Preferred Stock. All 50,000 shares of Series K Preferred Stock, as well as all 500,000 Depositary Shares representing interests therein, were redeemed. The redemption price was $10,000 per share of Series K Preferred Stock equivalent to $1,000 per Depositary Share, plus declared and unpaid dividends up to but excluding the redemption date.

Our Consolidated Income Statement and Consolidated Balance Sheet Review sections of this Item 7 describe in greater detail the various items that impacted our results during the first six months of 2015 and 2014 and balances at June 30, 2015 and December 31, 2014, respectively.

Our ability to take certain capital actions, including plans to pay or increase common stock dividends or to repurchase shares under current or future programs, is subject to the results of the supervisory assessment of capital adequacy undertaken by the Federal Reserve as part of the CCAR process. For additional information, see the Supervision and Regulation section in Item 1 Business of our 2014 Form 10-K.

See the Capital portion of the Consolidated Balance Sheet Review and the Liquidity Risk Management portion of the Risk Management section of this Financial Review for more detail on our 2015 capital and liquidity actions.

Average Consolidated Balance Sheet Highlights

Table 2: Summarized Average Balance Sheet

Six months ended June 30 Dollars in millions	2015	2014	Change $	 %
Average assets				
Interest-earning assets				
Investment securities	$ 58,310	$ 57,342	$ 968	2%
Loans	205,272	197,914	7,358	4%
Interest-earning deposits with banks	31,392	13,410	17,982	134%
Other	9,236	8,415	821	10%
Total interest-earning assets	304,210	277,081	27,129	10%
Noninterest-earning assets	46,151	43,968	2,183	5%
Total average assets	$350,361	$321,049	$29,312	9%
Average liabilities and equity				
Interest-bearing liabilities				
Interest-bearing deposits	$161,236	$151,212	$10,024	7%
Borrowed funds	56,757	46,747	10,010	21%
Total interest-bearing liabilities	217,993	197,959	20,034	10%
Noninterest-bearing deposits	74,245	67,951	6,294	9%
Other liabilities	12,181	10,313	1,868	18%
Equity	45,942	44,826	1,116	2%
Total average liabilities and equity	$350,361	$321,049	$29,312	9%

Seasonal and other factors may impact our period-end balances, whereas average balances are generally more indicative of underlying business trends apart from the impact of acquisitions and divestitures. The Consolidated Balance Sheet Review section of this Financial Review provides information on changes in selected Consolidated Balance Sheet categories at June 30, 2015 compared with December 31, 2014. Total assets were $353.9 billion at June 30, 2015 compared with $345.1 billion at December 31, 2014.

Average investment securities increased in the first six months of 2015 compared with the first six months of 2014, due to increases in average residential mortgage-backed securities and U.S. Treasury and government agency securities, partially offset by a decrease in average asset-backed securities. Total investment securities comprised 19% of average interest-earning assets for the first six months of 2015 and 21% for the first six months of 2014.

The increase in average total loans in the first six months of 2015 compared with the first six months of 2014 was driven by growth in average commercial loans of $7.4 billion and average commercial real estate loans of $2.2 billion, principally in our Corporate & Institutional Banking segment. These increases were partially offset by a decrease in consumer loans of $1.9 billion primarily attributable to lower home equity and education loans. Runoff in the non-strategic portfolio of residential mortgage and brokered home equity loans contributed to the decrease in loans.

Loans represented 67% of average interest-earning assets for the first six months of 2015 and 71% of average interest-earning assets for the first six months of 2014.

Average interest-earning deposits with banks, which are primarily maintained with the Federal Reserve Bank, increased in the comparison to the prior year period in part due to regulatory short-term liquidity standards phased in starting January 1, 2015 and also due to deposit growth.

The increase in average noninterest-earning assets in the first six months of 2015 compared with the first six months of 2014 was primarily driven by higher accounts receivable from trade date securities sales, which are included in noninterest-earnings assets for average balance sheet purposes, and an increase in trading assets, primarily net customer related derivatives values.

Average total deposits increased $16.3 billion, or 7%, to $235.5 billion in the first six months of 2015 compared with the first six months of 2014, primarily due to an increase in average transaction deposits, which grew to $201.4 billion for the first six months of 2015. Higher average money market deposits, average noninterest-bearing deposits and average interest-bearing demand deposits drove the increase in both commercial and consumer average transaction deposits. These increases were partially offset by a decrease of $1.8 billion in average retail certificates of deposit attributable to runoff of maturing accounts. Total deposits at June 30, 2015 were $239.7 billion compared with $232.2 billion at December 31, 2014 and are further discussed within the Consolidated Balance Sheet Review section of this Financial Review.

Average total deposits represented 67% of average total assets for the first six months of 2015 and 68% for the first six months of 2014.

The increase in average borrowed funds in the first six months of 2015 compared with the first six months of 2014 was primarily due to increases in average Federal Home Loan Bank (FHLB) borrowings and average bank notes and senior debt. The Liquidity Risk Management portion of the Risk Management section of this Financial Review includes additional information regarding our sources and uses of borrowed funds.

Business Segment Highlights

Total business segment earnings were $2.0 billion for both the first six months of 2015 and 2014. The Business Segments Review section of this Financial Review includes further analysis of our business segment results over the first six months of 2015 and 2014, including presentation differences from Note 17 Segment Reporting in our Notes To Consolidated Financial Statements of this Report. Note 17 Segment Reporting presents results of businesses for the three and six months ended June 30, 2015 and 2014.

We provide a reconciliation of total business segment earnings to PNC total consolidated net income as reported on a GAAP basis in Note 17 Segment Reporting in our Notes To Consolidated Financial Statements of this Report.

Table 3: Results Of Businesses – Summary (a)

(Unaudited)

	Net Income		Revenue		Average Assets (b)	
Six months ended June 30 – in millions	2015	2014	2015	2014	2015	2014
Retail Banking	$ 443	$ 383	$ 3,161	$ 3,008	$ 73,691	$ 75,559
Corporate & Institutional Banking	990	993	2,647	2,646	131,711	119,992
Asset Management Group	99	90	595	549	7,974	7,642
Residential Mortgage Banking	47	32	413	433	7,190	8,128
BlackRock	269	253	351	332	6,760	6,400
Non-Strategic Assets Portfolio	137	209	230	295	7,094	8,732
Total business segments	1,985	1,960	7,397	7,263	234,420	226,453
Other (c) (d) (e)	63	152	200	324	115,941	94,596
Total	$ 2,048	$ 2,112	$ 7,597	$ 7,587	$ 350,361	$ 321,049

(a) Our business information is presented based on our internal management reporting practices. We periodically refine our internal methodologies as management reporting practices are enhanced. Net interest income in business segment results reflects PNC's internal funds transfer pricing methodology. Assets receive a funding charge and liabilities and capital receive a funding credit based on a transfer pricing methodology that incorporates product repricing characteristics, tenor and other factors. In the first quarter of 2015, enhancements were made to PNC's funds transfer pricing methodology primarily for costs related to the new regulatory short-term liquidity standards. The enhancements incorporate an additional charge assigned to assets, including for unfunded loan commitments. Conversely, a higher transfer pricing credit has been assigned to those deposits that are accorded higher value under LCR rules for liquidity purposes. These adjustments apply to business segment results, primarily favorably impacting Retail Banking and adversely impacting Corporate & Institutional Banking, prospectively beginning with the first quarter of 2015. Prior periods have not been adjusted due to the impracticability of estimating the impact of the change for prior periods.

(b) Period-end balances for BlackRock.

(c) "Other" average assets include investment securities associated with asset and liability management activities.

(d) "Other" includes differences between the total business segment financial results and our total consolidated net income. Additional detail is included in the Business Segments Review section of this Financial Review and in Note 17 Segment Reporting in the Notes To Consolidated Financial Statements in this Report.

(e) The decreases in net income and revenue in the first six months of 2015 compared to the first six months of 2014 for "Other" primarily reflected a decline in net interest income, partially offset by higher net securities gains.

CONSOLIDATED INCOME STATEMENT REVIEW

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

Net income for the first six months of 2015 was $2.0 billion, a decrease of 3% compared with $2.1 billion for the first six months of 2014. The decrease was driven by a 5% decline in net interest income and a 3% increase in noninterest expense, partially offset by a 6% increase in noninterest income and lower provision for credit losses.

Second quarter 2015 net income decreased $8 million to $1.0 billion, compared with second quarter 2014. Growth in noninterest income of 8% and lower provision for credit losses were more than offset by a 4% decline in net interest income and higher noninterest expense.

Net Interest Income

Table 4: Net Interest Income and Net Interest Margin

	Six months ended June 30		Three months ended June 30	
Dollars in millions	2015	2014	2015	2014
Net interest income	$4,124	$4,324	$2,052	$2,129
Net interest margin	2.78%	3.19%	2.73%	3.12%

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

Net interest income decreased by $200 million, or 5%, in the first six months of 2015 compared with the prior year period, including a decline of $77 million, or 4%, in the second quarter compared with the same prior year quarter. The declines in both comparisons are reflective of the ongoing low rate environment, primarily resulting in lower loan yields, and decreased purchase accounting accretion, partially offset by commercial and commercial real estate loan growth and higher securities balances. The year-to-date declines also reflected the impact from the second quarter 2014 correction to reclassify certain commercial facility fees from net interest income to noninterest income.

Lower net interest margins in both comparisons were driven by 41 basis point and 39 basis point declines in the yields on total interest-earning assets in the year-to-date and quarterly comparisons, respectively, which were principally due to the impact of increasing the company's liquidity position, lower loan yields, and lower benefit from purchase accounting accretion. The year-to-date decline also included the impact of the second quarter 2014 correction to reclassify certain commercial facilities fees.

In the third quarter of 2015, we expect net interest income to remain stable compared with the second quarter of 2015.

For full year 2015, we expect purchase accounting accretion to be down compared to 2014 by approximately $200 million, rather than $225 million as previously disclosed, as cash recoveries on purchased impaired loans in the first six months of 2015 were higher than expected.

Noninterest Income

Table 5: Noninterest Income

	Six months ended June 30				Three months ended June 30			
			Change				Change	
Dollars in millions	2015	2014	$	%	2015	2014	$	%
Noninterest income								
Asset management	$ 792	$ 726	$ 66	9%	$ 416	$ 362	$ 54	15%
Consumer services	645	613	32	5%	334	323	11	3%
Corporate services	713	644	69	11%	369	343	26	8%
Residential mortgage	328	343	(15)	(4)%	164	182	(18)	(10)%
Service charges on deposits	309	303	6	2%	156	156	–	–%
Net gains on sales of securities	50	4	46	*	8	(6)	14	*
Other	636	630	6	1%	367	321	46	14%
Total noninterest income	$3,473	$3,263	$210	6%	$1,814	$1,681	$133	8%

* Not meaningful

Noninterest income increased in both quarterly and year-to-date comparisons primarily due to strong fee income growth and higher gains on asset sales. Noninterest income as a percentage of total revenue was 46% for the first six months of 2015, up from 43% for the first six months of 2014. The comparable amounts for the second quarters of 2015 and 2014 were 47% and 44%, respectively.

Asset management revenue increased in both comparisons due to increased earnings from our BlackRock investment, stronger average equity markets, and new business. The increases also included the impact from a $30 million trust settlement during the second quarter of 2015. Discretionary client assets under management increased to $134 billion at June 30, 2015 compared with $131 billion at June 30, 2014 driven by higher equity markets, new sales and positive net flows, after adjustments for cyclical client activities.

Consumer service fees increased in both the year-to-date and quarterly comparisons, primarily due to growth in customer-initiated transaction volumes.

Corporate services revenue increased in both comparisons due to increased treasury management and equity capital markets advisory fees, partially offset by lower mergers and acquisition advisory fees. The year-to-date results also reflect the impact of the second quarter 2014 correction to reclassify certain commercial facility fees from net interest income to noninterest income.

Residential mortgage revenue decreased in both quarterly and year-to-date comparisons mainly driven by lower loan sales revenue, reflecting the impact from the second quarter 2014 sale of previously underperforming portfolio loans and lower servicing fee revenue, partially offset by higher net hedging gains on residential mortgage servicing rights.

Service charges on deposits for the first six months of 2015 increased slightly compared to the first six months of 2014, due to changes in product offerings and higher customer-related activity. Service charges on deposits for the second quarter of 2015 were stable with the prior year quarter.

Other noninterest income for the second quarter of 2015 included gains of $79 million on the sale of 1 million Visa Class B common shares compared with gains of $54 million on the sale of 1 million Visa Class B common shares in the second quarter of 2014. For the first six months of 2015 and 2014, gains on sales of Visa Class B common shares were $79 million and $116 million on the sale of 1 million and 2 million shares, respectively. In both comparisons, gains on loans held for sale increased.

As of June 30, 2015, we held approximately 6 million Visa Class B common shares with a fair value of approximately $649 million and a recorded investment of approximately $54 million.

Other noninterest income typically fluctuates from period to period depending on the nature and magnitude of transactions completed. Details regarding our customer-related trading activities are included in the Market Risk Management – Customer-Related Trading Risk portion of the Risk Management section of this Financial Review. Details regarding private and other equity investments are included in the Market Risk Management – Equity And Other Investment Risk section, and further details regarding gains or losses related to our equity investment in BlackRock are included in the Business Segments Review section.

In the third quarter of 2015, we expect the fee categories of noninterest income (asset management, consumer services, corporate services, residential mortgage and service charges on deposits) to remain stable compared to second quarter of 2015. We anticipate that continued growth in business activity in the third quarter will offset the impact to asset management revenue from the second quarter 2015 trust settlement.

Provision For Credit Losses

The provision for credit losses totaled $100 million for the first six months of 2015 compared with $166 million for the first six months of 2014, and was $46 million for the second quarter of 2015 compared with $72 million for the second quarter of 2014. The decreases in provision in both comparisons reflected improved credit quality.

We expect our provision for credit losses in the third quarter of 2015 to be between $50 million and $100 million.

The Credit Risk Management portion of the Risk Management section of this Financial Review includes additional information regarding factors impacting the provision for credit losses.

Noninterest Expense

Noninterest expense increased $123 million, or 3%, to $4.7 billion for the first six months of 2015 compared to the first six months of 2014, and increased $38 million, or 2%, to $2.4 billion for the second quarter of 2015 compared to the prior year quarter. These increases were primarily related to PNC's investments in technology and business infrastructure in support of its strategic priorities and higher personnel expense associated with higher business activity, partially offset by lower asset impairment charges related to historic tax credits recorded as reductions to the associated investment asset balance. In prior periods, these credits were recorded as a reduction to income tax expense. This change in application of historic tax credits was not material to PNC's financial results.

In the second quarter of 2015, we have identified initiatives that support increasing our 2015 continuous improvement savings goal by an additional $100 million to $500 million.

For the third quarter of 2015, we expect noninterest expense to remain stable compared to second quarter 2015. We expect our full year 2015 expenses to be approximately one percent lower than full year 2014 expenses.

Effective Income Tax Rate

The effective income tax rate was 26.4% in the first six months of 2015 compared to 25.3% in the first six months of 2014. For the second quarter of 2015, our effective income tax rate was 28.2% compared with 25.4% for the second quarter of 2014. The effective tax rate is generally lower than the statutory rate primarily due to tax credits PNC receives from our investments in low income housing and new markets investments, as well as earnings in other tax exempt investments.

The increases to the effective tax rate in both comparisons were primarily related to the second quarter 2015 impact of historic tax credits recorded as a reduction to the associated investment asset balances, while in prior periods these credits were recorded as a reduction of income tax expense.

We expect our 2015 effective tax rate to be approximately 26%.

CONSOLIDATED BALANCE SHEET REVIEW

Table 6: Summarized Balance Sheet Data

Dollars in millions	June 30 2015	December 31 2014	Change $	Change %
Assets				
Interest-earning deposits with banks	$ 33,969	$ 31,779	$2,190	7%
Loans held for sale	2,357	2,262	95	4%
Investment securities	61,362	55,823	5,539	10%
Loans	205,153	204,817	336	–%
Allowance for loan and lease losses	(3,272)	(3,331)	59	(2)%
Goodwill	9,103	9,103	–	–%
Mortgage servicing rights	1,558	1,351	207	15%
Other intangible assets	435	493	(58)	(12)%
Other, net	43,280	42,775	505	1%
Total assets	$353,945	$ 345,072	$8,873	3%
Liabilities				
Deposits	$239,704	$ 232,234	$7,470	3%
Borrowed funds	58,276	56,768	1,508	3%
Other	10,053	9,996	57	1%
Total liabilities	308,033	298,998	9,035	3%
Equity				
Total shareholders' equity	44,515	44,551	(36)	–%
Noncontrolling interests	1,397	1,523	(126)	(8)%
Total equity	45,912	46,074	(162)	–%
Total liabilities and equity	$353,945	$ 345,072	$8,873	3%

The summarized balance sheet data above is based upon our Consolidated Balance Sheet in Part 1, Item 1 of this Report.

The increase in total assets was primarily due to higher investment securities balances and higher deposit balances maintained with the Federal Reserve. Interest-earning deposits with banks increased due to regulatory short-term liquidity standards phased in starting January 1, 2015. The increase in investment securities was primarily funded by deposit growth. The increase in liabilities was largely due to growth in deposits and higher FHLB borrowings and issuances of bank notes and senior debt, partially offset by a decline in federal funds purchased and repurchase agreements along with commercial paper. An analysis of changes in selected balance sheet categories follows.

Loans

Outstanding loan balances of $205.2 billion at June 30, 2015 and $204.8 billion at December 31, 2014 were net of unearned income, net deferred loan fees, unamortized discounts and premiums, and purchase discounts and premiums totaling $1.6 billion at June 30, 2015 and $1.7 billion at December 31, 2014, respectively. The balances include purchased impaired loans but do not include future accretable net interest (*i.e.*, the difference between the undiscounted expected cash flows and the carrying value of the loan) on those loans.

Table 7: Details Of Loans

Dollars in millions	June 30 2015	December 31 2014	Change $	Change %
Commercial lending				
Commercial				
Retail/wholesale trade	$ 17,162	$ 16,972	$ 190	1%
Manufacturing	19,775	18,744	1,031	6%
Service providers	14,054	14,103	(49)	–%
Real estate related (a)	10,931	10,812	119	1%
Financial services	5,966	6,178	(212)	(3)%
Health care	9,396	9,017	379	4%
Other industries	20,849	21,594	(745)	(3)%
Total commercial	98,133	97,420	713	1%
Commercial real estate				
Real estate projects (b)	15,142	14,577	565	4%
Commercial mortgage	9,664	8,685	979	11%
Total commercial real estate	24,806	23,262	1,544	7%
Equipment lease financing	7,783	7,686	97	1%
Total commercial lending (c)	130,722	128,368	2,354	2%
Consumer lending				
Home equity				
Lines of credit	19,589	20,361	(772)	(4)%
Installment	13,946	14,316	(370)	(3)%
Total home equity	33,535	34,677	(1,142)	(3)%
Residential real estate				
Residential mortgage	14,041	13,885	156	1%
Residential construction	491	522	(31)	(6)%
Total residential real estate	14,532	14,407	125	1%
Credit card	4,520	4,612	(92)	(2)%
Other consumer				
Education	6,212	6,626	(414)	(6)%
Automobile	11,057	11,616	(559)	(5)%
Other	4,575	4,511	64	1%
Total consumer lending	74,431	76,449	(2,018)	(3)%
Total loans	$205,153	$ 204,817	$ 336	–%

(a) Includes loans to customers in the real estate and construction industries.
(b) Includes both construction loans and intermediate financing for projects.
(c) Construction loans with interest reserves and A/B Note restructurings are not significant to PNC.

The slight increase in loans was driven by an increase in total commercial lending driven by commercial real estate and commercial loans, offset by a decline in consumer lending due to lower home equity, auto and education loans.

Loans represented 58% of total assets at June 30, 2015 and 59% at December 31, 2014. Commercial lending represented 64% of the loan portfolio at June 30, 2015 and 63% at December 31, 2014. Consumer lending represented 36% of the loan portfolio at June 30, 2015 and 37% at December 31, 2014.

Commercial real estate loans represented 12% of total loans at June 30, 2015 and 11% of total loans at December 31, 2014 and represented 7% of total assets at both June 30, 2015 and December 31, 2014. See the Credit Risk Management portion of the Risk Management section of this Financial Review for additional information regarding our loan portfolio.

Total loans above include purchased impaired loans of $4.5 billion, or 2% of total loans, at June 30, 2015, and $4.9 billion, or 2% of total loans, at December 31, 2014.

Our loan portfolio continued to be diversified among numerous industries, types of businesses and consumers across our principal geographic markets.

Allowance for Loan and Lease Losses (ALLL)

Information regarding our higher risk loans and ALLL is included in the Credit Risk Management portion of the Risk Management section of this Financial Review and Note 1 Accounting Policies, Note 3 Asset Quality and Note 5 Allowances for Loan and Lease Losses and Unfunded Loan Commitments and Letters of Credit in our Notes To Consolidated Financial Statements included in Part 1, Item 1 of this Report.

Purchase Accounting Accretion and Valuation of Purchased Impaired Loans

Information related to purchase accounting accretion and accretable yield for the second quarter and first six months of 2015 and 2014 follows. Additional information on our policies for ALLL for purchased impaired loans is provided in Note 1 Accounting Policies in the Notes To Consolidated Financial Statements of this Report. A description of our purchased impaired loan accounting and loan data is included in Note 4 Purchased Loans in the Notes To Consolidated Financial Statements of this Report.

Table 8: Accretion – Purchased Impaired Loans

In millions	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
Accretion on purchased impaired loans				
Scheduled accretion	$ 92	$ 120	$ 191	$ 245
Reversal of contractual interest on impaired loans	(52)	(70)	(107)	(138)
Scheduled accretion net of contractual interest	40	50	84	107
Excess cash recoveries (a)	28	35	61	64
Total	$ 68	$ 85	$ 145	$ 171

(a) Relates to excess cash recoveries for purchased impaired commercial loans.

Table 9: Purchased Impaired Loans – Accretable Yield

In millions	2015	2014
January 1	$1,558	$2,055
Scheduled accretion	(191)	(245)
Excess cash recoveries	(61)	(64)
Net reclassification to accretable from non-accretable and other activity (a)	137	190
June 30 (b)	$1,443	$1,936

(a) Approximately 70% and 78% of the net reclassification for the first six months ended June 30, 2015 and 2014, respectively, were driven by the consumer portfolio and were due to improvements of cash expected to be collected on loans in future periods. The remaining net reclassifications were predominantly due to future cash flow changes in the commercial portfolio.

(b) As of June 30, 2015, we estimate that the reversal of contractual interest on purchased impaired loans will total approximately $.8 billion in future periods. This will offset the total net accretable interest in future interest income of $1.4 billion on purchased impaired loans.

Information related to the valuation of purchased impaired loans at June 30, 2015 and December 31, 2014 follows.

Table 10: Valuation of Purchased Impaired Loans

Dollars in millions	June 30, 2015		December 31, 2014	
	Balance	Net Investment	Balance	Net Investment
Commercial and commercial real estate loans:				
Outstanding balance (a)	$ 346		$ 466	
Recorded investment	$ 235		$ 310	
Allowance for loan losses	(67)		(79)	
Net investment/Carrying value	$ 168	49%	$ 231	50%
Consumer and residential mortgage loans:				
Outstanding balance (a)	$4,136		$4,541	
Recorded investment	$4,230		$4,548	
Allowance for loan losses	(788)		(793)	
Net investment/Carrying value	$3,442	83%	$3,755	83%
Total purchased impaired loans:				
Outstanding balance (a)	$4,482		$5,007	
Recorded investment	$4,465		$4,858	
Allowance for loan losses	(855)		(872)	
Net investment/Carrying value	$3,610	81%	$3,986	80%

(a) Outstanding balance represents the balance on the loan servicing system for active loans. It is possible for the outstanding balance to be lower than the recorded investment for certain loans due to the use of pool accounting. See Note 4 Purchased Loans for additional information on purchased impaired loans.

At June 30, 2015, our largest individual purchased impaired loan had a recorded investment of $9 million. We currently expect to collect total cash flows of $5.0 billion on purchased impaired loans, representing the $3.6 billion net investment at June 30, 2015 and the accretable net interest of $1.4 billion shown in Table 9.

At June 30, 2015, and as noted in Table 10 above, our ALLL and our recorded investment balance for purchased impaired loans is $855 million and $4.5 billion, respectively. The ratio of total ALLL less purchased impaired loan ALLL to total loans less purchased impaired loans is 1.20%. The comparable amounts at June 30, 2014 were $886 million, $5.6 billion, and 1.31%, respectively. See Note 5 Allowances for Loan and Lease Losses and Unfunded Loan Commitments and Letters of Credit in the Notes To Consolidated Financial Statements in this Report for additional information.

Weighted Average Life of the Purchased Impaired Portfolios
The table below provides the weighted average life (WAL) for each of the purchased impaired portfolios as of June 30, 2015.

Table 11: Weighted Average Life of the Purchased Impaired Portfolios

As of June 30, 2015 Dollars in millions	Recorded Investment	WAL (a)
Commercial	$ 50	2.2 years
Commercial real estate	185	1.4 years
Consumer (b)	1,833	3.9 years
Residential real estate	2,397	4.8 years
Total	$ 4,465	4.2 years

(a) Weighted average life represents the average number of years for which each dollar of unpaid principal remains outstanding.
(b) Portfolio primarily consists of nonrevolving home equity products.

Through the National City Corporation (National City) and RBC Bank (USA) acquisitions, we acquired purchased impaired loans with a recorded investment of $14.7 billion. As noted in Table 11 above, at June 30, 2015, those balances are now $4.5 billion, of which $4.2 billion is accounted for using pool accounting. In anticipation of the end of our purchased impaired loan balances and in light of supervisory guidance on industry practices for purchased impaired loans that are pooled and accounted for as single asset, management is re-evaluating its derecognition policies for purchased impaired loans that are pooled and accounted for as a single asset. Any resulting change in these policies would likely result in an acceleration of when a pool's recorded investment and associated ALLL balances are reduced. At implementation, we do not expect this potential change to impact the net carrying values of the pools or result in additional provision for credit losses for purchased impaired loans that are pooled, as a pool's recorded investment and associated ALLL balances are to be reduced in equal amounts. See Note 4 Purchased Loans in the Notes To Consolidated Financial Statements in this Report for additional information.

Purchased Impaired Loans – Accretable Difference Sensitivity Analysis
The following table provides a sensitivity analysis on the Total Purchased Impaired Loans portfolio. The analysis reflects hypothetical changes in key drivers for expected cash flows over the life of the loans under declining and improving conditions at a point in time. Any unusual significant economic events or changes, as well as other variables not considered below (*e.g.*, natural or widespread disasters), could result in impacts outside of the ranges represented below. Additionally, commercial and commercial real estate loan settlements or sales proceeds can vary widely from appraised values due to a number of factors including, but not limited to, special use considerations, liquidity premiums and improvements/deterioration in other income sources.

Table 12: Accretable Difference Sensitivity – Total Purchased Impaired Loans

In billions	June 30, 2015	Declining Scenario (a)	Improving Scenario (b)
Expected cash flows	$ 5.0	$ (.1)	$ .2
Accretable difference	1.4	–	–
Allowance for loan and lease losses	(.9)	(.1)	.2

(a) Declining Scenario – Reflects hypothetical changes that would decrease future cash flow expectations. For consumer loans, we assume home price forecast decreases by ten percent and unemployment rate forecast increases by two percentage points; for commercial loans, we assume that collateral values decrease by ten percent.
(b) Improving Scenario – Reflects hypothetical changes that would increase future cash flow expectations. For consumer loans, we assume home price forecast increases by ten percent, unemployment rate forecast decreases by two percentage points and interest rate forecast increases by two percentage points; for commercial loans, we assume that collateral values increase by ten percent.

The present value impact of declining cash flows is primarily reflected as an immediate impairment charge to the provision for credit losses, resulting in an increase to the allowance for loan and lease losses. The present value impact of increased cash flows is first recognized as a reversal of the allowance with any additional cash flow increases reflected as an increase in accretable yield over the life of the loan.

Commitments to Extend Credit

Commitment to extend credit are comprised of the following:

Table 13: Commitments to Extend Credit (a)

In millions	June 30 2015	December 31 2014
Total commercial lending	$ 97,334	$ 98,742
Home equity lines of credit	17,570	17,839
Credit card	18,999	17,833
Other	4,339	4,178
Total	$138,242	$ 138,592

(a) Commitments to extend credit, or net unfunded loan commitments, represent arrangements to lend funds or provide liquidity subject to specified contractual conditions.

In addition to the credit commitments set forth in the table above, our net outstanding standby letters of credit totaled $9.5 billion at June 30, 2015 and $10.0 billion at December 31, 2014. Standby letters of credit commit us to make payments on behalf of our customers if specified future events occur.

Information regarding our commitments to extend credit and our allowance for unfunded loan commitments and letters of credit is included in Note 1 Accounting Policies, Note 5 Allowances for Loan and Lease Losses and Unfunded Loan Commitments and Letters of Credit and Note 16 Commitments and Guarantees in the Notes To Consolidated Financial Statements in Part 1, Item 1 of this Report.

INVESTMENT SECURITIES

The following table presents the distribution of our investment securities portfolio by credit rating. We have included credit ratings information because we believe that the information is an indicator of the degree of credit risk to which we are exposed. Changes in credit ratings classifications could indicate increased or decreased credit risk and could be accompanied by a reduction or increase in the fair value of our investment securities portfolio. For those securities on our balance sheet at June 30, 2015, where during our quarterly security-level impairment assessments we determined losses represented other-than-temporary impairment (OTTI), we have recorded cumulative credit losses of $1.2 billion in earnings and accordingly have reduced the amortized cost of our securities. The majority of these cumulative impairment charges related to non-agency residential mortgage-backed and asset-backed securities rated BB or lower.

Table 14: Investment Securities

	June 30, 2015		December 31, 2014		Ratings (a) As of June 30, 2015				
Dollars in millions	Amortized Cost	Fair Value	Amortized Cost	Fair Value	AAA/ AA	A	BBB	BB and Lower	No Rating
U.S. Treasury and government agencies	$ 6,184	$ 6,385	$ 5,485	$ 5,714	100%				
Agency residential mortgage-backed	28,828	29,100	23,382	23,935	100				
Non-agency residential mortgage-backed	4,609	4,811	4,993	5,225	10	1%	2%	82%	5%
Agency commercial mortgage-backed	3,122	3,184	3,378	3,440	100				
Non-agency commercial mortgage-backed (b)	5,180	5,247	5,095	5,191	76	8	7	3	6
Asset-backed (c)	6,113	6,168	5,900	5,940	89	3		7	1
State and municipal	3,992	4,118	3,995	4,191	88	6			6
Other debt	2,129	2,167	2,099	2,142	61	30	8		1
Corporate stock and other	428	427	442	441					100
Total investment securities (d)	$60,585	$61,607	$54,769	$56,219	87%	3%	1%	7%	2%

(a) Ratings percentages allocated based on amortized cost.
(b) Collateralized primarily by retail properties, office buildings, lodging properties and multi-family housing.
(c) Collateralized primarily by government guaranteed student loans and other consumer credit products and corporate debt.
(d) Includes available for sale and held to maturity securities.

Investment securities represented 17% of total assets at June 30, 2015 and 16% at December 31, 2014.

We evaluate our investment securities portfolio in light of changing market conditions and other factors and, where appropriate, take steps to improve our overall positioning. We consider the portfolio to be well-diversified and of high quality. At June 30, 2015, 87% of the securities in the portfolio were rated AAA/AA, with U.S. Treasury and government agencies, agency residential mortgage-backed and agency commercial mortgage-backed securities collectively representing 63% of the portfolio.

The investment securities portfolio includes both available for sale and held to maturity securities. Securities classified as available for sale are carried at fair value with net unrealized gains and losses, representing the difference between amortized cost and fair value, included in Shareholders' equity as Accumulated other comprehensive income or loss, net of tax, on our Consolidated Balance Sheet. Securities classified as held to maturity are carried at amortized cost. As of June 30, 2015, the amortized cost and fair value of available for sale securities totaled $46.9 billion and $47.7 billion, respectively, compared to an amortized cost and fair value as of December 31, 2014 of $43.2 billion and $44.2 billion, respectively. The amortized cost and fair value of held to maturity securities were $13.7 billion and $13.9 billion, respectively, at June 30, 2015, compared to $11.6 billion and $12.0 billion, respectively, at December 31, 2014.

The fair value of investment securities is impacted by interest rates, credit spreads, market volatility and liquidity conditions. The fair value of investment securities generally decreases when interest rates increase and vice versa. In addition, the fair value generally decreases when credit spreads widen and vice versa. Net unrealized gains in the total investment securities portfolio decreased to $1.0 billion at June 30, 2015 from $1.5 billion at December 31, 2014 primarily due to the impact of market interest rates. The comparable amounts for the securities available for sale portfolio were $.8 billion at June 30, 2015 and $1.1 billion at December 31, 2014.

Unrealized gains and losses on available for sale debt securities do not impact liquidity. However these gains and losses do affect capital under the regulatory capital rules. Also, a change in the securities' credit ratings could impact the liquidity of the securities and may be indicative of a change in credit quality, which could affect our risk-weighted assets and, therefore, our risk-based regulatory capital ratios under the regulatory capital rules. In addition, the amount representing the credit-related portion of OTTI on securities would reduce our earnings and regulatory capital ratios.

The duration of investment securities was 2.7 years at June 30, 2015. We estimate that, at June 30, 2015, the effective duration of investment securities was 2.8 years for an immediate 50 basis points parallel increase in interest rates and 2.6 years for an immediate 50 basis points parallel decrease in interest rates. Comparable amounts at December 31, 2014 for the effective duration of investment securities were 2.2 years and 2.1 years, respectively.

Based on current interest rates and expected prepayment speeds, the weighed-average expected maturity of the investment securities portfolio (excluding corporate stock and other) was 4.6 years at June 30, 2015 compared to 4.3 years at December 31, 2014. The weighted-average expected maturities of mortgage and other asset-backed debt securities were as follows as of June 30, 2015:

Table 15: Weighted-Average Expected Maturity of Mortgage and Other Asset-Backed Debt Securities

June 30, 2015	Years
Agency residential mortgage-backed securities	4.4
Non-agency residential mortgage-backed securities	5.3
Agency commercial mortgage-backed securities	3.4
Non-agency commercial mortgage-backed securities	2.9
Asset-backed securities	3.0

At least quarterly, we conduct a comprehensive security-level impairment assessment on all securities. If economic conditions, including home prices, were to deteriorate from current levels, and if market volatility and liquidity were to deteriorate from current levels, or if market interest rates were to increase or credit spreads were to widen appreciably, the valuation of our investment securities portfolio would likely be adversely affected and we could incur additional OTTI credit losses that would impact our Consolidated Income Statement.

Additional information regarding our investment securities is included in Note 6 Investment Securities and Note 7 Fair Value in the Notes To Consolidated Financial Statements included in Part I, Item 1 of this Report.

Loans Held for Sale

Table 16: Loans Held For Sale

In millions	June 30 2015	December 31 2014
Commercial mortgages at fair value	$ 757	$ 893
Commercial mortgages at lower of cost or fair value	27	29
Total commercial mortgages	784	922
Residential mortgages at fair value	1,364	1,261
Residential mortgages at lower of cost or fair value	5	18
Total residential mortgages	1,369	1,279
Other	204	61
Total	$2,357	$ 2,262

As of September 1, 2014, we have elected to apply the fair value option to commercial mortgage loans held for sale to agencies. This election applies to all new commercial mortgage loans held for sale originated for sale to the agencies effective on or after September 1, 2014. The election of fair value option aligns the accounting for the commercial mortgages with the related commitments to sell the loans.

We sold $2.2 billion of commercial mortgage loans to agencies during the first six months of 2015 compared to $935 million during the first six months of 2014. Total gains of $51 million were recognized on the valuation and sale of commercial mortgage loans held for sale, net of hedges, during the first six months of 2015, including $36 million in the second quarter. Comparable amounts for 2014 were $29 million and $22 million, respectively. These amounts are included in Other noninterest income on our Consolidated Income Statement.

Residential mortgage loan origination volume was $5.5 billion during the first six months of 2015 compared to $4.5 billion during the first six months of 2014. The majority of such loans were originated under agency or Federal Housing Administration (FHA) standards. We sold $4.0 billion of loans and recognized loan sales revenue of $203 million during the first six months of 2015, of which $99 million occurred in the second quarter. The comparable amounts for the first six months of 2014 were $4.3 billion and $242 million, respectively, including $135 million in the second quarter.

Interest income on loans held for sale was $46 million during the first six months of 2015, including $23 million in the second quarter. Comparable amounts for 2014 were $47 million and $24 million, respectively. These amounts are included in Other interest income on our Consolidated Income Statement.

Additional information regarding our loan sale and servicing activities is included in Note 2 Loan Sale and Servicing Activities and Variable Interest Entities and Note 7 Fair Value in our Notes To Consolidated Financial Statements included in Part 1, Item 1 of this Report.

Goodwill and Intangible Assets

Goodwill and intangible assets of $11.1 billion remained relatively flat at June 30, 2015. See additional information regarding our goodwill and intangible assets in Note 8 Goodwill and Intangible Assets included in the Notes To Consolidated Financial Statements in Part 1, Item 1 of this Report.

Funding Sources

Table 17: Details Of Funding Sources

Dollars in millions	June 30 2015	December 31 2014	Change $	Change %
Deposits				
Money market	$122,643	$ 115,438	$ 7,205	6%
Demand	82,653	82,829	(176)	–%
Retail certificates of deposit	18,265	18,544	(279)	(2)%
Savings	13,818	12,571	1,247	10%
Time deposits in foreign offices and other time deposits	2,325	2,852	(527)	(18)%
Total deposits	239,704	232,234	7,470	3%
Borrowed funds				
Federal funds purchased and repurchase agreements	2,190	3,510	(1,320)	(38)%
FHLB borrowings	22,193	20,005	2,188	11%
Bank notes and senior debt	18,529	15,750	2,779	18%
Subordinated debt	9,121	9,151	(30)	–%
Commercial paper	2,956	4,995	(2,039)	(41)%
Other	3,287	3,357	(70)	(2)%
Total borrowed funds	58,276	56,768	1,508	3%
Total funding sources	$297,980	$ 289,002	$ 8,978	3%

See the Liquidity Risk Management portion of the Risk Management section of this Financial Review for additional information regarding our 2015 capital and liquidity activities.

Total deposits increased $7.5 billion at June 30, 2015 compared with December 31, 2014 due to strong growth in money market and savings, partially offset by lower other time deposits. Interest-bearing deposits represented 68% of total deposits at both June 30, 2015 and December 31, 2014. Total borrowed funds increased $1.5 billion since December 31, 2014 as higher issuances of bank notes and senior debt and FHLB borrowings were partially offset by a decline in commercial paper and federal funds purchased and repurchase agreements.

Capital

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

We repurchase shares of PNC common stock under common stock repurchase authorizations approved from time to time by PNC's Board of Directors and consistent with capital plans submitted to, and accepted by, the Federal Reserve. Through the first quarter of 2015, we repurchased stock under our 2007 common stock repurchase program authorization that permitted us to purchase up to 25 million shares of PNC common stock on the open market or in privately negotiated transactions. Effective as of March 31, 2015, PNC's Board of Directors approved the termination of the 2007 common stock repurchase program authorization, and replaced it with a new stock repurchase program authorization in the amount of 100 million shares of PNC common stock, effective April 1, 2015. The extent and timing of share repurchases under this authorization will depend on a number of factors including, among others, market and general economic conditions, economic and regulatory capital considerations, alternative uses of capital, the potential impact on our credit ratings, contractual and regulatory limitations, and the results of future supervisory assessments of capital adequacy and capital planning processes undertaken by the Federal Reserve as part of the CCAR process.

In the first quarter of 2015, we completed our common stock repurchase programs for the four quarter period that began in second quarter 2014 with total repurchases of 17.3 million common shares for $1.5 billion. These repurchases were included in our 2014 capital plan accepted by the Federal Reserve as part of our 2014 CCAR submission.

In connection with 2015 CCAR, we submitted our 2015 capital plan, as approved by PNC's Board of Directors, to the Federal Reserve in January 2015. The Federal Reserve accepted the capital plan and did not object to our proposed capital actions in March 2015. As provided for in the 2015 capital plan, we announced new share repurchase programs of up to $2.875 billion for the five quarter period beginning in the second quarter of 2015. These programs include repurchases of up to $375 million over the five quarter period related to stock issuances under employee benefit-related programs.

Under the Federal Reserve's capital plan rule, a bank holding company must resubmit a new capital plan prior to the annual submission date if, among other things, there has been or will be a material change in the bank holding company's risk profile, financial condition, or corporate structure since its last capital plan submission.

See the Supervision and Regulation section of Item 1 Business of our 2014 Form 10-K for further information concerning the CCAR process and the factors the Federal Reserve takes into consideration in its evaluation of capital plans and the Balance Sheet, Liquidity and Capital Highlights portion of the Executive Summary section of this Financial Review for the impact of the Federal Reserve's current supervisory assessment of the capital adequacy program.

Table 18: Shareholders' Equity

Dollars in millions	June 30 2015	December 31 2014	Change $	Change %
Shareholders' equity				
Preferred stock (a)				
Common stock	$ 2,708	$ 2,705	$ 3	–%
Capital surplus – preferred stock	3,449	3,946	(497)	(13)%
Capital surplus – common stock and other	12,632	12,627	5	–%
Retained earnings	27,609	26,200	1,409	5%
Accumulated other comprehensive income	379	503	(124)	(25)%
Common stock held in treasury at cost	(2,262)	(1,430)	(832)	(58)%
Total shareholders' equity	$44,515	$ 44,551	$ (36)	–%

(a) Par value less than $.5 million at each date.

The slight decline in total shareholders' equity compared to December 31, 2014 reflected common share repurchases of $1.0 billion and the redemption of $500 million of preferred stock, partially offset by an increase in retained earnings. The increase in retained earnings was driven by net income of $2.0 billion, reduced by $631 million of common and preferred dividends declared. Common shares outstanding were 516 million at June 30, 2015 and 523 million at December 31, 2014.

In the first quarter of 2015, PNC repurchased 4.4 million common shares for $.4 billion. In the second quarter of 2015, PNC repurchased 5.9 million common shares for $.6 billion. All of these repurchases were under the authorizations and programs then in effect, as described above.

Table 19: Basel III Capital

Dollars in millions	June 30, 2015 Transitional Basel III (a)	June 30, 2015 Pro forma Fully Phased-In Basel III (b)(c)
Common equity Tier 1 capital		
Common stock plus related surplus, net of treasury stock	$ 13,079	$ 13,079
Retained earnings	27,609	27,609
Accumulated other comprehensive income for securities currently and previously held as available for sale	217	541
Accumulated other comprehensive income for pension and other postretirement plans	(195)	(488)
Goodwill, net of associated deferred tax liabilities	(8,849)	(8,849)
Other disallowed intangibles, net of deferred tax liabilities	(150)	(374)
Other adjustments/(deductions)	(101)	(148)
Total common equity Tier 1 capital before threshold deductions	31,610	31,370
Total threshold deductions	(430)	(1,159)
Common equity Tier 1 capital	31,180	30,211
Additional Tier 1 capital		
Preferred stock plus related surplus	3,449	3,449
Trust preferred capital securities	50	
Noncontrolling interests (d)	604	44
Other adjustments/(deductions)	(90)	(105)
Tier 1 capital	35,193	33,599
Additional Tier 2 capital		
Qualifying subordinated debt	4,841	4,415
Trust preferred capital securities	149	
Allowance for loan and lease losses included in Tier 2 capital	3,518	223
Other	5	10
Total Basel III capital	$ 43,706	$ 38,247
Risk-weighted assets		
Basel III standardized approach risk-weighted assets (e)	$293,862	$ 301,688
Estimated Basel III advanced approaches risk-weighted assets (f)	N/A	286,277
Average quarterly adjusted total assets	342,680	341,687
Supplementary leverage exposure (g)	405,726	404,792
Basel III risk-based capital and leverage ratios		
Common equity Tier 1	10.6%	10.0% (h)(j)
Tier 1	12.0	11.1(h)(k)
Total	14.9	13.4(i)(l)
Leverage (m)	10.3	9.8
Supplementary leverage ratio (n)	8.7	8.3

(a) Calculated using the regulatory capital methodology applicable to PNC during 2015.
(b) PNC utilizes the pro forma fully phased-in Basel III capital ratios to assess its capital position (without the benefit of phase-ins), including comparison to similar estimates made by other financial institutions. Pro forma fully phased-in capital amounts, ratios and risk-weighted and leverage-related assets are estimated.
(c) Basel III capital ratios and estimates may be impacted by additional regulatory guidance or analysis and, in the case of those ratios calculated using the advanced approaches, the ongoing evolution, validation and regulatory approval of PNC's models integral to the calculation of advanced approaches risk-weighted assets.
(d) Primarily includes REIT Preferred Securities.
(e) Includes credit and market risk-weighted assets.
(f) Includes credit, market and operational risk-weighted assets.
(g) Supplementary leverage exposure is the sum of Adjusted average assets and certain off-balance sheet exposures including undrawn credit commitments and derivative potential future exposures.
(h) Pro forma fully phased-in Basel III capital ratio based on estimated Basel III standardized approach risk-weighted assets and rules.
(i) Pro forma fully phased-in Basel III capital ratio based on estimated Basel III advanced approaches risk-weighted assets and rules.
(j) For comparative purposes only, the pro forma fully phased-in advanced approaches Basel III Common equity Tier 1 capital ratio estimate is 10.6%. This capital ratio is calculated using pro forma fully phased-in Common equity Tier 1 capital and dividing by estimated Basel III advanced approaches risk-weighted assets.
(k) For comparative purposes only, the pro forma fully phased-in advanced approaches Basel III Tier 1 risk-based capital ratio estimate is 11.7%. This capital ratio is calculated using fully phased-in Tier 1 capital and dividing by estimated Basel III advanced approaches risk-weighted assets.
(l) For comparative purposes only, the pro forma fully phased-in standardized approach Basel III Total capital risk-based capital ratio estimate is 13.8%. This ratio is calculated using fully phased-in additional Tier 2 capital which, under the standardized approach, reflects allowance for loan and lease losses of up to 1.25% of credit risk related risk-weighted assets and dividing by estimated Basel III standardized approach risk-weighted assets.
(m) Leverage ratio is calculated based on Tier 1 capital divided by Average quarterly adjusted total assets.
(n) Supplementary leverage ratio is calculated based on Tier 1 capital divided by Supplementary leverage exposure. As advanced approaches banking organizations, PNC and PNC Bank will be subject to a 3% minimum supplementary leverage ratio effective January 1, 2018.

The Basel II framework, which was adopted by the Basel Committee on Banking Supervision in 2004, seeks to provide more risk-sensitive regulatory capital calculations and promote enhanced risk management practices among large, internationally active banking organizations. The U.S. banking agencies initially adopted rules to implement the Basel II capital framework in 2004. In July 2013, the U.S. banking agencies adopted final rules (referred to as the advanced approaches) that modified the Basel II framework effective January 1, 2014. See the Supervision and Regulation section in Item 1 Business and Item 1A Risk Factors of our 2014 Form 10-K for additional information. Prior to fully implementing the advanced approaches to calculate risk-weighted assets, PNC and PNC Bank must successfully complete a "parallel run" qualification phase. Both PNC and PNC Bank entered this parallel run phase on January 1, 2013. Although the minimum parallel run qualification period is four quarters, the parallel run period for PNC and PNC Bank, now in its third year, is consistent with the experience of other U.S. advanced approaches banks that have all had multi-year parallel run periods. After PNC exits parallel run, its regulatory risk-based capital ratio for each measure (*e.g.*, Common equity Tier 1 capital ratio) will be the lower of the ratios as calculated under the standardized approach and the advanced approaches.

As a result of the staggered effective dates of the final U.S. Basel III regulatory capital rules (Basel III rules), as well as the fact that PNC remains in the parallel run qualification phase for the advanced approaches, PNC's regulatory risk-based ratios in 2015 will be calculated using the standardized approach, effective January 1, 2015, for determining risk-weighted assets, and the definitions of, and deductions from, regulatory capital under the Basel III rules (as such definitions and deductions are phased-in for 2015). We refer to the capital ratios calculated using the phased-in Basel III provisions in effect for 2015 and, for the risk-based ratios, standardized approach risk-weighted assets as the 2015 Transitional Basel III ratios. Under the standardized approach for determining credit risk-weighted assets, exposures are generally assigned a pre-defined risk weight. Exposures to high volatility commercial real estate, past due exposures, equity exposures and securitization exposures are generally subject to higher risk weights than other types of exposures.

Under the Basel III rules adopted by the U.S. banking agencies, significant common stock investments in unconsolidated financial institutions, mortgage servicing rights and deferred tax assets must be deducted from capital (subject to a phase-in schedule) to the extent they individually exceed 10%, or in the aggregate exceed 15%, of the institution's adjusted common equity Tier 1 capital. Also, Basel III regulatory capital includes (subject to a phase-in schedule) accumulated other comprehensive income related to securities currently and previously held as available for sale, as well as pension and other postretirement plans.

Federal banking regulators have stated that they expect the largest U.S. bank holding companies, including PNC, to have a level of regulatory capital well in excess of the regulatory minimum and have required the largest U.S. bank holding companies, including PNC, to have a capital buffer sufficient to withstand losses and allow them to meet the credit needs of their customers through estimated stress scenarios. We seek to manage our capital consistent with these regulatory principles, and believe that our June 30, 2015 capital levels were aligned with them.

At June 30, 2015, PNC and PNC Bank, our sole bank subsidiary, were both considered "well capitalized," based on applicable U.S. regulatory capital ratio requirements. To qualify as "well capitalized" during 2015, PNC and PNC Bank must have Transitional Basel III capital ratios of at least 6.5% for Common equity Tier 1 capital, 8% for Tier 1 risk-based and 10% for Total risk-based, and PNC Bank is required to have a Transitional Basel III leverage ratio of at least 5%.

The access to and cost of funding for new business initiatives, the ability to undertake new business initiatives including acquisitions, the ability to engage in expanded business activities, the ability to pay dividends or repurchase shares or other capital instruments, the level of deposit insurance costs, and the level and nature of regulatory oversight depend, in large part, on a financial institution's capital strength.

We provide additional information regarding regulatory capital requirements and some of their potential impacts on PNC in the Supervision and Regulation section of Item 1 Business, Item 1A Risk Factors and Note 20 Regulatory Matters in the Notes To Consolidated Financial Statements in Item 8 of our 2014 Form 10-K.

Off-Balance Sheet Arrangements And Variable Interest Entities

We engage in a variety of activities that involve unconsolidated entities or that are otherwise not reflected in our Consolidated Balance Sheet that are generally referred to as "off-balance sheet arrangements." Additional information on these types of activities is included in our 2014 Form 10-K and in the following sections of this Report:

- Commitments, including contractual obligations and other commitments, included within the Risk Management section of this Financial Review,
- Note 2 Loan Sale and Servicing Activities and Variable Interest Entities in the Notes To Consolidated Financial Statements,
- Note 9 Capital Securities of a Subsidiary Trust and Perpetual Trust Securities in the Notes To Consolidated Financial Statements, and
- Note 16 Commitments and Guarantees in the Notes To Consolidated Financial Statements.

PNC consolidates variable interest entities (VIEs) when we are deemed to be the primary beneficiary. The primary beneficiary of a VIE is determined to be the party that meets both of the following criteria: (i) has the power to make decisions that most significantly affect the economic performance of the VIE and (ii) has the obligation to absorb losses or the right to receive benefits that in either case could potentially be significant to the VIE.

A summary of VIEs, including those that we have consolidated and those in which we hold variable interests but have not consolidated into our financial statements, as of June 30, 2015 and December 31, 2014 is included in Note 2 of this Report.

Trust Preferred Securities

We are subject to certain restrictions, including restrictions on dividend payments, in connection with $206 million in principal amount of an outstanding junior subordinated debenture associated with $200 million of trust preferred securities that were issued by PNC Capital Trust C, a subsidiary statutory trust (both amounts as of June 30, 2015). Generally, if there is (i) an event of default under the debenture, (ii) PNC elects to defer interest on the debenture, (iii) PNC exercises its right to defer payments on the related trust preferred security issued by the statutory trust or (iv) there is a default under PNC's guarantee of such payment obligations, as specified in the applicable governing documents, then PNC would be subject during the period of such default or deferral to restrictions on dividends and other provisions protecting the status of the debenture holders similar to or in some ways more restrictive than those potentially imposed under the Exchange Agreement with PNC Preferred Funding Trust II. See Note 12 Capital Securities of Subsidiary Trusts and Perpetual Trust Securities in the Notes To Consolidated Financial Statements in Item 8 of our 2014 Form 10-K for information on contractual limitations on dividend payments resulting from securities issued by PNC Preferred Funding Trust I and PNC Preferred Funding Trust II.

FAIR VALUE MEASUREMENTS

In addition to the following, see Note 7 Fair Value in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report for further information regarding fair value.

The following table summarizes the assets and liabilities measured at fair value at June 30, 2015 and December 31, 2014, respectively, and the portions of such assets and liabilities that are classified within Level 3 of the valuation hierarchy. Level 3 assets and liabilities are those where the fair value is estimated using significant unobservable inputs.

Table 20: Fair Value Measurements – Summary

	June 30, 2015		December 31, 2014	
Dollars in millions	Total Fair Value	Level 3	Total Fair Value	Level 3
Total assets	$62,102	$9,719	$58,973	$10,257
Total assets at fair value as a percentage of consolidated assets	18%		17%	
Level 3 assets as a percentage of total assets at fair value		16%		17%
Level 3 assets as a percentage of consolidated assets		3%		3%
Total liabilities	$ 5,493	$ 673	$ 5,799	$ 716
Total liabilities at fair value as a percentage of consolidated liabilities	2%		2%	
Level 3 liabilities as a percentage of total liabilities at fair value		12%		12%
Level 3 liabilities as a percentage of consolidated liabilities		<1%		<1%

The majority of assets recorded at fair value are included in the securities available for sale portfolio. The majority of Level 3 assets represent non-agency residential mortgage-backed securities in the securities available for sale portfolio, equity investments and mortgage servicing rights.

An instrument's categorization within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Changes from one quarter to the next related to the observability of inputs to a fair value measurement may result in a reclassification (transfer) of assets or liabilities between hierarchy levels. PNC's policy is to recognize transfers in and transfers out as of the end of the reporting period. For additional information regarding the transfers of assets or liabilities between hierarchy levels, see Note 7 Fair Value in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report.

BUSINESS SEGMENTS REVIEW

We have six reportable business segments:

- Retail Banking
- Corporate & Institutional Banking
- Asset Management Group
- Residential Mortgage Banking
- BlackRock
- Non-Strategic Assets Portfolio

Business segment results, including inter-segment revenues, and a description of each business are included in Note 17 Segment Reporting included in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report. Certain amounts included in this Financial Review differ from those amounts shown in Note 17 primarily due to the presentation in this Financial Review of business net interest revenue on a taxable-equivalent basis. Note 17 presents results of businesses for the first six months and second quarter of 2015 and 2014.

Net interest income in business segment results reflects PNC's internal funds transfer pricing methodology. Assets receive a funding charge and liabilities and capital receive a funding credit based on a transfer pricing methodology that incorporates product repricing characteristics, tenor and other factors. In the first quarter of 2015, enhancements were made to PNC's funds transfer pricing methodology primarily for costs related to the new regulatory short-term liquidity standards. The enhancements incorporate an additional charge assigned to assets, including for unfunded loan commitments. Conversely, a higher transfer pricing credit has been assigned to those deposits that are accorded higher value under LCR rules for liquidity purposes. Please see the Supervision and Regulation section in Item 1 and the Liquidity Risk Management section in Item 7 of our 2014 Form 10-K for more information about the LCR. These adjustments apply to business segment results, primarily favorably impacting Retail Banking and adversely impacting Corporate & Institutional Banking, prospectively beginning with the first quarter of 2015. Prior periods have not been adjusted due to the impracticability of estimating the impact of the change for prior periods.

Retail Banking

(Unaudited)

Table 21: Retail Banking Table

Six months ended June 30 Dollars in millions, except as noted	2015	2014
Income Statement		
Net interest income	$ 2,083	$ 1,953
Noninterest income		
Service charges on deposits	294	288
Brokerage	138	116
Consumer services	487	466
Other	159	185
Total noninterest income	1,078	1,055
Total revenue	3,161	3,008
Provision for credit losses	94	149
Noninterest expense	2,368	2,255
Pretax earnings	699	604
Income taxes	256	221
Earnings	$ 443	$ 383
Average Balance Sheet		
Loans		
Consumer		
Home equity	$ 27,964	$ 29,137
Indirect auto	9,287	9,043
Indirect other	580	751
Education	6,506	7,422
Credit cards	4,446	4,289
Other	2,360	2,164
Total consumer	51,143	52,806
Commercial and commercial real estate	10,612	10,986
Floor plan	2,200	2,332
Residential mortgage	731	635
Total loans	64,686	66,759
Goodwill and other intangible assets	5,983	6,052
Other assets	3,022	2,748
Total assets	$ 73,691	$ 75,559
Deposits		
Noninterest-bearing demand	$ 23,015	$ 21,634
Interest-bearing demand	36,054	33,883
Money market	54,071	49,815
Total transaction deposits	113,140	105,332
Savings	13,245	11,568
Certificates of deposit	17,032	19,617
Total deposits	143,417	136,517
Other liabilities	603	405
Total liabilities	$144,020	$136,922
Performance Ratios		
Return on average assets	1.21%	1.02%
Noninterest income to total revenue	34	35
Efficiency	75	75
Other Information (a)		
Credit-related statistics:		
Commercial nonperforming assets	$ 126	$ 158
Consumer nonperforming assets	1,001	1,037
Total nonperforming assets (b)	$ 1,127	$ 1,195
Purchased impaired loans (c)	$ 531	$ 631
Commercial lending net charge-offs	$ 2	$ 31
Credit card lending net charge-offs	73	74
Consumer lending (excluding credit card) net charge-offs	110	156
Total net charge-offs	$ 185	$ 261
Commercial lending annualized net charge-off ratio	.03%	.47%
Credit card lending annualized net charge-off ratio	3.29%	3.48%
Consumer lending (excluding credit card) annualized net charge-off ratio	.47%	.64%
Total annualized net charge-off ratio	.58%	.79%

At June 30	2015	2014
Other Information (Continued) (a)		
Home equity portfolio credit statistics: (d)		
% of first lien positions at origination (e)	55%	53%
Weighted-average loan-to-value ratios (LTVs) (e) (f)	76%	79%
Weighted-average updated FICO scores (g)	751	748
Annualized net charge-off ratio	.38%	.65%
Delinquency data – % of total loans: (h)		
Loans 30 – 59 days past due	.20%	.19%
Loans 60 – 89 days past due	.08%	.07%
Accruing loans past due	.28%	.26%
Nonperforming loans	3.13%	3.08%
Other statistics:		
ATMs	8,880	7,977
Branches (i)	2,644	2,695
Brokerage account client assets (in billions) (j)	$ 44	$ 43
Customer-related statistics (average):		
Non-teller deposit transactions (k)	41%	32%
Digital consumer customers (l)	51%	44%

(a) Presented as of June 30, except for net charge-offs, net charge-off ratios, which are for the six months ended and customer-related statistics which are averages for the six months ended.
(b) Includes nonperforming loans of $1.1 billion at both June 30, 2015 and June 30, 2014.
(c) Recorded investment of purchased impaired loans related to acquisitions.
(d) Lien position, LTV and FICO statistics are based upon customer balances.
(e) Lien position and LTV calculations reflect management assumptions where data limitations exist.
(f) LTV statistics are based upon current information.
(g) Represents FICO scores that are updated at least quarterly.
(h) Data based upon recorded investment. Past due amounts exclude purchased impaired loans, even if contractually past due, as we are currently accreting interest income over the expected life of the loans.
(i) Excludes satellite offices (*e.g.*, drive-ups, electronic branches and retirement centers) that provide limited products and/or services.
(j) Amounts include cash and money market balances.
(k) Percentage of total consumer and business banking deposit transactions processed at an ATM or through our mobile banking application.
(l) Represents consumer checking relationships that process the majority of their transactions through non-teller channels.

Retail Banking earned $443 million in the first six months of 2015 compared with earnings of $383 million for the same period a year ago. The increase in earnings was driven by increased net interest income and noninterest income and lower provision for credit losses partially offset by higher noninterest expense. Noninterest income included lower gains on sales of Visa Class B common shares.

Retail Banking continues to enhance the customer experience with refinements to product offerings that drive product value for consumers and small businesses. We are focused on growing customer share of wallet through the sale of liquidity, banking, and investment products.

Retail Banking continued to focus on the strategic priority of transforming the customer experience through transaction migration, branch network transformation and multi-channel sales strategies.

- In the first six months of 2015, approximately 51% of consumer customers used non-teller channels for the majority of their transactions compared with 44% for the same period in 2014.
- Deposit transactions via ATM and mobile channels increased to 41% of total deposit transactions in the first half of 2015 compared with 32% for the same period a year ago.
- Integral to PNC's retail branch transformation strategy, more than 300 branches operate under the universal model designed to drive higher ATM and mobile deposits and enhance sales opportunities for branch personnel. During the first half of 2015, the total branch network was reduced by 53 branches and the ATM network was increased by 275 ATMs. PNC had a network of 2,644 branches and 8,880 ATMs at June 30, 2015.
- As part of Retail Banking's transformation and multi-channel sales strategy, PNC's proactive customer appointment setting model was rolled out to all markets.
- Instant debit card issuance is now available in more than 500 branches, approximately 20% of the branch network.
- By the end of third quarter, all branches will have Apple iPad™ technology to demonstrate product capabilities to customers and prospects.

Total revenue for the first six months of 2015 increased $153 million compared to the same period a year ago, which included a $130 million increase in net interest income. In addition to the benefit from the enhancements to internal funds transfer pricing methodology in the first quarter of 2015, net interest income increased slightly, as growth in deposit balances was partially offset by lower loan balances and yields and lower purchase accounting accretion on loans and deposits.

Noninterest income increased $23 million, or 2%, compared to the first six months of 2014. Noninterest income included gains on sales of Visa Class B common shares of $79 million on one million shares and $116 million on two million shares, in the first six months of 2015 and 2014, respectively. Excluding these gains, noninterest income increased $60 million, or 6%, as a result of increases in customer-initiated transactions, brokerage fees, changes in product offerings, and increased merchant processing revenue.

Provision for credit losses and net charge-offs in the first six months of 2015 declined by $55 million and $76 million, respectively, in the comparison to the same period a year ago. Provision for credit losses decreased due to improved credit metrics. Lower net charge-offs were driven by improved credit quality in both the consumer and commercial portfolios.

Noninterest expense increased $113 million in the first six months of 2015 compared to the same period in 2014. Increases in technology investments, sales incentive compensation, marketing, and customer transaction-related costs were offset by reduced branch network expenses as a result of transaction migration to lower cost digital and ATM channels.

Growing core checking deposits is key to Retail Banking's growth and to providing a source of low-cost funding and liquidity to PNC. The deposit product strategy of Retail Banking is to remain disciplined on pricing, target specific products and markets for growth, and focus on the retention and growth of customer balances. In the first half of 2015, average total deposits increased $6.9 billion, or 5%, compared with the same period in 2014.

- Average transaction deposits grew $7.8 billion, or 7%, and average savings deposit balances grew $1.7 billion, or 14%, compared to the first six months of 2014 as a result of organic deposit growth. Compared to the same period a year ago, average demand deposits increased $3.6 billion, or 6%, to $59.1 billion and average money market deposits increased $4.3 billion, or 9%.
- Total average certificates of deposit decreased $2.6 billion in the first six months of 2015, or 13%, compared to the same period in 2014. The decline in average certificates of deposit was due to the expected run-off of maturing accounts.

Retail Banking continued to focus on a relationship-based lending strategy that targets specific products and markets for growth, including small businesses and auto dealerships. In the first six months of 2015, average total loans declined $2.1 billion, compared to the same period a year ago, driven by a decline in home equity loans and declines from run-off of non-strategic portions of the portfolios.

- Average home equity loans decreased $1.2 billion, or 4%, compared to the first six months of 2014. The overall portfolio decline resulted from pay-downs and payoffs on loans exceeding new booked volume. Retail Banking's home equity loan portfolio is relationship based, with 97% of the portfolio attributable to borrowers in our primary geographic footprint.
- Average auto dealer floor plan loans declined $132 million, or 6%, in the first half of 2015, compared to the same period in 2014, primarily resulting from lower dealer line utilization.
- Average indirect auto loans increased $244 million, or 3%, compared to the first six months 2014. The increase was primarily due to growth in newer footprint indirect auto markets.
- Average credit card balances increased $157 million, or 4%, over the same period in 2014 as a result of efforts to increase credit card share of wallet through organic growth.
- Average residential mortgage balances increased $96 million, or 15%, compared to the first six months of 2014. The increase was due to the transfer of $198 million in Community Reinvestment Act (CRA) mortgage loans from the Residential Mortgage Banking business segment in January 2015.
- In the first half of 2015, average loan balances for the remainder of the portfolio declined a net $1.3 billion, compared to the same period a year ago, driven by declines in the education portfolio of $916 million and commercial & commercial real estate of $374 million. The discontinued government guaranteed education loan and indirect other portfolios are primarily run-off portfolios.

Nonperforming assets declined $68 million, or 6%, at June 30, 2015 compared to June 30, 2014. The decrease was driven by declines in both commercial and consumer non-performing loans.

Corporate & Institutional Banking

(Unaudited)

Table 22: Corporate & Institutional Banking Table

Six months ended June 30 Dollars in millions, except as noted	2015	2014
Income Statement		
Net interest income	$ 1,726	$ 1,855
Noninterest income		
Corporate service fees	651	580
Other	270	211
Noninterest income	921	791
Total revenue	2,647	2,646
Provision for credit losses	37	90
Noninterest expense	1,061	992
Pretax earnings	1,549	1,564
Income taxes	559	571
Earnings	$ 990	$ 993
Average Balance Sheet		
Loans		
Commercial	$ 85,228	$ 76,771
Commercial real estate	22,319	20,640
Equipment lease financing	6,920	6,834
Total commercial lending	114,467	104,245
Consumer	1,113	1,070
Total loans	115,580	105,315
Goodwill and other intangible assets	3,840	3,815
Loans held for sale	1,048	913
Other assets	11,243	9,949
Total assets	$131,711	$119,992
Deposits		
Noninterest-bearing demand	$ 47,449	$ 42,646
Money market	22,002	20,476
Other	9,368	7,548
Total deposits	78,819	70,670
Other liabilities	8,083	7,477
Total liabilities	$ 86,902	$ 78,147
Performance Ratios		
Return on average assets	1.52%	1.67%
Noninterest income to total revenue	35	30
Efficiency	40	37
Commercial Loan Servicing Portfolio – Serviced For PNC and Others (in billions)		
Beginning of period	$ 377	$ 347
Acquisitions/additions	96	39
Repayments/transfers	(37)	(33)
End of period	$ 436	$ 353
Other Information		
Consolidated revenue from: (a)		
Treasury Management (b)	$ 653	$ 624
Capital Markets (b)	$ 385	$ 335
Commercial mortgage banking activities		
Commercial mortgage loans held for sale (c)	$ 73	$ 52
Commercial mortgage loan servicing income (d)	121	108
Commercial mortgage servicing rights valuation, net of economic hedge (e)	24	25
Total	$ 218	$ 185
Average Loans (by C&IB business)		
Corporate Banking	$ 58,323	$ 52,947
Real Estate	30,248	26,827
Business Credit	14,415	12,868
Equipment Finance	10,938	10,250
Other	1,656	2,423
Total average loans	$115,580	$105,315
Total loans (f)	$115,708	$108,990
Net carrying amount of commercial mortgage servicing rights (f)	$ 543	$ 515
Credit-related statistics:		
Nonperforming assets (f) (g)	$ 463	$ 715
Purchased impaired loans (f) (h)	$ 181	$ 370
Net charge-offs (recoveries)	$ (20)	$ 17

(a) Represents consolidated PNC amounts. See the additional revenue discussion regarding treasury management, capital markets-related products and services, and commercial mortgage banking activities in the Product Revenue section of the Corporate & Institutional Banking portion of this Business Segments Review section.
(b) Includes amounts reported in net interest income, corporate service fees and other noninterest income.
(c) Includes other noninterest income for valuations on commercial mortgage loans held for sale and related commitments, derivative valuations, origination fees, gains on sale of loans held for sale and net interest income on loans held for sale.
(d) Includes net interest income and noninterest income, primarily in corporate services fees, from loan servicing and ancillary services, net of changes in fair value on commercial mortgage servicing rights due to time and payoffs. Commercial mortgage servicing rights valuation, net of economic hedge is shown separately.
(e) Includes amounts reported in corporate services fees.
(f) As of June 30.
(g) Includes nonperforming loans of $.4 billion at June 30, 2015 and $.6 billion at June 30, 2014.
(h) Recorded investment of purchased impaired loans related to acquisitions.

Corporate & Institutional Banking earned $990 million in the first six months of 2015 compared with earnings of $993 million for the same period a year ago. The slight decrease in earnings was due to lower net interest income and an increase in noninterest expense, mostly offset by higher noninterest income and a decrease in the provision for credit losses. We continue to focus on building client relationships where the risk-return profile is attractive, including the Southeast.

Net interest income decreased $129 million in the first six months of 2015 compared to the first six months of 2014. The decline was due to the impact of first quarter 2015 enhancements to internal funds transfer pricing methodology, continued spread compression on loans, and lower purchase accounting accretion, partially offset by the impact of higher average loans and deposits. Decreased net interest income in the comparison also reflected the impact from the second quarter 2014 correction to reclassify certain commercial facility usage fees from net interest income to corporate service fees.

Corporate service fees increased $71 million in the first six months of 2015 compared to the first six months of 2014. This increase was primarily due to the impact of the second quarter 2014 correction to reclassify certain commercial facility fees from net interest income to corporate service fees and increases in treasury management and equity capital markets advisory fees.

Other noninterest income increased $59 million in the first six months of 2015 compared to the first six months of 2014. This increase was driven by higher multifamily loans originated for sale to agencies, higher revenue associated with credit valuations for customer-related derivatives activities and related derivatives sales and higher corporate securities underwriting activity.

The provision for credit losses declined $53 million in the first six months of 2015 compared with the first six months of 2014 reflecting improved credit quality.

Noninterest expense increased $69 million in the first six months of 2015 compared to the prior year period, primarily driven by investments in technology and infrastructure, higher asset writedowns, and expenses related to equity capital markets advisory fees.

Average loans increased $10.3 billion, or 10%, for the first six months of 2015 compared to the first six months of 2014, reflecting solid growth in Corporate Banking, Real Estate, Business Credit and Equipment Finance:

- Corporate Banking business provides lending, treasury management and capital markets-related products and services to midsized and large corporations, government and not-for-profit entities. Average loans for this business increased $5.4 billion, or 10%, in the first six months of 2015 compared with the first six months of 2014, primarily due to an increase in loan commitments from specialty lending businesses and large corporate clients.
- PNC Real Estate provides banking, financing and servicing solutions for commercial real estate clients across the country. Average loans for this business increased $3.4 billion, or 13%, in first six months of 2015 compared with the first six months of 2014 due to increased originations and higher utilization.
- PNC Business Credit provides asset-based lending. The loan portfolio is relatively high yielding, with acceptable risk as the loans are mainly secured by short-term assets. Average loans for this business increased $1.5 billion, or 12%, in first six months of 2015 compared with the first six months of 2014 due to new originations, increasing deal sizes and higher utilization.
- PNC Equipment Finance provides equipment financing solutions for clients throughout the U.S. and Canada. Average equipment finance loans and operating leases were $11.8 billion in the first six months of 2015, an increase of $.8 billion, or 7%, compared with the first six months of 2014.

Period-end loan balances increased by 6%, or $6.7 billion, at June 30, 2015 compared to June 30, 2014 primarily due to growth in our Corporate Banking, Real Estate and Business Credit businesses.

Loan commitments increased 5%, or $10.1 billion, to $213.1 billion at June 30, 2015 compared to June 30, 2014, primarily due to growth in our Corporate Banking, Real Estate and Business Credit businesses.

Average deposits for the first six months of 2015 increased $8.1 billion, or 12%, compared with the first six months of 2014 as a result of business growth and inflows into demand and money market deposits.

The commercial loan servicing portfolio increased $83 billion, or 24% at June 30, 2015, compared to June 30, 2014, as servicing additions exceeded portfolio run-off.

Nonperforming assets declined 35% at June 30, 2015 compared to June 30, 2014 reflecting improved credit quality.

Product Revenue

In addition to credit and deposit products for commercial customers, Corporate & Institutional Banking offers other services, including treasury management, capital markets-related products and services, and commercial mortgage banking activities, for customers of all business segments. On a consolidated basis, the revenue from these other services is included in net interest income, corporate service fees and other noninterest income. From a segment perspective, the majority of the revenue and expense related to these services is reflected in the Corporate & Institutional Banking segment results and the remainder is reflected in the results of other businesses. The Other Information section in Table 22 in the Corporate & Institutional Banking portion of this Business Segments Review section includes the consolidated revenue to PNC for these services. A discussion of the consolidated revenue from these services follows.

Treasury management revenue, comprised of fees and net interest income from customer deposit balances, increased $29 million in the comparison of the first six months of 2015 to the first six months of 2014, driven by growth in our commercial card, wholesale lockbox and PINACLE® products.

Capital markets revenue includes merger and acquisition advisory fees, loan syndications, derivatives, foreign exchange, asset-backed finance revenue and fixed income and equity capital markets advisory activities. Revenue from capital markets-related products and services increased $50 million in the first six months of 2015 compared with the first six months of 2014. The increase in the comparison was primarily driven by higher revenue associated with credit valuations for customer-related derivatives activities and related derivatives sales, higher equity capital markets advisory fees and increased corporate securities underwriting activity.

Commercial mortgage banking activities include revenue derived from commercial mortgage servicing (including net interest income and noninterest income) and revenue derived from commercial mortgage loans held for sale and related hedges. Revenue from total commercial mortgage banking activities increased $33 million in the first six months of 2015 compared with the first six months of 2014. The increase in the comparison was mainly due to higher multifamily loans originated for sale to agencies and higher mortgage servicing revenue.

Asset Management Group

(Unaudited)

Table 23: Asset Management Group Table

Six months ended June 30 Dollars in millions, except as noted	2015	2014
Income Statement		
Net interest income	$ 144	$ 143
Noninterest income	451	406
Total revenue	595	549
Provision for credit losses	13	6
Noninterest expense	425	401
Pretax earnings	157	142
Income taxes	58	52
Earnings	$ 99	$ 90
Average Balance Sheet		
Loans		
Consumer	$ 5,669	$5,361
Commercial and commercial real estate	938	1,011
Residential mortgage	878	780
Total loans	7,485	7,152
Goodwill and other intangible assets	234	268
Other assets	255	222
Total assets	$ 7,974	$7,642
Deposits		
Noninterest-bearing demand	$ 1,344	$1,333
Interest-bearing demand	4,127	3,902
Money market	4,873	3,873
Total transaction deposits	10,344	9,108
CDs/IRAs/savings deposits	456	441
Total deposits	10,800	9,549
Other liabilities	45	50
Total liabilities	$10,845	$9,599
Performance Ratios		
Return on average assets	2.50%	2.37%
Noninterest income to total revenue	76	74
Efficiency	71	73
Other Information		
Total nonperforming assets (a) (b)	$ 56	$ 76
Purchased impaired loans (a) (c)	$ 77	$ 94
Total net charge-offs	$ 11	$ 3
Client Assets Under Administration (a) (d) (in billions)		
Personal	$ 113	$ 113
Institutional	149	144
Total	$ 262	$ 257
Asset Type		
Equity	$ 152	$ 149
Fixed Income	73	71
Liquidity/Other	37	37
Total	$ 262	$ 257
Discretionary client assets under management		
Personal	$ 86	$ 85
Institutional	48	46
Total	$ 134	$ 131
Asset Type		
Equity	$ 75	$ 73
Fixed Income	41	40
Liquidity/Other	18	18
Total	$ 134	$ 131
Nondiscretionary client assets under administration		
Personal	$ 27	$ 28
Institutional	101	98
Total	$ 128	$ 126
Asset Type		
Equity	$ 77	$ 76
Fixed Income	32	31
Liquidity/Other	19	19
Total	$ 128	$ 126

(a) As of June 30.
(b) Includes nonperforming loans of $53 million at June 30, 2015 and $72 million at June 30, 2014.
(c) Recorded investment of purchased impaired loans related to acquisitions.
(d) Excludes brokerage account client assets.

Asset Management Group earned $99 million through the first six months of 2015 compared with $90 million in the same period of 2014. Assets under administration were $262 billion as of June 30, 2015 compared to $257 billion as of June 30, 2014. Earnings for the first six months of 2015 increased compared with the first six months of 2014 due to higher noninterest income, including a $30 million trust settlement in the second quarter of 2015, partially offset by higher noninterest expense.

The core growth strategies of the business include increasing sales sourced from other PNC lines of business, maximizing front line productivity and optimizing market presence including additions to staff in high opportunity markets. Wealth Management and Hawthorn have over 100 offices operating in 7 out of the 10 most affluent states in the U.S. with a majority co-located with retail banking branches. The businesses' strategies primarily focus on growing client assets under management through expanding relationships directly and through cross-selling from PNC's other lines of business.

Institutional Asset Management provides advisory, custody, and retirement administration services to institutional clients primarily within our banking footprint. The business also offers PNC proprietary mutual funds. Institutional Asset Management is strengthening its partnership with Corporate and Institutional Banking to drive growth and is focused on building retirement capabilities and expanding product solutions for all customers.

Client assets under administration at June 30, 2015 increased $5 billion compared to June 30, 2014. Discretionary client assets under management increased $3 billion in the same comparison, driven by higher equity markets, new sales and positive net flows after adjustments for cyclical client activities.

Total revenue increased $46 million in the first half of 2015 compared with the same period in 2014, primarily relating to noninterest income due to a $30 million trust settlement, stronger average equity markets, and new business.

Noninterest expense increased $24 million, or 6% in the first half of 2015 compared to the prior year period, primarily attributable to higher compensation and technology expenses. Over the last 12 months, total full-time headcount has increased by approximately 63 positions, or 2%. Asset Management Group remains focused on disciplined expense management as it invests in strategic growth opportunities.

Average loan balances for the first half of 2015 increased $.3 billion, or 5%, compared to the prior year period due to continued growth in the consumer loan portfolio.

Average deposits for the first half of 2015 increased $1.3 billion, or 13%, over the prior year period. Average transaction deposits grew $1.2 billion, or 14%, compared with the first half of 2014.

Residential Mortgage Banking

(Unaudited)

Table 24: Residential Mortgage Banking Table

Six months ended June 30 Dollars in millions, except as noted	2015	2014
Income Statement		
Net interest income	$ 60	$ 77
Noninterest income		
Loan servicing revenue		
Servicing fees	94	117
Mortgage servicing rights valuation, net of economic hedge	58	–
Loan sales revenue	203	242
Other	(2)	(3)
Total noninterest income	353	356
Total revenue	413	433
Provision for credit losses	–	–
Noninterest expense	339	382
Pretax earnings	74	51
Income taxes	27	19
Earnings	$ 47	$ 32
Average Balance Sheet		
Portfolio loans	$1,223	$1,888
Loans held for sale	1,127	1,102
Mortgage servicing rights (MSR)	896	1,054
Other assets	3,944	4,084
Total assets	$7,190	$8,128
Deposits	$2,357	$2,210
Borrowings and other liabilities	2,636	2,930
Total liabilities	$4,993	$5,140
Performance Ratios		
Return on average assets	1.32%	.79%
Noninterest income to total revenue	85	82
Efficiency	82	88
Residential Mortgage Servicing Portfolio – Serviced for Third Parties (in billions)		
Beginning of period	$ 108	$ 114
Acquisitions	14	2
Additions	4	4
Repayments/transfers	(11)	(9)
End of period	$ 115	$ 111
Servicing portfolio – third-party statistics: (a)		
Fixed rate	94%	94%
Adjustable rate/balloon	6%	6%
Weighted-average interest rate	4.35%	4.54%
MSR asset value (in billions)	$ 1.0	$ 1.0
MSR capitalization value (in basis points)	88	87
Weighted-average servicing fee (in basis points)	27	27
Residential Mortgage Repurchase Reserve		
Beginning of period	$ 107	$ 131
(Benefit)/ Provision	2	(17)
Losses – loan repurchases	(12)	(13)
End of Period	$ 97	$ 101
Other Information		
Loan origination volume (in billions)	$ 5.5	$ 4.5
Loan sale margin percentage	3.74%	5.01%
Percentage of originations represented by:		
Purchase volume (b)	41%	45%
Refinance volume	59%	55%
Total nonperforming assets (a) (c)	$ 88	$ 160

(a) As of June 30.
(b) Mortgages with borrowers as part of residential real estate purchase transactions.
(c) Includes nonperforming loans of $55 million at June 30, 2015 and $113 million at June 30, 2014.

Residential Mortgage Banking earned $47 million in the first six months of 2015 compared to $32 million in the first six months of 2014. Earnings increased from the prior year as a result of higher net hedging gains on residential mortgage servicing rights and lower noninterest expense, offset by lower loan sales and servicing revenue.

The strategic focus of the business is the acquisition of new customers through a retail loan officer sales force with an emphasis on home purchase transactions. Our strategy involves competing on the basis of superior service to new and existing customers in serving their home purchase and refinancing needs. A key consideration in pursuing this approach is the cross-sell opportunity, especially in the bank footprint markets.

Residential Mortgage Banking overview:

- Total loan originations increased $1.0 billion in the first six months of 2015 compared to the same 2014 period. Loans continue to be originated primarily through direct channels under Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC) and Federal Housing Administration (FHA)/Department of Veterans Affairs agency guidelines. Refinancings were 59% of originations for the first six months of 2015 and 55% in the first six months of 2014. During the first six months of 2015, 14% of loan originations were under the original or revised Home Affordable Refinance Program (HARP or HARP 2).
- Investors having purchased mortgage loans may request PNC to indemnify them against losses on certain loans or to repurchase loans that they believe do not comply with applicable contractual loan origination covenants and representations and warranties we have made. At June 30, 2015, the liability for estimated losses on repurchase and indemnification claims for the Residential Mortgage Banking business segment was $97 million, compared with $101 million at June 30, 2014. See the Recourse And Repurchase Obligations section of this Financial Review and Note 16 Commitments and Guarantees in the Notes To Consolidated Financial Statements of this Report for additional information.
- Residential mortgage loans serviced for others increased $4 billion at June 30, 2015 compared to June 30, 2014. During the first six months of 2015, $14 billion of residential mortgage servicing rights were acquired, compared with $2 billion in the comparable period of 2014.
- Noninterest income declined slightly in the first six months of 2015 compared with the prior year period, as increased net hedging gains on residential mortgage servicing rights were more than offset by decreased servicing revenue and loan sales revenue, which reflected the impact from a $17 million benefit from the release of reserves for residential mortgage repurchase obligations in the first six months of 2014.

- Net interest income decreased $17 million in the first six months of 2015 compared with the first six months of 2014. This decline was primarily due to lower balances of portfolio loans held for investment.
- Noninterest expense declined $43 million in the first six months of 2015 compared with the 2014 period, primarily as a result of lower legal accruals.

BlackRock

(Unaudited)

Table 25: BlackRock Table

Information related to our equity investment in BlackRock follows:

Six months ended June 30 Dollars in millions	2015	2014
Business segment earnings (a)	$269	$253
PNC's economic interest in BlackRock (b)	22%	22%

(a) Includes PNC's share of BlackRock's reported GAAP earnings and additional income taxes on those earnings incurred by PNC.
(b) At June 30.

In billions	June 30 2015	December 31 2014
Carrying value of PNC's investment in BlackRock (c)	$ 6.5	$ 6.3
Market value of PNC's investment in BlackRock (d)	12.2	12.6

(c) PNC accounts for its investment in BlackRock under the equity method of accounting, exclusive of a related deferred tax liability of $2.1 billion at both June 30, 2015 and December 31, 2014. Our voting interest in BlackRock common stock was approximately 21% at June 30, 2015.
(d) Does not include liquidity discount.

In addition to our investment in BlackRock reflected in Table 25, at June 30, 2015, we held approximately 1.3 million shares of BlackRock Series C Preferred Stock valued at $363 million, which are available to fund our obligation in connection with certain BlackRock long-term incentive plan (LTIP) programs. We account for the BlackRock Series C Preferred Stock at fair value, which offsets the impact of marking-to-market the obligation to deliver these shares to BlackRock. The fair value amount of the BlackRock Series C Preferred Stock is included on our Consolidated Balance Sheet in the caption Other assets. Additional information regarding the valuation of the BlackRock Series C Preferred Stock is included in Note 7 Fair Value in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report and in Note 7 Fair Value in the Notes To Consolidated Financial Statements in Item 8 of our 2014 Form 10-K.

Our 2014 Form 10-K includes additional information about our investment in BlackRock.

Non-Strategic Assets Portfolio

(Unaudited)

Table 26: Non-Strategic Assets Portfolio Table

Six months ended June 30 Dollars in millions	2015	2014
Income Statement		
Net interest income	$ 212	$ 279
Noninterest income	18	16
Total revenue	230	295
Provision for credit losses (benefit)	(36)	(91)
Noninterest expense	50	56
Pretax earnings	216	330
Income taxes	79	121
Earnings	$ 137	$ 209
Average Balance Sheet		
Commercial Lending:		
Commercial/Commercial real estate	$ 119	$ 203
Lease financing	627	684
Total commercial lending	746	887
Consumer Lending:		
Home equity	2,937	3,553
Residential real estate	4,103	5,032
Total consumer lending	7,040	8,585
Total portfolio loans	7,786	9,472
Other assets (a)	(692)	(740)
Total assets	$7,094	$8,732
Deposits and other liabilities	$ 223	$ 229
Total liabilities	$ 223	$ 229
Performance Ratios		
Return on average assets	3.89%	4.83%
Noninterest income to total revenue	8	5
Efficiency	22	19
Other Information		
Nonperforming assets (b) (c)	$ 616	$ 798
Purchased impaired loans (b) (d)	$3,663	$4,497
Net charge-offs (recoveries)	$ (7)	$ 41
Annualized net charge-off (recoveries) ratio	(.18)%	0.87%
Loans (b)		
Commercial Lending		
Commercial/Commercial real estate	$ 108	$ 176
Lease financing	630	688
Total commercial lending	738	864
Consumer Lending		
Home equity	2,765	3,410
Residential real estate	3,941	4,928
Total consumer lending	6,706	8,338
Total loans	$7,444	$9,202

(a) Other assets includes deferred taxes, ALLL and other real estate owned (OREO). Other assets were negative in both periods due to the ALLL.
(b) As of June 30.
(c) Includes nonperforming loans of $.5 billion at June 30, 2015 and $.6 billion at June 30, 2014.
(d) Recorded investment of purchased impaired loans related to acquisitions. At June 30, 2015, this segment contained 82% of PNC's purchased impaired loans.

This business segment consists of non-strategic assets primarily obtained through acquisitions of other companies. The business activity of this segment is to manage the liquidation of the portfolios while maximizing the value and mitigating risk.

Non-Strategic Assets Portfolio had earnings of $137 million in the first six months of 2015 compared with $209 million in the first six months of 2014. Earnings decreased year-over-year due to lower net interest income and a reduced benefit from the provision for credit losses.

Non-Strategic Assets Portfolio overview:

- Net interest income declined $67 million, or 24% in the first six months of 2015 compared with the first six months of 2014, resulting from lower purchase accounting accretion and the impact of the declining average balance of the loan portfolio.
- Provision for credit losses was a benefit in both the first six months of 2015 and 2014, reflecting continued improvements in credit quality.
- Noninterest expense declined $6 million, or 11% in the first six months of 2015 compared with in the first six months of 2014, due to lower costs of managing and servicing the loan portfolios.
- Average portfolio loans declined $1.7 billion, or 18% in the first six months of 2015 compared to the first six months of 2014, due to customer payment activity and portfolio management activities to reduce under-performing assets.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Note 1 Accounting Policies in Item 8 of our 2014 Form 10-K and in the Notes To Consolidated Financial Statements included in Part I, Item 1 of this Report describe the most significant accounting policies that we use to prepare our consolidated financial statements. Certain of these policies require us to make estimates or economic assumptions that may prove inaccurate or be subject to variations that may significantly affect our reported results and financial position for the period or in future periods.

We must use estimates, assumptions and judgments when assets and liabilities are required to be recorded at, or adjusted to reflect, fair value.

Assets and liabilities carried at fair value inherently result in a higher degree of financial statement volatility. Fair values and the information used to record valuation adjustments for certain assets and liabilities are based on either quoted market prices or are provided by independent third-party sources, including appraisers and valuation specialists, when available. When such third-party information is not available, we estimate fair value primarily by using discounted cash flow and other financial modeling techniques. Changes in underlying factors, assumptions or estimates could materially impact our future financial condition and results of operations.

We discuss the following critical accounting policies and judgments under this same heading in Item 7 of our 2014 Form 10-K:

- Fair Value Measurements
- Allowances for Loan and Lease Losses and Unfunded Loan Commitments and Letters of Credit
- Estimated Cash Flows on Purchased Impaired Loans
- Goodwill
- Lease Residuals
- Revenue Recognition
- Residential and Commercial Mortgage Servicing Rights
- Income Taxes
- Recently Issued Accounting Standards

We provide additional information about many of these items in the Notes To Consolidated Financial Statements included in Part I, Item l of this Report.

Recently Issued Accounting Standards

In May 2014, the Financial Accounting Standard Board ("FASB") issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU clarifies the principles for recognizing revenue and replaces nearly all existing revenue recognition guidance in U.S. GAAP with one accounting model. The core principle of the guidance is that an entity should recognize revenue to depict the satisfaction of a performance obligation by transfer of promised goods or services to customers. The ASU also requires additional qualitative and quantitative disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. In July 2015, the FASB agreed to defer the mandatory effective date of the ASU for one year, to annual reporting periods beginning after December 15, 2017. The requirements within ASU 2014-09 should be applied retrospectively to each prior period presented (with several practical expedients for certain completed contracts) or retrospectively with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application. We are currently evaluating the impact of this ASU on our results of operations and financial position.

In February 2015, the FASB issued ASU 2015-02, Consolidation (Topic 810): *Amendments to the Consolidation Analysis.* All legal entities are subject to re-evaluation under this ASU, including investment companies and certain other entities measured in a manner consistent with ASC 946 Financial Services – Investment Companies which were previously excluded. The ASU will change the analysis that a reporting entity must perform to determine whether it should consolidate certain types of legal entities. Specifically, the ASU modifies the evaluation of whether limited partnerships and similar legal entities are variable interest entities (VIEs) or voting interest entities; eliminates the presumption that a general partner should consolidate a limited partnership; potentially changes the consolidation conclusions of reporting entities that are involved with VIEs, in particular those that have fee arrangements and related party arrangements, and provides a scope exception for reporting entities with interests held in certain money market funds. The ASU is effective for public business entities for annual periods, and interim periods within those annual periods, beginning after December 15, 2015 and may be applied through a retrospective or modified retrospective approach. We are currently evaluating the impact of this ASU on our results of operations and financial position.

Recently Adopted Accounting Standards

See Note 1 Accounting Policies in the Notes To Consolidated Financial Statements included in Part I, Item I of this Report regarding the impact of new accounting pronouncements adopted in 2015.

STATUS OF QUALIFIED DEFINED BENEFIT PENSION PLAN

We have a noncontributory, qualified defined benefit pension plan (plan or pension plan) covering eligible employees. Benefits are determined using a cash balance formula where earnings credits are applied as a percentage of eligible compensation. We calculate the expense associated with the pension plan and the assumptions and methods that we use include a policy of reflecting plan assets at their fair market value. On an annual basis, we review the actuarial assumptions related to the pension plan.

We currently estimate pretax pension expense of $9 million in 2015 compared with pretax income of $7 million in 2014. This year-over-year expected increase in expense reflects the effects of the lower expected return on asset assumption, improved mortality, and the lower discount rate required to be used in 2015. These factors are partially offset by the favorable impact of the increase in plan assets at December 31, 2014 and the assumed return on a $200 million voluntary contribution to the plan made in February 2015.

The table below reflects the estimated effects on pension expense of certain changes in annual assumptions, using 2015 estimated expense as a baseline.

Table 27: Pension Expense – Sensitivity Analysis

Change in Assumption (a)	Estimated Increase/(Decrease) to 2015 Pension Expense (In millions)
.5% decrease in discount rate	$ 18
.5% decrease in expected long-term return on assets	$ 22
.5% increase in compensation rate	$ 2

(a) The impact is the effect of changing the specified assumption while holding all other assumptions constant.

We provide additional information on our pension plan in Note 13 Employee Benefit Plans in the Notes To Consolidated Financial Statements in Item 8 of our 2014 Form 10-K.

Recourse And Repurchase Obligations

As discussed in Note 2 Loan Sale and Servicing Activities and Variable Interest Entities in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report, PNC has sold commercial mortgage, residential mortgage and home equity loans/lines of credit directly or indirectly through securitization and loan sale transactions in which we have continuing involvement. One form of continuing involvement includes certain recourse and loan repurchase obligations associated with the transferred assets.

Commercial Mortgage Loan Recourse Obligations

We originate and service certain multi-family commercial mortgage loans which are sold to FNMA under FNMA's Delegated Underwriting and Servicing (DUS) program. We participated in a similar program with the FHLMC. Our exposure and activity associated with these recourse obligations are reported in the Corporate & Institutional Banking segment. For more information regarding our Commercial Mortgage Loan Recourse Obligations, see the Recourse and Repurchase Obligations section of Note 16 Commitments and Guarantees included in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report.

Residential Mortgage Repurchase Obligations

While residential mortgage loans are sold on a non-recourse basis, we assume certain loan repurchase obligations associated with mortgage loans we have sold to investors. These loan repurchase obligations primarily relate to situations where PNC is alleged to have breached certain origination covenants and representations and warranties made to purchasers of the loans in the respective purchase and sale agreements. Residential mortgage loans covered by these loan repurchase obligations include first and second-lien mortgage loans we have sold through Agency securitizations, Non-Agency securitizations, and loan sale transactions. As discussed in Note 2 Loan Sale and Servicing Activities and Variable Interest Entities in our 2014 Form 10-K, Agency securitizations consist of mortgage loan sale transactions with FNMA, FHLMC and the Government National Mortgage Association (GNMA), while Non-Agency securitizations consist of mortgage loan sale transactions with private investors. Mortgage loan sale transactions that are not part of a securitization may involve FNMA, FHLMC or private investors. Our historical exposure and activity associated with Agency securitization repurchase obligations has primarily been related to transactions with FNMA and FHLMC, as indemnification and repurchase losses associated with FHA and VA-insured and uninsured loans pooled in GNMA securitizations historically have been minimal. In addition to indemnification and repurchase risk, we face other risks of loss with respect to our participation in these programs, some of which are described in Note 15 Legal Proceedings in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report with respect to governmental inquiries related to FHA-insured loans. Repurchase obligation activity associated with residential mortgages is reported in the Residential Mortgage Banking segment.

Origination and sale of residential mortgages is an ongoing business activity and, accordingly, management continually assesses the need to recognize indemnification and repurchase liabilities pursuant to the associated investor sale agreements. We establish indemnification and repurchase liabilities for estimated losses on sold first and second-lien mortgages for which indemnification is expected to be provided or for loans that are expected to be repurchased. For the first and second-lien mortgage sold portfolio, we have established an indemnification and repurchase liability pursuant to investor sale agreements based on claims made and our estimate of future claims on a loan by loan basis. To estimate the mortgage repurchase liability arising from breaches of representations and warranties, we consider the following factors: (i) borrower performance in our historically sold portfolio (both actual and estimated future defaults); (ii) the level of outstanding unresolved repurchase claims; (iii) estimated probable future repurchase claims, considering information about expected investor behaviors, delinquent and liquidated loans, resolved and unresolved mortgage insurance rescission notices and our historical experience with claim rescissions; (iv) the potential ability to cure the defects identified in the repurchase claims ("rescission rate"); (v) the availability of legal defenses; and (vi) the estimated severity of loss upon repurchase of the loan or collateral, make-whole settlement or indemnification.

We previously reached agreements with both FNMA and FHLMC to resolve their repurchase claims with respect to loans sold between 2000 and 2008. Thus, our repurchase obligations involve Agency securitizations and other loan sales with FNMA and FHLMC subsequent to 2008 only, as well as Agency securitizations with GNMA and Non-Agency securitizations and other loan sales with private investors. The unpaid principal balance of loans associated with our exposure to repurchase obligations totaled $66.5 billion at June 30, 2015, of which $1.3 billion was 90 days or more delinquent. The comparative amounts were $68.3 billion and $1.5 billion, respectively, at December 31, 2014.

We believe our indemnification and repurchase liability appropriately reflects the estimated probable losses on indemnification and repurchase claims for all residential mortgage loans sold and outstanding as of June 30, 2015 and December 31, 2014. In making these estimates we consider the losses that we expect to incur over the life of the sold loans. See Note 16 Commitments and Guarantees in this Report for additional information on residential mortgage repurchase obligations.

Home Equity Repurchase Obligations

PNC's repurchase obligations include obligations with respect to certain brokered home equity loans/lines of credit that were sold to a limited number of private investors in the financial services industry by National City prior to our acquisition of National City. PNC is no longer engaged in the brokered home equity lending business, and our exposure under these loan repurchase obligations is limited to repurchases of the loans sold in these transactions. Repurchase activity associated with brokered home equity loans/lines of credit is reported in the Non-Strategic Assets Portfolio segment.

For more information regarding our Home Equity Repurchase Obligations, see the Recourse and Repurchase Obligations section under Item 7 of our 2014 Form 10-K and Note 16 Commitments and Guarantees included in this Report.

RISK MANAGEMENT

PNC encounters risk as part of the normal course of operating our business. Accordingly, we design risk management processes to help manage these risks.

The Risk Management section included in Item 7 of our 2014 Form 10-K describes our enterprise risk management framework including risk appetite and strategy, risk culture, risk organization and governance, risk identification and quantification, risk control and limits, and risk monitoring and reporting. Additionally, our 2014 Form 10-K provides an analysis of our key areas of risk, which include but are not limited to credit, operational, compliance, model, liquidity and market. Our use of financial derivatives as part of our overall asset and liability risk management process is also addressed within the Risk Management section.

The following information updates our 2014 Form 10-K risk management disclosures.

Credit Risk Management

As more fully discussed in the Credit Risk Management portion of the Risk Management section in our 2014 Form 10-K, credit risk represents the possibility that a customer, counterparty or issuer may not perform in accordance with contractual terms. Credit risk is inherent in the financial services business and results from extending credit to customers, purchasing securities, and entering into financial derivative transactions and certain guarantee contracts. Credit risk is one of our most significant risks. Our processes for managing credit risk are embedded in PNC's risk culture and in our decision-making processes using a systematic approach whereby credit risks and related exposures are identified and assessed, managed through specific policies and processes, measured and evaluated against our risk appetite and credit concentration limits, and reported, along with specific mitigation activities, to management and the Board through our governance structure.

Asset Quality Overview

Asset quality trends improved during the first six months of 2015.

- Nonperforming assets at June 30, 2015 decreased $302 million compared with December 31, 2014 as a result of improvements in both consumer and commercial nonperforming loans. Consumer lending nonperforming loans decreased $135 million, commercial real estate nonperforming loans declined $92 million and commercial nonperforming loans decreased $32 million. Nonperforming assets were 0.73% of total assets at June 30, 2015 compared with 0.83% at December 31, 2014.
- Overall loan delinquencies of $1.6 billion decreased $305 million, or 16%, from year-end 2014 levels. The reduction was due in large part to a reduction in accruing government insured residential real estate loans past due 90 days or more of $134 million, the majority of which we took possession of and conveyed the real estate, or are in the process of conveyance and claim resolution.
- Net charge-offs were $67 million in the second quarter of 2015, down 54% from net charge-offs in the same quarter of 2014 of $145 million, due primarily to improved overall credit quality. For the six months ended June 30, 2015, net charge-offs were $170 million, down from $331 million for the six months ending June 30, 2014.
- Provision for credit losses in the second quarter of 2015 decreased to $46 million compared with $72 million in the second quarter of 2014. The smaller provision is attributed to improved overall credit quality. Provision for credit losses for the six months ending June 30, 2015 declined to $100 million compared to $166 million for the six months ending June 30, 2014.
- The level of ALLL remained at $3.3 billion at both June 30, 2015 and December 31, 2014.

Nonperforming Assets and Loan Delinquencies

Nonperforming Assets, including OREO and Foreclosed Assets

Nonperforming assets include nonperforming loans and leases for which ultimate collectability of the full amount of contractual principal and interest is not probable and include nonperforming troubled debt restructurings (TDRs), OREO and foreclosed assets. Loans held for sale, certain government insured or guaranteed loans, purchased impaired loans and loans accounted for under the fair value option are excluded from nonperforming loans. Additional information regarding our nonperforming loans and nonaccrual policies is included in Note 1 Accounting Policies in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report. A summary of the major categories of nonperforming assets are presented in Table 28. See Note 3 Asset Quality in the Notes To Consolidated Financial Statements of this Report for further detail of nonperforming asset categories.

Table 28: Nonperforming Assets By Type

Dollars in millions	June 30 2015	December 31 2014
Nonperforming loans		
Commercial lending	$ 503	$ 626
Consumer lending (a)	1,749	1,884
Total nonperforming loans (b) (c)	2,252	2,510
OREO and foreclosed assets	326	370
Total nonperforming assets	$2,578	$ 2,880
Amount of TDRs included in nonperforming loans	$1,208	$ 1,370
Percentage of total nonperforming loans	54%	55%
Nonperforming loans to total loans	1.10%	1.23%
Nonperforming assets to total loans, OREO and foreclosed assets	1.25	1.40
Nonperforming assets to total assets	.73	.83
Allowance for loan and lease losses to total nonperforming loans (d)	145	133

(a) Excludes most consumer loans and lines of credit, not secured by residential real estate, which are charged off after 120 to 180 days past due and are not placed on nonperforming status.
(b) Nonperforming loans exclude certain government insured or guaranteed loans, loans held for sale, loans accounted for under the fair value option and purchased impaired loans.
(c) The recorded investment of loans collateralized by residential real estate property that are in process of foreclosure was $.6 billion and $.8 billion at June 30, 2015 and December 31, 2014.
(d) The allowance for loan and lease losses includes impairment reserves attributable to purchased impaired loans. See Note 1 Accounting Policies and Note 5 Allowances for Loan and Lease Losses and Unfunded Loan Commitments and Letters of Credit in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report for additional information.

Table 29: Change in Nonperforming Assets

In millions	2015	2014
January 1	$2,880	$3,457
New nonperforming assets	708	1,277
Charge-offs and valuation adjustments	(253)	(300)
Principal activity, including paydowns and payoffs	(377)	(623)
Asset sales and transfers to loans held for sale	(190)	(297)
Returned to performing status	(190)	(346)
June 30	$2,578	$3,168

Nonperforming assets decreased $302 million at June 30, 2015 compared to December 31, 2014, as a result of improvements in both consumer and commercial lending. Consumer lending nonperforming loans decreased $135 million, commercial real estate nonperforming loans declined $92 million and commercial nonperforming loans decreased $32 million. As of June 30, 2015, approximately 91% of total nonperforming loans were secured by collateral which lessens reserve requirements and is expected to reduce credit losses in the event of default. As of June 30, 2015, commercial lending nonperforming loans were carried at approximately 64% of their unpaid principal balance, due to charge-offs recorded to date, before consideration of the ALLL. See Note 3 Asset Quality in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report for additional information on these loans.

Within consumer nonperforming loans, residential real estate TDRs comprise 65% of total residential real estate nonperforming loans at June 30, 2015, up from 60% at December 31, 2014. Home equity TDRs comprise 53% of home equity nonperforming loans at June 30, 2015, down from 54% at December 31, 2014. TDRs generally remain in nonperforming status until a borrower has made at least six consecutive months of both principal and interest payments under the modified terms or ultimate resolution occurs. Loans where borrowers have been discharged from personal liability through Chapter 7 bankruptcy and have not formally reaffirmed their loan obligations to PNC and loans to borrowers not currently obligated to make both principal and interest payments under the restructured terms are not returned to accrual status.

At June 30, 2015, our largest nonperforming asset was $34 million in the Real Estate, Rental and Leasing Industry and our average nonperforming loans associated with commercial lending was under $1 million. Seven of the ten largest outstanding nonperforming assets are from the commercial lending portfolio and represent 21% and 4% of total commercial lending nonperforming loans and total nonperforming assets, respectively, as of June 30, 2015.

Purchased impaired loans are considered performing, even if contractually past due (or if we do not expect to receive payment in full based on the original contractual terms), as we accrete interest income over the expected life of the loans. Total nonperforming loans and assets in the tables above are significantly lower than they would have been due to this accounting treatment for purchased impaired loans. This treatment also results in a lower ratio of nonperforming loans to total loans and a higher ratio of ALLL to nonperforming loans. See Note 4 Purchased Loans in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report, as well as the Credit Risk Management portion of the Risk Management section in our 2014 Form 10-K for additional information, including the accounting treatment, on these loans.

Table 30: OREO and Foreclosed Assets

In millions	June 30 2015	December 31 2014
Other real estate owned (OREO):		
Residential properties	$ 153	$ 183
Residential development properties	38	48
Commercial properties	111	120
Total OREO	302	351
Foreclosed and other assets	24	19
Total OREO and foreclosed assets	$ 326	$ 370

Total OREO and foreclosed assets decreased $44 million during the first six months of 2015 and is 13% of total nonperforming assets at June 30, 2015. As of both June 30, 2015 and December 31, 2014, 62% of our OREO and foreclosed assets were comprised of residential related properties.

Loan Delinquencies

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

Table 31: Accruing Loans Past Due (a) (b)

	Amount		Percentage of Total Outstandings	
Dollars in millions	June 30 2015	December 31 2014	June 30 2015	December 31 2014
Early stage loan delinquencies				
Accruing loans past due 30 to 59 days	$ 492	$ 582	.24%	.28%
Accruing loans past due 60 to 89 days	235	259	.11%	.13%
Total	727	841	.35%	.41%
Late stage loan delinquencies				
Accruing loans past due 90 days or more	914	1,105	.45%	.54%
Total	$1,641	$ 1,946	.80%	.95%

(a) Amounts in table represent recorded investment.

(b) Past due loan amounts at June 30, 2015 include government insured or guaranteed loans of $185 million, $119 million, and $817 million for accruing loans past due 30 to 59 days, past due 60 to 89 days, and past due 90 days or more, respectively. The comparative amounts as of December 31, 2014 were $220 million, $136 million, and $996 million, respectively.

Total early stage loan delinquencies (accruing loans past due 30 to 89 days) decreased $114 million, or 14%, at June 30, 2015 compared to December 31, 2014, driven by reductions in both consumer and commercial real estate early stage delinquencies, which more than offset an increase in commercial lending accruing loans past due 30 to 59 days.

Accruing loans past due 90 days or more decreased $191 million, or 17%, at June 30, 2015 compared to December 31, 2014 due to a decline in government insured residential real estate loans of $134 million, the majority of which we took possession of and conveyed the real estate, or are in the process of conveyance and claim resolution. Accruing loans past due 90 days or more are referred to as late stage loan delinquencies. These loans are not included in nonperforming loans and continue to accrue interest because they are well secured by collateral and are in the process of collection, or are managed in homogenous portfolios with specified charge-off timeframes adhering to regulatory guidelines, or are certain government insured or guaranteed loans.

On a regular basis our Special Asset Committee closely monitors loans, primarily commercial loans, that are not included in the nonperforming or accruing past due categories and for which we are uncertain about the borrower's ability to comply with existing repayment terms. These loans totaled $.2 billion at both June 30, 2015 and December 31, 2014.

See Note 1 Accounting Policies and Note 3 Asset Quality in the Notes To Consolidated Financial Statements of this Report for additional information regarding our nonperforming loan and nonaccrual policies and further information on loan delinquencies.

Home Equity Loan Portfolio

Our home equity loan portfolio totaled $33.5 billion as of June 30, 2015, or 16% of the total loan portfolio. Of that total, $19.6 billion, or 58%, was outstanding under primarily variable-rate home equity lines of credit and $13.9 billion, or 42%, consisted of closed-end home equity installment loans. Approximately 5% of the home equity portfolio was purchased credit impaired and 3% of the home equity portfolio was on nonperforming status as of June 30, 2015.

As of June 30, 2015, we are in an originated first lien position for approximately 52% of the total outstanding portfolio and, where originated as a second lien, we currently hold or service the first lien position for an additional 2% of the portfolio. The remaining 46% of the portfolio was secured by second liens where we do not hold the first lien position. The credit performance of the majority of the home equity portfolio where we are in, hold or service the first lien position, is superior to the portion of the portfolio where we hold the second lien position but do not hold the first lien.

Generally, our variable-rate home equity lines of credit have either a seven or ten year draw period, followed by a 20-year amortization term. During the draw period, we have home equity lines of credit where borrowers pay either interest or principal and interest. We view home equity lines of credit where borrowers are paying principal and interest under the draw period as less risky than those where the borrowers are paying interest only, as these borrowers have a demonstrated ability to make some level of principal and interest payments. The risk associated with the borrower's ability to satisfy the loan terms upon the draw period ending is considered in establishing our ALLL. Based upon outstanding balances at

June 30, 2015, the following table presents the periods when home equity lines of credit draw periods are scheduled to end.

Table 32: Home Equity Lines of Credit – Draw Period End Dates

In millions	Interest Only Product	Principal and Interest Product
Remainder of 2015	**$ 573**	**$ 242**
2016	**1,276**	**413**
2017	**2,270**	**567**
2018	**996**	**772**
2019	**685**	**612**
2020 and thereafter	**3,332**	**5,350**
Total (a) (b)	**$ 9,132**	**$ 7,956**

(a) Includes all home equity lines of credit that mature in the remainder of 2015 or later, including those with borrowers where we have terminated borrowing privileges.

(b) Includes approximately $28 million, $45 million, $52 million, $37 million, $25 million and $537 million of home equity lines of credit with balloon payments, including those where we have terminated borrowing privileges, with draw periods scheduled to end in the remainder of 2015, 2016, 2017, 2018, 2019 and 2020 and thereafter, respectively.

Based upon outstanding balances, and excluding purchased impaired loans, at June 30, 2015, for home equity lines of credit for which the borrower can no longer draw (*e.g.*, draw period has ended or borrowing privileges have been terminated), approximately 3% were 30-89 days past due and approximately 5% were 90 days or more past due. Generally, when a borrower becomes 60 days past due, we terminate borrowing privileges and those privileges are not subsequently reinstated. At that point, we continue our collection/recovery processes, which may include loan modification resulting in a loan that is classified as a TDR.

See the Credit Risk Management portion of the Risk Management section in our 2014 Form 10-K for more information on our home equity loan portfolio.

Loan Modifications and Troubled Debt Restructurings

Consumer Loan Modifications

We modify loans under government and PNC-developed programs based upon our commitment to help eligible homeowners and borrowers avoid foreclosure, where appropriate. Initially, a borrower is evaluated for a modification under a government program. If a borrower does not qualify under a government program, the borrower is then evaluated under a PNC program. Our programs utilize both temporary and permanent modifications and typically reduce the interest rate, extend the term and/or defer principal. Loans that are either temporarily or permanently modified under programs involving a change to loan terms are generally classified as TDRs. Further, loans that have certain types of payment plans and trial payment arrangements which do not include a contractual change to loan terms may be classified as TDRs. Additional detail on TDRs is discussed below as well as in Note 3 Asset Quality in our 2014 Form 10-K.

A temporary modification, with a term between 3 and 24 months, involves a change in original loan terms for a period of time and reverts to a calculated exit rate for the remaining term of the loan as of a specific date. A permanent modification, with a term greater than 24 months, is a modification in which the terms of the original loan are changed. Permanent modification programs primarily include the government-created Home Affordable Modification Program (HAMP) and PNC-developed HAMP-like modification programs. These programs first require a reduction of the interest rate followed by an extension of term and, if appropriate, deferral of principal payments.

We also monitor the success rates and delinquency status of our loan modification programs to assess their effectiveness in serving our borrowers' and servicing customers' needs while mitigating credit losses. Table 33 provides the number of bank-owned accounts and unpaid principal balance of modified consumer real estate related loans at the end of each year presented.

Table 33: Consumer Real Estate Related Loan Modifications

	June 30, 2015		December 31, 2014	
Dollars in millions	Number of Accounts	Unpaid Principal Balance	Number of Accounts	Unpaid Principal Balance
Home equity				
Temporary Modifications	4,808	$ 366	5,346	$ 417
Permanent Modifications	14,024	1,013	13,128	968
Total home equity	18,832	1,379	18,474	1,385
Residential Mortgages				
Permanent Modifications	5,640	1,065	5,876	1,110
Non-Prime Mortgages				
Permanent Modifications	4,338	601	4,358	611
Residential Construction				
Permanent Modifications	2,304	605	2,292	629
Total Consumer Real Estate Related Loan Modifications	31,114	$3,650	31,000	$3,735

In addition to temporary loan modifications, we may make available to a borrower a payment plan or a HAMP trial payment period. Under a payment plan or a HAMP trial payment period, there is no change to the loan's contractual terms so the borrower remains legally responsible for payment of the loan under its original terms.

Payment plans may include extensions, re-ages and/or forbearance plans. All payment plans bring an account current once certain requirements are achieved and are primarily intended to demonstrate a borrower's renewed willingness and ability to re-pay. Due to the short term nature of the payment plan, there is a minimal impact to the ALLL.

Under a HAMP trial payment period, we establish an alternate payment, generally at an amount less than the contractual payment amount, for the borrower during this short time period. This allows a borrower to demonstrate successful payment performance before permanently restructuring the loan into a HAMP modification. Subsequent to successful borrower performance under the trial payment period, we will capitalize the original contractual amount past due, to include accrued interest and fees receivable, and restructure the loan's contractual terms, along with bringing the restructured account current. As the borrower is often already delinquent at the time of participation in the HAMP trial payment period, generally enrollment in the program does not significantly increase the ALLL. If the trial payment period is unsuccessful, the loan will be evaluated for further action based upon our existing policies.

Commercial Loan Modifications and Payment Plans

Modifications of terms for commercial loans are based on individual facts and circumstances. Commercial loan modifications may involve reduction of the interest rate, extension of the loan term and/or forgiveness of principal. Modified commercial loans are usually already nonperforming prior to modification. We evaluate these modifications for TDR classification based upon whether we granted a concession to a borrower experiencing financial difficulties. Additional detail on TDRs is discussed below as well as in Note 3 Asset Quality in our 2014 Form 10-K.

We have established certain commercial loan modification and payment programs for small business loans, Small Business Administration loans, and investment real estate loans. As of June 30, 2015 and December 31, 2014, $27 million and $34 million, respectively, in loan balances were covered under these modification and payment plan programs. Of these loan balances, $11 million and $12 million have been determined to be TDRs as of June 30, 2015 and December 31, 2014, respectively.

Troubled Debt Restructurings

A TDR is a loan whose terms have been restructured in a manner that grants a concession to a borrower experiencing financial difficulties. TDRs result from our loss mitigation activities and include rate reductions, principal forgiveness, postponement/reduction of scheduled amortization and extensions, which are intended to minimize economic loss and to avoid foreclosure or repossession of collateral. Additionally, TDRs also result from borrowers that have been discharged from personal liability through Chapter 7 bankruptcy and have not formally reaffirmed their loan obligations to PNC. For the six months ended June 30, 2015, $442 million of Consumer loans held for sale, loans accounted for under the fair value option and pooled purchased impaired loans, as well as certain government insured or guaranteed loans, were excluded from the TDR population. The comparable amount for the six months ended June 30, 2014 was $615 million.

Table 34: Summary of Troubled Debt Restructurings (a)

In millions	June 30 2015	December 31 2014
Consumer lending:		
Real estate-related	$1,845	$ 1,864
Credit card	117	130
Other consumer	40	47
Total consumer lending	2,002	2,041
Total commercial lending	414	542
Total TDRs	$2,416	$ 2,583
Nonperforming	$1,208	$ 1,370
Accruing	1,091	1,083
Credit card	117	130
Total TDRs	$2,416	$ 2,583

(a) Amounts in table represent recorded investment, which includes the unpaid principal balance plus accrued interest and net accounting adjustments, less any charge-offs. Recorded investment does not include any associated valuation allowance.

Total TDRs decreased $167 million, or 6%, during the first six months of 2015. Nonperforming TDRs were approximately 54% of total nonperforming loans, and 50% of total TDRs.

TDRs that are performing, including credit card loans, are excluded from nonperforming loans. These TDRs remained flat during the first six months of 2015 at $1.2 billion. Generally, the accruing category is comprised of loans where borrowers have been performing under the restructured terms for at least six consecutive months. Loans where borrowers have been discharged from personal liability through Chapter 7 bankruptcy and have not formally reaffirmed their loan obligations to PNC and loans to borrowers not currently obligated to make both principal and interest payments under the restructured terms are not returned to accrual status.

See Note 3 Asset Quality and the Credit Risk Management portion of the Risk Management section in our 2014 Form 10-K for additional information on loan modifications and TDRs.

Allowances for Loan and Lease Losses and Unfunded Loan Commitments and Letters of Credit

Table 35: Loan Charge-Offs And Recoveries

Six months ended June 30 Dollars in millions	Gross Charge-offs	Recoveries	Net Charge-offs / (Recoveries)	Percent of Average Loans (annualized)
2015				
Commercial	$ 82	$ 97	$ (15)	(.03)%
Commercial real estate	25	35	(10)	(.08)
Equipment lease financing	1	2	(1)	(.03)
Home equity	102	44	58	.34
Residential real estate	6	6		
Credit card	84	11	73	3.30
Other consumer	92	27	65	.59
Total	$ 392	$ 222	$ 170	.17
2014				
Commercial	$ 171	$ 94	$ 77	.17%
Commercial real estate	32	49	(17)	(.15)
Equipment lease financing	6	6		
Home equity	163	39	124	.70
Residential real estate	15	2	13	.18
Credit card	85	11	74	3.47
Other consumer	92	32	60	.54
Total	$ 564	$ 233	$ 331	.34

Total net charge-offs are lower than they would have been otherwise due to the accounting treatment for purchased impaired loans. This treatment also results in a lower ratio of net charge-offs to average loans. See Note 4 Purchased Loans in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report for additional information on net charge-offs related to these loans.

We maintain an ALLL to absorb losses from the loan and lease portfolio and determine this allowance based on quarterly assessments of the estimated probable credit losses incurred in the loan and lease portfolio. Our total ALLL of $3.3 billion at June 30, 2015 consisted of $1.6 billion and $1.7 billion established for the commercial lending and consumer lending categories, respectively. We maintain the ALLL at a level that we believe to be appropriate to absorb estimated probable credit losses incurred in the loan and lease portfolio as of the balance sheet date. The reserve calculation and determination process is dependent on the use of key assumptions. Key reserve assumptions and estimation processes react to and are influenced by observed changes in loan and lease portfolio performance experience, the financial strength of the borrower, and economic conditions. Key reserve assumptions are periodically updated.

We establish specific allowances for loans considered impaired using methods prescribed by GAAP. All impaired loans are subject to individual analysis, except leases and large groups of smaller-balance homogeneous loans which may include, but are not limited to, credit card, residential real estate secured and consumer installment loans. Specific allowances for individual loans (including commercial and consumer TDRs) are determined based on an analysis of the present value of expected future cash flows from the loans discounted at their effective interest rate, observable market price or the fair value of the underlying collateral.

Reserves allocated to non-impaired commercial loan classes are based on PD and LGD credit risk ratings.

Our commercial pool reserve methodology is sensitive to changes in key risk parameters such as PD and LGD. The results of these parameters are then applied to the loan balance and unfunded loan commitments and letters of credit to determine the amount of the respective reserves. Our PDs and LGDs are primarily determined using internal commercial loan loss data. This internal data is supplemented with third-party data and management judgment, as deemed necessary. We continue to evaluate and enhance our use of internal commercial loss data and will periodically update our PDs and LGDs as well as consider third-party data, regulatory guidance and management judgment.

The majority of the commercial portfolio is secured by collateral, including loans to asset-based lending customers, which generally demonstrate lower LGD compared to loans

not secured by collateral. Additionally, guarantees on loans greater than $1 million and owner guarantees for small business loans do not significantly impact our ALLL.

Allocations to non-impaired consumer loan classes are primarily based upon a roll-rate model which uses statistical relationships, calculated from historical data that estimate the movement of loan outstandings through the various stages of delinquency and ultimately charge-off.

A portion of the ALLL is related to qualitative and measurement factors. These factors may include, but are not limited to, the following:

- Industry concentrations and conditions,
- Recent credit quality trends,
- Recent loss experience in particular portfolios,
- Recent macro-economic factors,
- Model imprecision,
- Changes in lending policies and procedures,
- Timing of available information, including the performance of first lien positions, and
- Limitations of available historical data.

Purchased impaired loans are initially recorded at fair value and applicable accounting guidance prohibits the carry over or creation of valuation allowances at acquisition. Because the initial fair values of these loans already reflect a credit component, additional reserves are established when performance is expected to be worse than our expectations as of the acquisition date. At June 30, 2015, we had established reserves of $.9 billion for purchased impaired loans. In addition, loans (purchased impaired and non-impaired) acquired after January 1, 2009 were recorded at fair value. No allowance for loan losses was carried over and no allowance was created at the date of acquisition. See Note 4 Purchased Loans in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report for additional information.

In determining the appropriateness of the ALLL, we make specific allocations to impaired loans and allocations to portfolios of commercial and consumer loans. We also allocate reserves to provide coverage for probable losses incurred in the portfolio at the balance sheet date based upon current market conditions, which may not be reflected in historical loss data. Commercial lending is the largest category of credits and is sensitive to changes in assumptions and judgments underlying the determination of the ALLL. We have allocated approximately $1.6 billion, or 50%, of the ALLL at June 30, 2015 to the commercial lending category. Consumer lending allocations are made based on historical loss experience adjusted for recent activity. Approximately $1.7 billion, or 50%, of the ALLL at June 30, 2015 has been allocated to these consumer lending categories.

In addition to the ALLL, we maintain an allowance for unfunded loan commitments and letters of credit. We report this allowance as a liability on our Consolidated Balance Sheet. We maintain the allowance for unfunded loan commitments and letters of credit at a level we believe is appropriate to absorb estimated probable losses on these unfunded credit facilities. We determine this amount using estimates of the probability of the ultimate funding and losses related to those credit exposures. Other than the estimation of the probability of funding, this methodology is very similar to the one we use for determining our ALLL.

We refer you to Note 1 Accounting Policies and Note 3 Asset Quality in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report and in our 2014 Form 10-K for further information on certain key asset quality indicators that we use to evaluate our portfolios and establish the allowances.

Table 36: Allowance for Loan and Lease Losses

Dollars in millions	2015	2014
January 1	$3,331	$3,609
Total net charge-offs	(170)	(331)
Provision for credit losses	100	166
Net change in allowance for unfunded loan commitments and letters of credit	13	10
Other	(2)	(1)
June 30	$3,272	$3,453
Net charge-offs to average loans (for the six months ended) (annualized)	.17%	.34%
Total allowance for loan and lease losses to total loans	1.59	1.72
Commercial lending net (charge-offs) / recoveries	$ 26	$ (60)
Consumer lending net charge-offs	(196)	(271)
Total net charge-offs	$ (170)	$ (331)
Net charge-offs (recoveries) to average loans (for the six months ended) (annualized)		
Commercial lending	(.04)%	.10%
Consumer lending	.53	.71

The provision for credit losses totaled $100 million for the first six months of 2015 compared to $166 million for the first six months of 2014. The primary driver of the decrease to the provision was improved overall credit quality. For the first six months of 2015, the provision for commercial lending credit losses decreased by $88 million, or 81%, from the first six months of 2014. The provision for consumer lending credit losses increased $22 million, or 38%, from the first six months of 2014.

At June 30, 2015, total ALLL to total nonperforming loans was 145%. The comparable amount for December 31, 2014 was 133%. These ratios are 94% and 85%, respectively, when excluding the $1.2 billion of ALLL at both June 30, 2015 and December 31, 2014 allocated to consumer loans and lines of credit not secured by residential real estate and purchased impaired loans. We have excluded consumer loans and lines

of credit not secured by real estate as they are charged off after 120 to 180 days past due and not placed on nonperforming status. Additionally, we have excluded purchased impaired loans as they are considered performing regardless of their delinquency status as interest is accreted in accordance with ASC 310-30 based on the recorded investment balance. See Table 28 within this Credit Risk Management section for additional information.

The ALLL balance increases or decreases across periods in relation to fluctuating risk factors, including asset quality trends, net charge-offs and changes in aggregate portfolio balances. During the first six months of 2015, improving asset quality trends, including, but not limited to, delinquency status and improving economic conditions, as well as reduced net charge-offs and overall portfolio growth combined to result in the ALLL remaining essentially flat at June 30, 2015 compared to December 31, 2014.

See Note 1 Accounting Policies and Note 4 Purchased Loans in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report regarding changes in the ALLL and in the allowance for unfunded loan commitments and letters of credit. See also the Purchase Accounting Accretion and Valuation of Purchased Impaired Loans portion of the Consolidated Balance Sheet Review section of this Financial Review for additional information on our ALLL related to purchased impaired loans.

Liquidity Risk Management

Liquidity risk, including our liquidity monitoring measures and tools, is described in further detail in the Liquidity Risk Management section of our 2014 Form 10-K.

PNC also monitors its liquidity by reference to the LCR, a regulatory minimum liquidity requirement designed to ensure that covered banking organizations maintain an adequate level of liquidity to meet net liquidity needs over the course of a 30-day stress scenario. The LCR is calculated by dividing the amount of an institution's high quality, unencumbered liquid assets (HQLA), as defined and calculated in accordance with the haircuts and limitations of the LCR rules, by its estimated net cash outflow, with net cash outflows determined by applying assumed outflow factors in the LCR rules. The resulting quotient is expressed as a percentage. For PNC and PNC Bank, the LCR became effective January 1, 2015. The minimum required LCR will be phased-in over a period of years. For 2015, PNC and PNC Bank are required to calculate the LCR on a month-end basis and the minimum LCR that PNC and PNC Bank are required to maintain is 80 percent. Effective July 1, 2016, PNC and PNC Bank must begin calculating their respective LCR ratios on a daily basis.

As of June 30, 2015, the LCR for PNC and PNC Bank exceeded 100 percent. The June 30, 2015 LCR calculation and the underlying components are based on PNC's current interpretation and understanding of the final LCR rules and are subject to, among other things, further regulatory guidance.

We provide additional information regarding regulatory liquidity requirements and their potential impact on PNC in the Supervision and Regulation section of Item 1 Business and Item 1A Risk Factors of our 2014 Form 10-K.

Bank Level Liquidity – Uses

At the bank level, primary contractual obligations include funding loan commitments, satisfying deposit withdrawal requests and maturities and debt service related to bank borrowings. As of June 30, 2015, there were approximately $8.1 billion of bank borrowings with contractual maturities of less than one year. We also maintain adequate bank liquidity to meet future potential loan demand and provide for other business needs, as necessary.

Bank Level Liquidity – Sources

Our largest source of bank liquidity on a consolidated basis is the deposit base generated by our retail and commercial banking businesses. Total deposits increased to $239.7 billion at June 30, 2015 from $232.2 billion at December 31, 2014, driven primarily by higher money market deposits. Assets determined by PNC to be liquid (liquid assets) and unused borrowing capacity from a number of sources are also available to maintain our liquidity position. Borrowed funds come from a diverse mix of short-term and long-term funding sources.

At June 30, 2015, our liquid assets consisted of short-term investments (Federal funds sold, resale agreements, trading securities and interest-earning deposits with banks) totaling $38.3 billion and securities available for sale totaling $47.7 billion. The level of liquid assets fluctuates over time based on many factors, including market conditions, loan and deposit growth and balance sheet management activities. Of our total liquid assets of $86.0 billion, we had $4.0 billion of securities available for sale and trading securities pledged as collateral to secure public and trust deposits, repurchase agreements and for other purposes. In addition to the liquid assets we pledged, $6.1 billion of securities held to maturity were also pledged as collateral for these purposes.

In addition to the customer deposit base, which has historically provided the single largest source of relatively stable and low-cost funding, the bank also obtains liquidity through the issuance of traditional forms of funding including long-term debt (senior notes and subordinated debt and FHLB advances) and short-term borrowings (Federal funds purchased, securities sold under repurchase agreements, commercial paper and other short-term borrowings).

Under the 2014 bank note program, PNC Bank may from time to time offer unsecured senior and subordinated notes due more than nine months from their date of issue (in the case of senior notes) and due five years or more from their date of issue (in the case of subordinated notes). On May 22, 2015, PNC Bank increased the capacity of this program by $5.0 billion to a maximum aggregate principal amount at any one time outstanding of $30.0 billion. The $30.0 billion of notes authorized to be issued and outstanding at any one time includes notes issued by PNC Bank under the 2004 bank note program and those notes PNC Bank has assumed through the acquisition of other banks, in each case for so long as such notes remain outstanding. The terms of the 2014 bank note program do not affect any of the bank notes issued prior to January 16, 2014. At June 30, 2015, PNC Bank had $20.8 billion of notes outstanding under this program. The following table details all issuances through June 30, 2015:

Table 37: PNC Bank Bank Notes Issued During 2015

Issuance Date	Amount	Description of Issuance
February 6, 2015	$ 600 million	Floating rate senior notes issued to an affiliate with a maturity date of January 26, 2017. Interest is payable at the 3-month LIBOR rate, reset quarterly, plus a spread of .30%, on January 26, April 26, July 26 and October 26 of each year, beginning on April 26, 2015.
February 23, 2015	$ 750 million	Senior notes with a maturity date of February 23, 2025. Interest is payable semi-annually at a fixed rate of 2.950% on February 23 and August 23 of each year, beginning on August 23, 2015.
February 23, 2015	$1.0 billion	Senior notes with a maturity date of February 23, 2018. Interest is payable semi-annually at a fixed rate of 1.500% on February 23 and August 23 of each year, beginning on August 23, 2015.
May 27, 2015	$ 200 million	Floating rate senior notes with a maturity date of May 27, 2021. Interest is payable at the 3-month LIBOR rate, reset quarterly, plus a spread of .65%, on February 27, May 27, August 27 and November 27 of each year, beginning on August 27, 2015.
June 1, 2015	$ 550 million	Floating rate senior notes with a maturity date of June 1, 2018. Interest is payable at the 3-month LIBOR rate, reset quarterly, plus a spread of .42%, on March 1, June 1, September 1 and December 1 of each year, beginning on September 1, 2015.
June 1, 2015	$1.3 billion	Senior notes with a maturity date of June 1, 2018. Interest is payable semi-annually at a fixed rate of 1.600% on June 1 and December 1 of each year, beginning on December 1, 2015.
June 1, 2015	$ 750 million	Senior notes with a maturity date of June 1, 2020. Interest is payable semi-annually at a fixed rate of 2.300% on June 1 and December 1 of each year, beginning on December 1, 2015.
June 1, 2015	$ 400 million	Senior notes with a maturity date of June 1, 2025. Interest is payable semi-annually at a fixed rate of 3.250% on June 1 and December 1 of each year, beginning on December 1, 2015.

Total senior and subordinated debt of PNC Bank increased to $22.3 billion at June 30, 2015 from $17.5 billion at December 31, 2014 due to the following activity in the period.

Table 38: PNC Bank Senior and Subordinated Debt

In billions	2015
January 1	$17.5
Issuances	5.5
Calls and maturities	(.7)
June 30	$22.3

See Note 18 Subsequent Events in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report for information on two $750 million issuances of senior notes on July 21, 2015.

PNC Bank is a member of the FHLB-Pittsburgh and, as such, has access to advances from FHLB-Pittsburgh secured generally by residential mortgage loans, other mortgage-related loans and commercial mortgage-backed securities. At June 30, 2015, our unused secured borrowing capacity was $14.3 billion with FHLB-Pittsburgh. Total FHLB borrowings increased to $22.2 billion at June 30, 2015 from $20.0 billion at December 31, 2014 due to the following activity in the period.

Table 39: FHLB Borrowings

In billions	2015
January 1	$20.0
Issuances	2.2
June 30	$22.2

The FHLB-Pittsburgh also periodically provides standby letters of credit on behalf of PNC Bank to secure certain public deposits. PNC Bank began using standby letters of credit issued by the FHLB-Pittsburgh for these purposes in response to the regulatory liquidity standards finalized during 2014. If the FHLB-Pittsburgh is required to make payment for a beneficiary's draw, the payment amount is converted into a collateralized advance to PNC Bank. At June 30, 2015 standby letters of credit issued on our behalf by the FHLB-Pittsburgh totaled $6.0 billion.

PNC Bank has the ability to offer up to $10.0 billion of its commercial paper to provide additional liquidity. As of June 30, 2015, there was $3.0 billion outstanding under this program.

PNC Bank can also borrow from the Federal Reserve Bank discount window to meet short-term liquidity requirements. The Federal Reserve Bank, however, is not viewed as the primary means of funding our routine business activities, but rather as a potential source of liquidity in a stressed environment or during a market disruption. These potential borrowings are secured by commercial loans. At June 30, 2015, our unused secured borrowing capacity was $15.3 billion with the Federal Reserve Bank.

Parent Company Liquidity
As of June 30, 2015, available parent company liquidity totaled $5.6 billion. Parent company liquidity is primarily held in short-term investments, the terms of which provide for the availability of cash in 31 days or less. Investments with longer durations may also be acquired, but if so, the related maturities are aligned with scheduled cash needs, such as the maturity of parent company debt obligations.

Parent Company Liquidity – Uses
The parent company's contractual obligations consist primarily of debt service related to parent company borrowings and funding non-bank affiliates. As of June 30, 2015, there were approximately $1.1 billion of parent company borrowings with contractual maturities of less than one year. Additionally, the parent company maintains adequate liquidity to fund discretionary activities such as paying dividends to PNC shareholders, share repurchases, and acquisitions.

See Balance Sheet, Liquidity and Capital Highlights in the Executive Summary section of this Financial Review for information on our 2015 capital plan that was accepted by the Federal Reserve. Our capital plan included a recommendation to increase the quarterly common stock dividend in the second quarter of 2015 and the ability to redeem the Series K Preferred Stock, as further described below, and also included share repurchase programs of up to $2.875 billion for the five quarter period beginning in the second quarter of 2015. See the Capital portion of the Consolidated Balance Sheet Review in this Financial Review for more information on our share repurchase programs, including detail on our first quarter repurchase of 4.4 million common shares for $.4 billion and our second quarter repurchase of 5.9 million common shares for $.6 billion.

On April 2, 2015, consistent with our 2015 capital plan, our Board of Directors approved an increase to PNC's quarterly common stock dividend from 48 cents per common share to 51 cents per common share beginning with the May 5, 2015 dividend payment.

On May 4, 2015, we redeemed $500 million of PNC's Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series K, as well as all Depositary Shares representing interests therein. Each Depositary Share represented a 1/10 interest in a share of the Series K Preferred Stock. All 50,000 shares of Series K Preferred Stock, as well as all 500,000 Depositary Shares representing interests therein, were redeemed. The redemption price was $10,000 per share of Series K Preferred Stock equivalent to $1,000 per Depositary Share, plus declared and unpaid dividends up to but excluding the redemption date.

See the Supervision and Regulation section of Item 1 Business in our 2014 Form 10-K for additional information regarding the Federal Reserve's CCAR process and the factors the Federal Reserve takes into consideration in evaluating capital plans, qualitative and quantitative liquidity risk management standards proposed by the U.S. banking agencies, and final rules issued by the Federal Reserve that make certain modifications to the Federal Reserve's capital planning and stress testing rules.

See Table 37 for information on an affiliate purchase of notes issued by PNC Bank during 2015.

Parent Company Liquidity – Sources
The principal source of parent company liquidity is the dividends it receives from its subsidiary bank, which may be impacted by the following:

- Bank-level capital needs,
- Laws and regulations,
- Corporate policies,
- Contractual restrictions, and
- Other factors.

There are statutory and regulatory limitations on the ability of national banks to pay dividends or make other capital distributions or to extend credit to the parent company or its non-bank subsidiaries. The amount available for dividend payments by PNC Bank to the parent company without prior regulatory approval was approximately $1.5 billion at June 30, 2015. See Note 20 Regulatory Matters in our 2014 Form 10-K for a further discussion of these limitations. We provide additional information on certain contractual restrictions in Note 12 Capital Securities of a Subsidiary Trust and Perpetual Trust Securities in our 2014 Form 10-K.

In addition to dividends from PNC Bank, other sources of parent company liquidity include cash and investments, as well as dividends and loan repayments from other subsidiaries and dividends or distributions from equity investments.

We can also generate liquidity for the parent company and PNC's non-bank subsidiaries through the issuance of debt and equity securities, including certain capital instruments, in public or private markets and commercial paper. We have an effective shelf registration statement pursuant to which we can issue additional debt, equity and other capital instruments.

Total parent company senior and subordinated debt and hybrid capital instruments decreased to $8.6 billion at June 30, 2015 from $10.1 billion at December 31, 2014 due to the following activity in the period.

Table 40: Parent Company Senior and Subordinated Debt and Hybrid Capital Instruments

In billions	2015
January 1	$10.1
Maturities	(1.4)
Other	(.1)
June 30	$ 8.6

The parent company has the ability to offer up to $5.0 billion of commercial paper to provide additional liquidity. As of June 30, 2015, there were no issuances outstanding under this program.

Status of Credit Ratings

The cost and availability of short-term and long-term funding, as well as collateral requirements for certain derivative instruments, is influenced by PNC's debt ratings.

In general, rating agencies base their ratings on many quantitative and qualitative factors, including capital adequacy, liquidity, asset quality, business mix, level and quality of earnings, and the current legislative and regulatory environment, including implied government support. In addition, rating agencies themselves have been subject to scrutiny arising from the most recent financial crisis and could make or be required to make substantial changes to their ratings policies and practices, particularly in response to legislative and regulatory changes. Potential changes in the legislative and regulatory environment and the timing of those changes could impact our ratings, which as noted above, could impact our liquidity and financial condition. A decrease, or potential decrease, in credit ratings could impact access to the capital markets and/or increase the cost of debt, and thereby adversely affect liquidity and financial condition.

In March 2015, Moody's Investors Service (Moody's) published a new bank ratings methodology which has been implemented on a global basis and includes assessment of expected loss ratings on instruments ranging from bank deposits to preferred stock. In the second quarter of 2015, Moody's concluded its review for PNC and PNC Bank under this new methodology. As a result, Moody's upgraded PNC Bank's long-term deposit rating three notches to Aa2, confirmed PNC Bank's senior debt and issuer ratings at A2, and confirmed PNC Bank's Prime-1 short-term notes rating. The Moody's rating outlook for PNC and PNC Bank is stable.

Table 41: Credit Ratings as of June 30, 2015 for PNC and PNC Bank

	Moody's	Standard & Poor's	Fitch
PNC			
Senior debt	A3	A-	A+
Subordinated debt	A3	BBB+	A
Preferred stock	Baa2	BBB-	BBB-
PNC Bank			
Senior debt	A2	A	A+
Subordinated debt	A3	A-	A
Long-term deposits	Aa2	A	AA-
Short-term deposits	P-1	A-1	F1+
Short-term notes	P-1	A-1	F1

Commitments

The following tables set forth contractual obligations and various other commitments as of June 30, 2015 representing required and potential cash outflows.

Table 42: Contractual Obligations

		Payment Due By Period			
June 30, 2015 – in millions	Total	Less than one year	One to three years	Four to five years	After five years
Remaining contractual maturities of time deposits (a)	$20,590	$ 14,807	$ 2,003	$ 955	$ 2,825
Borrowed funds (a) (b)	58,276	13,263	21,617	14,079	9,317
Minimum annual rentals on noncancellable leases	2,723	379	646	490	1,208
Nonqualified pension and postretirement benefits	519	56	109	108	246
Purchase obligations (c)	647	416	136	71	24
Total contractual cash obligations	$82,755	$ 28,921	$ 24,511	$ 15,703	$13,620

(a) Includes purchase accounting adjustments.
(b) Includes basis adjustment relating to accounting hedges.
(c) Includes purchase obligations for goods and services covered by noncancellable contracts and contracts including cancellation fees.

At June 30, 2015, we had unrecognized tax benefits of $80 million, which represents a reserve for tax positions that we have taken in our tax returns which ultimately may not be sustained upon examination by taxing authorities. Since the ultimate amount and timing of any future cash settlements cannot be predicted with reasonable certainty, this estimate has been excluded from the contractual obligations table. See Note 14 Income Taxes in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report for additional information.

Our contractual obligations totaled $82.0 billion at December 31, 2014. The slight increase in the comparison is primarily attributable to an increase in borrowed funds offset by a decrease in time deposits. See Funding Sources in the Consolidated Balance Sheet Review section of this Financial Review for additional information regarding our funding sources.

Table 43: Other Commitments (a)

June 30, 2015 – in millions	Total Amounts Committed	Amount Of Commitment Expiration By Period			
		Less than one year	One to three years	Four to five years	After five years
Commitments to extend credit (b)	$138,242	$ 52,622	$ 47,142	$ 37,633	$ 845
Net outstanding standby letters of credit (c)	9,509	4,361	4,053	1,094	1
Reinsurance agreements (d)	2,118	10	18	30	2,060
Standby bond purchase agreements	959	306	653		
Other commitments (e)	964	764	166	33	1
Total commitments	$151,792	$ 58,063	$ 52,032	$ 38,790	$ 2,907

(a) Other commitments are funding commitments that could potentially require performance in the event of demands by third parties or contingent events. Loan commitments are reported net of syndications, assignments and participations.
(b) Commitments to extend credit, or net unfunded loan commitments, represent arrangements to lend funds or provide liquidity subject to specified contractual conditions.
(c) Includes $5.2 billion of standby letters of credit that support remarketing programs for customers' variable rate demand notes.
(d) Reinsurance agreements are with third-party insurers related to insurance sold to or placed on behalf of our customers. Balances represent estimates based on availability of financial information.
(e) Includes other commitments of $283 million that were not on our Consolidated Balance Sheet. The remaining $681 million of other commitments were included in Other liabilities on our Consolidated Balance Sheet.

Our total commitments were $154.9 billion at December 31, 2014. The decrease in the comparison is primarily due to the decline in reinsurance agreements driven by the programs being in run-off. See Note 16 Commitments and Guarantees in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report for additional information related to our commitments.

Market Risk Management

Market risk is the risk of a loss in earnings or economic value due to adverse movements in market factors such as interest rates, credit spreads, foreign exchange rates, commodity prices and equity prices. We are exposed to market risk primarily by our involvement in the following activities, among others:

- Traditional banking activities of gathering deposits and extending loans,
- Equity and other investments and activities whose economic values are directly impacted by market factors, and
- Fixed income securities, derivatives and foreign exchange activities, as a result of customer activities and securities underwriting.

We have established enterprise-wide policies and methodologies to identify, measure, monitor and report market risk. Market Risk Management provides independent oversight by monitoring compliance with these limits and guidelines, and reporting significant risks in the business to the Risk Committee of the Board.

Market Risk Management – Interest Rate Risk

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

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

Sensitivity results and market interest rate benchmarks for the second quarters of 2015 and 2014 follow:

Table 44: Interest Sensitivity Analysis

	Second Quarter 2015	Second Quarter 2014
Net Interest Income Sensitivity Simulation (a)		
Effect on net interest income in first year from gradual interest rate change over following 12 months of:		
100 basis point increase	1.7%	2.0%
100 basis point decrease	(.5)%	(.9)%
Effect on net interest income in second year from gradual interest rate change over the preceding 12 months of:		
100 basis point increase	5.7%	6.8%
100 basis point decrease	(4.6)%	(4.6)%
Duration of Equity Model (a)		
Base case duration of equity (in years)	(3.5)	(2.7)
Key Period-End Interest Rates		
One-month LIBOR	.19%	.16%
Three-year swap	1.25%	1.00%

(a) Given the inherent limitations in certain of these measurement tools and techniques, results become less meaningful as interest rates approach zero.

In addition to measuring the effect on net interest income assuming parallel changes in current interest rates, we routinely simulate the effects of a number of nonparallel interest rate environments. Table 45 reflects the percentage change in net interest income over the next two 12-month periods assuming (i) the PNC Economist's most likely rate forecast, (ii) implied market forward rates and (iii) Yield Curve Slope Flattening (a 100 basis point yield curve slope flattening between 1-month and ten-year rates superimposed on current base rates) scenario.

Table 45: Net Interest Income Sensitivity to Alternative Rate Scenarios (Second Quarter 2015)

	PNC Economist	Market Forward	Slope Flattening
First year sensitivity	2.9%	1.1%	(.8)%
Second year sensitivity	7.0%	4.5%	(4.1)%

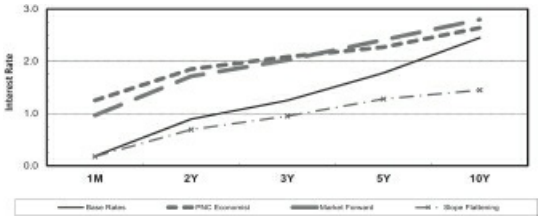
All changes in forecasted net interest income are relative to results in a base rate scenario where current market rates are assumed to remain unchanged over the forecast horizon.

When forecasting net interest income, we make assumptions about interest rates and the shape of the yield curve, the volume and characteristics of new business and the behavior of existing on- and off-balance sheet positions. These assumptions determine the future level of simulated net interest income in the base interest rate scenario and the other interest rate scenarios presented in Tables 44 and 45 above.

These simulations assume that as assets and liabilities mature, they are replaced or repriced at then current market rates. We also consider forward projections of purchase accounting accretion when forecasting net interest income.

The following graph presents the LIBOR/Swap yield curves for the base rate scenario and each of the alternate scenarios one year forward.

Table 46: Alternate Interest Rate Scenarios: One Year Forward



The second quarter 2015 interest sensitivity analyses indicate that our Consolidated Balance Sheet is positioned to benefit from an increase in interest rates and an upward sloping interest rate yield curve. We believe that we have the deposit funding base and balance sheet flexibility to adjust, where appropriate and permissible, to changing interest rates and market conditions.

Market Risk Management – Customer-Related Trading Risk

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

We use value-at-risk (VaR) as the primary means to measure and monitor market risk in customer-related trading activities. We calculate a diversified VaR at a 95% confidence interval. VaR is used to estimate the probability of portfolio losses based on the statistical analysis of historical market risk factors. A diversified VaR reflects empirical correlations across different asset classes.

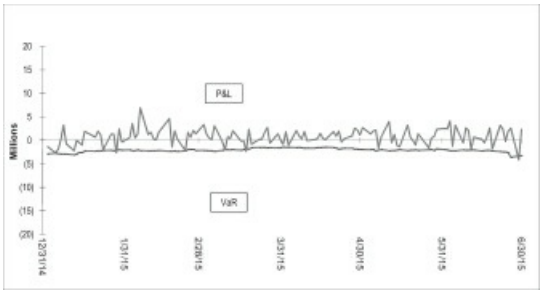
During the first six months of 2015, our 95% VaR ranged between $1.4 million and $3.6 million, averaging $2.1 million. During the first six months of 2014, our 95% VaR ranged between $1.4 million and $3.9 million, averaging $3.1 million.

To help ensure the integrity of the models used to calculate VaR for each portfolio and enterprise-wide, we use a process known as backtesting. The backtesting process consists of comparing actual observations of gains or losses against the

VaR levels that were calculated at the close of the prior day. This assumes that market exposures remain constant throughout the day and that recent historical market variability is a good predictor of future variability. Our customer-related trading activity includes customer revenue and intraday hedging which helps to reduce losses, and may reduce the number of instances of actual losses exceeding the prior day VaR measure. There were three such instances during the first six months of 2015 where actual losses exceeded the prior day VaR measure under our diversified VaR measure. In comparison, there were no such instances during the first six months of 2014. We use a 500 day look back period for backtesting and include customer-related revenue.

The following graph shows a comparison of enterprise-wide gains and losses against prior day diversified VaR for the period indicated.

Table 47: Enterprise-Wide Gains/Losses Versus Value-at-Risk



Customer-related trading revenue increased to $102 million for the first six months of 2015 compared with $84 million for the first six months of 2014. This increase was primarily due to market interest rate changes impacting credit valuations for customer-related derivatives activities and improved derivatives client sales revenues, which were partially offset by reduced client related trading results.

Customer-related trading revenue increased to $53 million for the second quarter of 2015 compared with $44 million for the second quarter of 2014. This increase was primarily due to market interest rate changes impacting credit valuations for customer-related derivatives activities.

Market Risk Management – Equity And Other Investment Risk

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

The primary risk measurement for equity and other investments is economic capital. Economic capital is a common measure of risk for credit, market and operational risk. It is an estimate of the potential value depreciation over a one year horizon commensurate with solvency expectations of an institution rated single-A by the credit rating agencies. Given the illiquid nature of many of these types of investments, it can be a challenge to determine their fair values. See Note 7 Fair Value in the Notes To Consolidated Financial Statements in this Report and Note 7 Fair Value in our 2014 Form 10-K for additional information.

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

A summary of our equity investments follows:

Table 48: Equity Investments Summary

In millions	June 30 2015	December 31 2014
BlackRock	$ 6,397	$ 6,265
Tax credit investments	2,312	2,616
Private equity	1,611	1,615
Visa	54	77
Other	157	155
Total	$10,531	$ 10,728

BlackRock

PNC owned approximately 35 million common stock equivalent shares of BlackRock equity at June 30, 2015, accounted for under the equity method. The primary risk measurement, similar to other equity investments, is economic capital. The Business Segments Review section of this Financial Review includes additional information about BlackRock.

Tax Credit Investments

Included in our equity investments are direct tax credit investments and equity investments held by consolidated partnerships which totaled $2.3 billion at June 30, 2015 and $2.6 billion at December 31, 2014. These equity investment balances include unfunded commitments totaling $611 million and $717 million at June 30, 2015 and December 31, 2014, respectively. These unfunded commitments are included in Other Liabilities on our Consolidated Balance Sheet.

Note 2 Loan Sale and Servicing Activities and Variable Interest Entities in the Notes To Consolidated Financial

Statements in Part I, Item 1 of this Report has further information on Tax Credit Investments.

Private Equity

The private equity portfolio is an illiquid portfolio comprised of mezzanine and equity investments that vary by industry, stage and type of investment.

Private equity investments carried at estimated fair value totaled $1.6 billion at both June 30, 2015 and December 31, 2014. As of June 30, 2015, $1.2 billion was invested directly in a variety of companies and $.4 billion was invested indirectly through various private equity funds. Included in direct investments are investment activities of two private equity funds that are consolidated for financial reporting purposes. The noncontrolling interests of these funds totaled $182 million as of June 30, 2015. The interests held in indirect private equity funds are not redeemable, but PNC may receive distributions over the life of the partnership from liquidation of the underlying investments. See Item 1 Business – Supervision and Regulation and Item 1A Risk Factors included in our 2014 Form 10-K for discussion of the potential impacts of the Volcker Rule provisions of Dodd-Frank on our interests in and sponsorship of private funds covered by the Volcker Rule.

Our unfunded commitments related to private equity totaled $144 million at June 30, 2015 compared with $140 million at December 31, 2014.

Visa

Our 2014 Form 10-K includes information regarding the October 2007 Visa restructuring, our involvement with judgment and loss sharing agreements with Visa and certain other banks, the status of pending interchange litigation, the sales of portions of our Visa Class B common shares and the related swap agreements with the purchaser.

During the first six months of 2015, we sold 1 million Visa Class B common shares, in addition to the 16.5 million shares sold in previous years. We have entered into swap agreements with the purchaser of the shares as part of these sales. At June 30, 2015, our investment in Visa Class B common shares totaled approximately 6 million shares and had a carrying value of $54 million. Based on the June 30, 2015 closing price of $67.15 for the Visa Class A common shares, the fair value of our total investment was approximately $649 million at the current conversion rate. The Visa Class B common shares that we own are transferable only under limited circumstances until they can be converted into shares of the publicly traded class of stock, which cannot happen until the settlement of all of the specified litigation.

Other Investments

We also make investments in affiliated and non-affiliated funds with both traditional and alternative investment strategies. The economic values could be driven by either the fixed-income market or the equity markets, or both. At June 30, 2015 other investments totaled $157 million compared with $155 million at December 31, 2014. Net gains related to these investments were not significant for the first six months of 2015 and 2014.

Given the nature of these investments, if market conditions affecting their valuation were to worsen, we could incur future losses.

Our unfunded commitments related to other investments at June 30, 2015 and December 31, 2014 were not significant.

Financial Derivatives

We use a variety of financial derivatives as part of the overall asset and liability risk management process to help manage exposure to market and credit risk inherent in our business activities. Substantially all such instruments are used to manage risk related to changes in interest rates. Interest rate swaps, interest rate caps and floors, swaptions, options, forwards and futures contracts are the primary instruments we use for interest rate risk management. We also enter into derivatives with customers to facilitate their risk management activities.

Financial derivatives involve, to varying degrees, market and credit risk. For interest rate swaps, options and futures contracts, only periodic cash payments and, with respect to options, premiums are exchanged. Therefore, cash requirements and exposure to credit risk are significantly less than the notional amount on these instruments.

Further information on our financial derivatives is presented in Note 1 Accounting Policies and Note 7 Fair Value in our Notes To Consolidated Financial Statements under Item 8 of our 2014 Form 10-K and in Note 7 Fair Value and Note 11 Financial Derivatives in the Notes To Consolidated Financial Statements in Part I, Item 1 of this Report, which is incorporated here by reference.

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

The following table summarizes the notional or contractual amounts and net fair value of financial derivatives at June 30, 2015 and December 31, 2014.

Table 49: Financial Derivatives Summary

In millions	June 30, 2015 Notional/ Contractual Amount	June 30, 2015 Net Fair Value (a)	December 31, 2014 Notional/ Contractual Amount	December 31, 2014 Net Fair Value (a)
Derivatives designated as hedging instruments under GAAP				
Total derivatives designated as hedging instruments	$ 53,342	$ 947	$ 49,061	$ 1,075
Derivatives not designated as hedging instruments under GAAP				
Total derivatives used for residential mortgage banking activities	$100,773	$ 357	$ 76,102	$ 409
Total derivatives used for commercial mortgage banking activities	25,756	17	26,290	26
Total derivatives used for customer-related activities	187,110	171	183,474	122
Total derivatives used for other risk management activities	4,568	(468)	5,390	(425)
Total derivatives not designated as hedging instruments	$318,207	$ 77	$291,256	$ 132
Total Derivatives	$371,549	$ 1,024	$340,317	$ 1,207

(a) Represents the net fair value of assets and liabilities.

INTERNAL CONTROLS AND DISCLOSURE CONTROLS AND PROCEDURES

As of June 30, 2015, we performed an evaluation under the supervision of and with the participation of our management, including the Chairman, President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures and of changes in our internal control over financial reporting.

Based on that evaluation, our Chairman, President and Chief Executive Officer and our Executive Vice President and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities and Exchange Act of 1934) were effective as of June 30, 2015, and that there has been no change in PNC's internal control over financial reporting that occurred during the second quarter of 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

GLOSSARY OF TERMS

Accretable net interest (Accretable yield) – The excess of cash flows expected to be collected on a purchased impaired loan over the carrying value of the loan. The accretable net interest is recognized into interest income over the remaining life of the loan using the constant effective yield method.

Adjusted average total assets – Primarily comprised of total average quarterly (or annual) assets plus (less) unrealized losses (gains) on investment securities, less goodwill and certain other intangible assets (net of eligible deferred taxes).

Annualized – Adjusted to reflect a full year of activity.

Basel III common equity Tier 1 capital – Common stock plus related surplus, net of treasury stock, plus retained earnings, plus accumulated other comprehensive income for securities currently and previously held as available for sale, plus accumulated other comprehensive income for pension and other postretirement benefit plans, less goodwill, net of associated deferred tax liabilities, less other disallowed intangibles, net of deferred tax liabilities and plus/less other adjustments.

Basel III common equity Tier 1 capital ratio – Common equity Tier 1 capital divided by period-end risk-weighted assets (as applicable).

Basel III Tier 1 capital – Common equity Tier 1 capital, plus preferred stock, plus certain trust preferred capital securities, plus certain noncontrolling interests that are held by others and plus/ less other adjustments.

Basel III Tier 1 capital ratio – Tier 1 capital divided by period-end risk-weighted assets (as applicable).

Basel III Total capital – Tier 1 capital plus qualifying subordinated debt, plus certain trust preferred securities, plus, under the Basel III transitional rules and the standardized approach, the allowance for loan and lease losses included in Tier 2 capital and other.

Basel III Total capital ratio – Total capital divided by period-end risk-weighted assets (as applicable).

Basis point – One hundredth of a percentage point.

Carrying value of purchased impaired loans – The net value on the balance sheet which represents the recorded investment less any valuation allowance.

Cash recoveries – Cash recoveries used in the context of purchased impaired loans represent cash payments for a single purchased impaired loan not included within a pool of loans from customers that exceeded the recorded investment of that loan.

Charge-off – Process of removing a loan or portion of a loan from our balance sheet because it is considered uncollectible. We also record a charge-off when a loan is transferred from portfolio holdings to held for sale by reducing the loan carrying amount to the fair value of the loan, if fair value is less than carrying amount.

Combined loan-to-value ratio (CLTV) – This is the aggregate principal balance(s) of the mortgages on a property divided by its appraised value or purchase price.

Common shareholders' equity to total assets– Common shareholders' equity divided by total assets. Common shareholders' equity equals total shareholders' equity less the liquidation value of preferred stock.

Core net interest income – Core net interest income is total net interest income less purchase accounting accretion.

Credit derivatives – Contractual agreements, primarily credit default swaps, that provide protection against a credit event of one or more referenced credits. The nature of a credit event is established by the protection buyer and protection seller at the inception of a transaction, and such events include bankruptcy, insolvency and failure to meet payment obligations when due. The buyer of the credit derivative pays a periodic fee in return for a payment by the protection seller upon the occurrence, if any, of a credit event.

Credit spread – The difference in yield between debt issues of similar maturity. The excess of yield attributable to credit spread is often used as a measure of relative creditworthiness, with a reduction in the credit spread reflecting an improvement in the borrower's perceived creditworthiness.

Credit valuation adjustment (CVA) – Represents an adjustment to the fair value of our derivatives for our own and counterparties' non-performance risk.

Derivatives – Financial contracts whose value is derived from changes in publicly traded securities, interest rates, currency exchange rates or market indices. Derivatives cover a wide assortment of financial contracts, including but not limited to forward contracts, futures, options and swaps.

Discretionary client assets under management – Assets over which we have sole or shared investment authority for our customers/clients. We do not include these assets on our Consolidated Balance Sheet.

Duration of equity – An estimate of the rate sensitivity of our economic value of equity. A negative duration of equity is associated with asset sensitivity (*i.e.*, positioned for rising interest rates), while a positive value implies liability sensitivity (*i.e.*, positioned for declining interest rates). For example, if the duration of equity is -1.5 years, the economic value of equity increases by 1.5% for each 100 basis point increase in interest rates.

Earning assets – Assets that generate income, which include: federal funds sold; resale agreements; trading securities; interest-earning deposits with banks; loans held for sale; loans; investment securities; and certain other assets.

Effective duration – A measurement, expressed in years, that, when multiplied by a change in interest rates, would approximate the percentage change in value of on- and off- balance sheet positions.

Efficiency – Noninterest expense divided by total revenue.

Enterprise risk management framework – An enterprise process designed to identify potential risks that may affect PNC, manage risk to be within our risk appetite and provide reasonable assurance regarding achievement of our objectives.

Fair value – The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fee income – When referring to the components of Noninterest income, we use the term fee income to refer to the following categories within Noninterest income: Asset management; Consumer services; Corporate services; Residential mortgage; and Service charges on deposits.

FICO score – A credit bureau-based industry standard score created by Fair Isaac Co. which predicts the likelihood of borrower default. We use FICO scores both in underwriting and assessing credit risk in our consumer lending portfolio. Lower FICO scores indicate likely higher risk of default, while higher FICO scores indicate likely lower risk of default. FICO scores are updated on a periodic basis.

Foreign exchange contracts – Contracts that provide for the future receipt and delivery of foreign currency at previously agreed-upon terms.

Funds transfer pricing – A management accounting methodology designed to recognize the net interest income effects of sources and uses of funds provided by the assets and liabilities of a business segment. Assets receive a funding charge and liabilities and capital receive a funding credit based on a transfer pricing methodology that incorporates product repricing characteristics, tenor and other factors.

Futures and forward contracts – Contracts in which the buyer agrees to purchase and the seller agrees to deliver a specific financial instrument at a predetermined price or yield. May be settled either in cash or by delivery of the underlying financial instrument.

GAAP – Accounting principles generally accepted in the United States of America.

Home price index (HPI) – A broad measure of the movement of single-family house prices in the U.S.

Impaired loans – Loans are determined to be impaired when, based on current information and events, it is probable that all contractually required payments will not be collected. Impaired loans include commercial nonperforming loans and consumer and commercial TDRs, regardless of nonperforming status. Excluded from impaired loans are nonperforming leases, loans held for sale, loans accounted for under the fair value option, smaller balance homogenous type loans and purchased impaired loans.

Interest rate floors and caps – Interest rate protection instruments that involve payment from the protection seller to the protection buyer of an interest differential, which represents the difference between a short-term rate (*e.g.*, three-month LIBOR) and an agreed-upon rate (the strike rate) applied to a notional principal amount.

Interest rate swap contracts – Contracts that are entered into primarily as an asset/liability management strategy to reduce interest rate risk. Interest rate swap contracts are exchanges of interest rate payments, such as fixed-rate payments for floating-rate payments, based on notional principal amounts.

Intrinsic value – The difference between the price, if any, required to be paid for stock issued pursuant to an equity compensation arrangement and the fair market value of the underlying stock.

Leverage ratio – Tier 1 capital divided by average quarterly adjusted total assets.

LIBOR – Acronym for London InterBank Offered Rate. LIBOR is the average interest rate charged when banks in the London wholesale money market (or interbank market) borrow unsecured funds from each other. LIBOR rates are used as a benchmark for interest rates on a global basis. PNC's product set includes loans priced using LIBOR as a benchmark.

Loan-to-value ratio (LTV) – A calculation of a loan's collateral coverage that is used both in underwriting and assessing credit risk in our lending portfolio. LTV is the sum total of loan obligations secured by collateral divided by the market value of that same collateral. Market values of the collateral are based on an independent valuation of the collateral. For example, a LTV of less than 90% is better secured and has less credit risk than a LTV of greater than or equal to 90%.

Loss given default (LGD) – An estimate of loss, net of recovery based on collateral type, collateral value, loan exposure, and other factors. Each loan has its own LGD. The LGD risk rating measures the percentage of exposure of a specific credit obligation that we expect to lose if default occurs. LGD is net of recovery, through any means, including but not limited to the liquidation of collateral or deficiency judgments rendered from foreclosure or bankruptcy proceedings.

Net interest margin – Annualized taxable-equivalent net interest income divided by average earning assets.

Nonaccretable difference – Contractually required payments receivable on a purchased impaired loan in excess of the cash flows expected to be collected.

Nonaccrual loans – Loans for which we do not accrue interest income. Nonaccrual loans include nonperforming loans, in addition to loans accounted for under fair value option and loans accounted for as held for sale for which full collection of contractual principal and/or interest is not probable.

Nondiscretionary client assets under administration – Assets we hold for our customers/clients in a nondiscretionary, custodial capacity. We do not include these assets on our Consolidated Balance Sheet.

Nonperforming assets – Nonperforming assets include nonperforming loans and OREO and foreclosed assets, but exclude certain government insured or guaranteed loans for which we expect to collect substantially all principal and interest, loans held for sale, loans accounted for under the fair value option and purchased impaired loans. We do not accrue interest income on assets classified as nonperforming.

Nonperforming loans – Loans accounted for at amortized cost for which we do not accrue interest income. Nonperforming loans include loans to commercial, commercial real estate, equipment lease financing, home equity, residential real estate, credit card and other consumer customers as well as TDRs which have not returned to performing status. Nonperforming loans exclude certain government insured or guaranteed loans for which we expect to collect substantially all principal and interest, loans held for sale, loans accounted for under the fair value option and purchased impaired loans. Nonperforming loans exclude purchased impaired loans as we are currently accreting interest income over the expected life of the loans.

Notional amount – A number of currency units, shares, or other units specified in a derivative contract.

Operating leverage – The period to period dollar or percentage change in total revenue (GAAP basis) less the dollar or percentage change in noninterest expense. A positive variance indicates that revenue growth exceeded expense growth (*i.e.*, positive operating leverage) while a negative variance implies expense growth exceeded revenue growth (*i.e.*, negative operating leverage).

Options – Contracts that grant the purchaser, for a premium payment, the right, but not the obligation, to either purchase or sell the associated financial instrument at a set price during a specified period or at a specified date in the future.

Other real estate owned (OREO) and foreclosed assets – Assets taken in settlement of troubled loans primarily through deed-in-lieu of foreclosure or foreclosure. Foreclosed assets include real and personal property, equity interests in corporations, partnerships, and limited liability companies. Excludes certain assets that have a government-guarantee which are classified as other receivables.

Other-than-temporary impairment (OTTI) – When the fair value of a security is less than its amortized cost basis, an assessment is performed to determine whether the impairment is other-than-temporary. If we intend to sell the security or more likely than not will be required to sell the security before recovery of its amortized cost basis less any current-period credit loss, an other-than-temporary impairment is considered to have occurred. In such cases, an other-than-temporary impairment is recognized in earnings equal to the entire difference between the investment's amortized cost basis and its fair value at the balance sheet date. Further, if we do not expect to recover the entire amortized cost of the security, an other-than-temporary impairment is considered to have occurred. However for debt securities, if we do not intend to sell the security and it is not more likely than not that we will be required to sell the security before its recovery, the other-than-temporary loss is separated into (a) the amount representing the credit loss, and (b) the amount related to all other factors. The other-than-temporary impairment related to credit losses is recognized in earnings while the amount related to all other factors is recognized in other comprehensive income, net of tax.

Parent company liquidity coverage – Liquid assets divided by funding obligations within a two year period.

Pretax earnings – Income before income taxes and noncontrolling interests.

Pretax, pre-provision earnings – Total revenue less noninterest expense.

Primary client relationship – A corporate banking client relationship with annual revenue generation of $10,000 to $50,000 or more, and for Asset Management Group, a client relationship with annual revenue generation of $10,000 or more.

Probability of default (PD) – An internal risk rating that indicates the likelihood that a credit obligor will enter into default status.

Purchase accounting accretion – Accretion of the discounts and premiums on acquired assets and liabilities. The purchase accounting accretion is recognized in net interest income over the weighted-average life of the financial instruments using the constant effective yield method. Accretion for a single purchased impaired loan not included within a pool of loans includes any cash recoveries on that loan received in excess of the recorded investment.

Purchased impaired loans – Acquired loans (or pools of loans) determined to be credit impaired under FASB ASC 310-30 (AICPA SOP 03-3). Loans (or pools of loans) are determined to be impaired if there is evidence of credit deterioration since origination and for which it is probable that all contractually required payments will not be collected.

Recorded investment (purchased impaired loans) – The initial investment of a purchased impaired loan plus interest accretion and less any cash payments and writedowns to date. The recorded investment excludes any valuation allowance which is included in our allowance for loan and lease losses.

Recovery – Cash proceeds received on a loan that we had previously charged off. We credit the amount received to the allowance for loan and lease losses.

Residential development loans – Project-specific loans to commercial customers for the construction or development of residential real estate including land, single family homes, condominiums and other residential properties.

Return on average assets – Annualized net income divided by average assets.

Return on average capital – Annualized net income divided by average capital.

Return on average common shareholders' equity – Annualized net income attributable to common shareholders divided by average common shareholders' equity.

Risk – The potential that an event or series of events could occur that would threaten PNC's ability to achieve its strategic objectives, thereby negatively affecting shareholder value or reputation.

Risk appetite – A dynamic, forward-looking view on the aggregate amount of risk PNC is willing and able to take in executing business strategy in light of the current business environment.

Risk limits – Quantitative measures based on forward looking assumptions that allocate the firm's aggregate risk appetite (*e.g.* measure of loss or negative events) to business lines, legal entities, specific risk categories, concentrations and as appropriate, other levels.

Risk profile – The risk profile is a point-in-time assessment of risk. The profile represents overall risk position in relation to the desired risk appetite. The determination of the risk profile's position is based on qualitative and quantitative analysis of reported risk limits, metrics, operating guidelines and qualitative assessments.

Risk-weighted assets – Computed by the assignment of specific risk-weights (as defined by the Board of Governors of the Federal Reserve System) to assets and off-balance sheet instruments.

Securitization – The process of legally transforming financial assets into securities.

Servicing rights – An intangible asset or liability created by an obligation to service assets for others. Typical servicing rights include the right to receive a fee for collecting and forwarding payments on loans and related taxes and insurance premiums held in escrow.

Swaptions – Contracts that grant the purchaser, for a premium payment, the right, but not the obligation, to enter into an interest rate swap agreement during a specified period or at a specified date in the future.

Taxable-equivalent interest – The interest income earned on certain assets is completely or partially exempt from Federal income tax. As such, these tax-exempt instruments typically yield lower returns than taxable investments. To provide more meaningful comparisons of yields and margins for all interest-earning assets, we use interest income on a taxable-equivalent basis in calculating average yields and net interest margins by increasing the interest income earned on tax-exempt assets to make it fully equivalent to interest income earned on other taxable investments. This adjustment is not permitted under GAAP on the Consolidated Income Statement.

Total equity – Total shareholders' equity plus noncontrolling interests.

Total return swap – A non-traditional swap where one party agrees to pay the other the "total return" of a defined underlying asset (*e.g.,* a loan), usually in return for receiving a stream of LIBOR-based cash flows. The total returns of the asset, including interest and any default shortfall, are passed through to the counterparty. The counterparty is, therefore, assuming the credit and economic risk of the underlying asset.

Transaction deposits – The sum of interest-bearing money market deposits, interest-bearing demand deposits, and noninterest-bearing deposits.

Transitional Basel III common equity – Common equity calculated under Basel III using phased in definitions and deductions applicable to PNC during the applicable presentation period.

Troubled debt restructuring (TDR) – A loan whose terms have been restructured in a manner that grants a concession to a borrower experiencing financial difficulties.

Value-at-risk (VaR) – A statistically-based measure of risk that describes the amount of potential loss which may be incurred due to adverse market movements. The measure is of the maximum loss which should not be exceeded on 95 out of 100 days for a 95% VaR.

Watchlist – A list of criticized loans, credit exposure or other assets compiled for internal monitoring purposes. We define criticized exposure for this purpose as exposure with an internal risk rating of other assets especially mentioned, substandard, doubtful or loss.

Yield curve – A graph showing the relationship between the yields on financial instruments or market indices of the same credit quality with different maturities. For example, a "normal" or "positive" yield curve exists when long-term bonds have higher yields than short-term bonds. A "flat" yield curve exists when yields are the same for short-term and long-term bonds. A "steep" yield curve exists when yields on long-term bonds are significantly higher than on short-term bonds. An "inverted" or "negative" yield curve exists when short-term bonds have higher yields than long-term bonds.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

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

Forward-looking statements speak only as of the date made. We do not assume any duty and do not undertake to update forward-looking statements. Actual results or future events could differ, possibly materially, from those anticipated in forward-looking statements, as well as from historical performance.

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

- Our businesses, financial results and balance sheet values are affected by business and economic conditions, including the following:
  - Changes in interest rates and valuations in debt, equity and other financial markets.
  - Disruptions in the U.S. and global financial markets.
  - The impact on financial markets and the economy of any changes in the credit ratings of U.S. Treasury obligations and other U.S. government-backed debt, as well as issues surrounding the levels of U.S. and European government debt and concerns regarding the creditworthiness of certain sovereign governments, supranationals and financial institutions in Europe.
  - Actions by the Federal Reserve, U.S. Treasury and other government agencies, including those that impact money supply and market interest rates.
  - Changes in customers', suppliers' and other counterparties' performance and creditworthiness.
  - Slowing or reversal of the current U.S. economic expansion.
  - Continued residual effects of recessionary conditions and uneven spread of positive impacts of recovery on the economy and our counterparties, including adverse impacts on levels of unemployment, loan utilization rates, delinquencies, defaults and counterparty ability to meet credit and other obligations.
  - Changes in customer preferences and behavior, whether due to changing business and economic conditions, legislative and regulatory initiatives, or other factors.
- Our forward-looking financial statements are subject to the risk that economic and financial market conditions will be substantially different than we are currently expecting. These statements are based on our current view that the U.S. economic expansion will speed up to an above trend growth rate near 3.2 percent in the second half of 2015, boosted by lower oil/energy prices, and that short-term interest rates and bond yields will rise slowly in the latter half of 2015. These forward-looking statements also do not, unless otherwise indicated, take into account the impact of potential legal and regulatory contingencies.
- PNC's ability to take certain capital actions, including paying dividends and any plans to increase common stock dividends, repurchase common stock under current or future programs, or issue or redeem preferred stock or other regulatory capital instruments, is subject to the review of such proposed actions by the Federal Reserve as part of PNC's comprehensive capital plan for the applicable period in connection with the regulators' Comprehensive Capital Analysis and Review (CCAR) process and to the acceptance of such capital plan and non-objection to such capital actions by the Federal Reserve.
- PNC's regulatory capital ratios in the future will depend on, among other things, the company's financial performance, the scope and terms of final capital regulations then in effect (particularly those implementing the Basel Capital Accords), and management actions affecting the composition of PNC's balance sheet. In addition, PNC's ability to determine, evaluate and forecast regulatory capital ratios, and to take actions (such as capital distributions) based on actual or forecasted capital ratios, will be dependent at least in part on the development, validation and regulatory approval of related models.
- Legal and regulatory developments could have an impact on our ability to operate our businesses, financial condition, results of operations, competitive position, reputation, or pursuit of attractive acquisition opportunities. Reputational impacts could affect matters such as business generation and retention, liquidity, funding, and ability to attract and retain management. These developments could include:
  - Changes resulting from legislative and regulatory reforms, including major reform of the regulatory oversight structure of the financial services industry and changes to laws and regulations involving tax, pension, bankruptcy, consumer protection, and other industry aspects, and changes in accounting policies and principles. We will be impacted by extensive reforms provided for in the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and otherwise growing out of the most recent financial

crisis, the precise nature, extent and timing of which, and their impact on us, remains uncertain.
  - Changes to regulations governing bank capital and liquidity standards, including due to the Dodd-Frank Act and to Basel-related initiatives.
  - Unfavorable resolution of legal proceedings or other claims and regulatory and other governmental investigations or other inquiries. In addition to matters relating to PNC's current and historical business and activities, such matters may include proceedings, claims, investigations, or inquiries relating to pre-acquisition business and activities of acquired companies, such as National City. These matters may result in monetary judgments or settlements or other remedies, including fines, penalties, restitution or alterations in our business practices, and in additional expenses and collateral costs, and may cause reputational harm to PNC.
  - Results of the regulatory examination and supervision process, including our failure to satisfy requirements of agreements with governmental agencies.
  - Impact on business and operating results of any costs associated with obtaining rights in intellectual property claimed by others and of adequacy of our intellectual property protection in general.
- Business and operating results are affected by our ability to identify and effectively manage risks inherent in our businesses, including, where appropriate, through effective use of third-party insurance, derivatives, and capital management techniques, and to meet evolving regulatory capital and liquidity standards. In particular, our results currently depend on our ability to manage elevated levels of impaired assets.
- Business and operating results also include impacts relating to our equity interest in BlackRock, Inc. and rely to a significant extent on information provided to us by BlackRock. Risks and uncertainties that could affect BlackRock are discussed in more detail by BlackRock in its SEC filings.
- We grow our business in part by acquiring from time to time other financial services companies, financial services assets and related deposits and other liabilities. Acquisition risks and uncertainties include those presented by the nature of the business acquired, including in some cases those associated with our entry into new businesses or new geographic or other markets and risks resulting from our inexperience in those new areas, as well as risks and uncertainties related to the acquisition transactions themselves, regulatory issues, and the integration of the acquired businesses into PNC after closing.
- Competition can have an impact on customer acquisition, growth and retention and on credit spreads and product pricing, which can affect market share, deposits and revenues. Industry restructuring in the current environment could also impact our business and financial performance through changes in counterparty creditworthiness and performance and in the competitive and regulatory landscape. Our ability to anticipate and respond to technological changes can also impact our ability to respond to customer needs and meet competitive demands.
- Business and operating results can also be affected by widespread natural and other disasters, pandemics, dislocations, terrorist activities, cyberattacks or international hostilities through impacts on the economy and financial markets generally or on us or our counterparties specifically.

We provide greater detail regarding these as well as other factors in our 2014 10-K, in our first quarter 2015 Form 10-Q, and elsewhere in this Report, including in the Risk Factors and Risk Management sections and the Legal Proceedings and Commitments and Guarantees Notes of the Notes To Consolidated Financial Statements in such reports. Our forward-looking statements may also be subject to other risks and uncertainties, including those discussed elsewhere in this Report or in our other filings with the SEC.

CONSOLIDATED INCOME STATEMENT
THE PNC FINANCIAL SERVICES GROUP, INC.

Unaudited In millions, except per share data	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
Interest Income				
Loans	$1,791	$1,845	$3,593	$3,744
Investment securities	407	412	813	839
Other	107	99	218	183
Total interest income	2,305	2,356	4,624	4,766
Interest Expense				
Deposits	98	80	190	158
Borrowed funds	155	147	310	284
Total interest expense	253	227	500	442
Net interest income	2,052	2,129	4,124	4,324
Noninterest Income				
Asset management	416	362	792	726
Consumer services	334	323	645	613
Corporate services	369	343	713	644
Residential mortgage	164	182	328	343
Service charges on deposits	156	156	309	303
Net gains (losses) on sales of securities	8	(6)	50	4
Other	367	321	636	630
Total noninterest income	1,814	1,681	3,473	3,263
Total revenue	3,866	3,810	7,597	7,587
Provision For Credit Losses	46	72	100	166
Noninterest Expense				
Personnel	1,200	1,172	2,357	2,252
Occupancy	209	199	425	417
Equipment	231	204	453	405
Marketing	67	68	129	120
Other	659	685	1,351	1,398
Total noninterest expense	2,366	2,328	4,715	4,592
Income before income taxes and noncontrolling interests	1,454	1,410	2,782	2,829
Income taxes	410	358	734	717
Net income	1,044	1,052	2,048	2,112
Less: Net income (loss) attributable to noncontrolling interests	4	3	5	1
Preferred stock dividends and discount accretion and redemptions	48	48	118	118
Net income attributable to common shareholders	$ 992	$1,001	$1,925	$1,993
Earnings Per Common Share				
Basic	$ 1.92	$ 1.88	$ 3.71	$ 3.73
Diluted	1.88	1.85	3.63	3.67
Average Common Shares Outstanding				
Basic	517	532	519	532
Diluted	525	539	527	539

See accompanying Notes To Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

THE PNC FINANCIAL SERVICES GROUP, INC.

Unaudited In millions	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
Net income	$1,044	$1,052	$2,048	$2,112
Other comprehensive income (loss), before tax and net of reclassifications into Net income:				
Net unrealized gains (losses) on non-OTTI securities	(365)	212	(291)	401
Net unrealized gains (losses) on OTTI securities	4	41	7	107
Net unrealized gains (losses) on cash flow hedge derivatives	(170)	81	69	76
Pension and other postretirement benefit plan adjustments	(10)	9	50	91
Other	(9)	(4)	(36)	7
Other comprehensive income (loss), before tax and net of reclassifications into Net income	(550)	339	(201)	682
Income tax benefit (expense) related to items of other comprehensive income	226	(114)	77	(237)
Other comprehensive income (loss), after tax and net of reclassifications into Net income	(324)	225	(124)	445
Comprehensive income	720	1,277	1,924	2,557
Less: Comprehensive income (loss) attributable to noncontrolling interests	4	3	5	1
Comprehensive income attributable to PNC	$ 716	$1,274	$1,919	$2,556

See accompanying Notes To Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET
THE PNC FINANCIAL SERVICES GROUP, INC.

Unaudited In millions, except par value	June 30 2015	December 31 2014
Assets		
Cash and due from banks (includes $5 and $6 for VIEs) (a)	$ 4,412	$ 4,360
Federal funds sold and resale agreements (includes $150 and $155 measured at fair value) (b)	1,971	1,852
Trading securities	2,334	2,353
Interest-earning deposits with banks (includes $5 and $6 for VIEs) (a)	33,969	31,779
Loans held for sale (includes $2,121 and $2,154 measured at fair value) (b)	2,357	2,262
Investment securities	61,362	55,823
Loans (includes $1,463 and $1,606 for VIEs) (a) (includes $941 and $1,034 measured at fair value) (b)	205,153	204,817
Allowance for loan and lease losses (includes $(44) and $(50) for VIEs) (a)	(3,272)	(3,331)
Net loans	201,881	201,486
Goodwill	9,103	9,103
Mortgage servicing rights	1,558	1,351
Other intangible assets	435	493
Equity investments (includes $256 and $492 for VIEs) (a)	10,531	10,728
Other (includes $440 and $483 for VIEs) (a) (includes $411 and $412 measured at fair value) (b)	24,032	23,482
Total assets	$ 353,945	$ 345,072
Liabilities		
Deposits		
Noninterest-bearing	$ 77,369	$ 73,479
Interest-bearing	162,335	158,755
Total deposits	239,704	232,234
Borrowed funds		
Federal funds purchased and repurchase agreements	2,190	3,510
Federal Home Loan Bank borrowings	22,193	20,005
Bank notes and senior debt	18,529	15,750
Subordinated debt	9,121	9,151
Commercial paper	2,956	4,995
Other (includes $311 and $347 for VIEs) (a) (includes $224 and $273 measured at fair value) (b)	3,287	3,357
Total borrowed funds	58,276	56,768
Allowance for unfunded loan commitments and letters of credit	246	259
Accrued expenses (includes $63 and $70 for VIEs) (a)	5,031	5,187
Other (includes $136 and $206 for VIEs) (a)	4,776	4,550
Total liabilities	308,033	298,998
Equity		
Preferred stock (c)		
Common stock ($5 par value, authorized 800 shares, issued 542 and 541 shares)	2,708	2,705
Capital surplus – preferred stock	3,449	3,946
Capital surplus – common stock and other	12,632	12,627
Retained earnings	27,609	26,200
Accumulated other comprehensive income (loss)	379	503
Common stock held in treasury at cost: 26 and 18 shares	(2,262)	(1,430)
Total shareholders' equity	44,515	44,551
Noncontrolling interests	1,397	1,523
Total equity	45,912	46,074
Total liabilities and equity	$ 353,945	$ 345,072

(a) Amounts represent the assets or liabilities of consolidated variable interest entities (VIEs).
(b) Amounts represent items for which we have elected the fair value option.
(c) Par value less than $.5 million at each date.

See accompanying Notes To Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

THE PNC FINANCIAL SERVICES GROUP, INC.

Unaudited In millions	Six months ended June 30 2015	 2014
Operating Activities		
Net income	$ 2,048	$ 2,112
Adjustments to reconcile net income to net cash provided (used) by operating activities		
Provision for credit losses	100	166
Depreciation and amortization	530	476
Deferred income taxes	109	104
Net gains on sales of securities	(50)	(4)
Changes in fair value of mortgage servicing rights	43	250
Gain on sales of Visa Class B common shares	(79)	(116)
Undistributed earnings of BlackRock	(196)	(193)
Excess tax benefits from share-based payment arrangements	(27)	(36)
Net change in		
Trading securities and other short-term investments	(22)	839
Loans held for sale	(391)	(99)
Other assets	22	(262)
Accrued expenses and other liabilities	(186)	381
Other	(272)	(148)
Net cash provided (used) by operating activities	1,629	3,470
Investing Activities		
Sales		
Securities available for sale	2,402	3,359
Loans	958	1,295
Repayments/maturities		
Securities available for sale	3,933	3,434
Securities held to maturity	1,054	992
Purchases		
Securities available for sale	(9,706)	(3,608)
Securities held to maturity	(3,049)	
Loans	(355)	(369)
Net change in		
Federal funds sold and resale agreements	(119)	459
Interest-earning deposits with banks	(2,190)	(4,741)
Loans	(1,017)	(6,837)
Other	(394)	(266)
Net cash provided (used) by investing activities	(8,483)	(6,282)

(continued on following page)

CONSOLIDATED STATEMENT OF CASH FLOWS

THE PNC FINANCIAL SERVICES GROUP, INC.

(continued from previous page)

Unaudited In millions	Six months ended June 30 2015	2014
Financing Activities		
Net change in		
Noninterest-bearing deposits	$ 3,909	$ 723
Interest-bearing deposits	3,580	928
Federal funds purchased and repurchase agreements	(1,320)	(1,156)
Commercial paper	(158)	(268)
Other borrowed funds	712	(494)
Sales/issuances		
Federal Home Loan Bank borrowings	2,250	7,650
Bank notes and senior debt	4,932	3,636
Subordinated debt		745
Commercial paper	1,393	4,532
Other borrowed funds	586	380
Common and treasury stock	109	179
Repayments/maturities		
Federal Home Loan Bank borrowings	(62)	(5,539)
Bank notes and senior debt	(2,134)	(2,200)
Subordinated debt	39	22
Commercial paper	(3,274)	(4,262)
Other borrowed funds	(1,532)	(354)
Preferred stock redemption	(500)	
Excess tax benefits from share-based payment arrangements	27	36
Acquisition of treasury stock	(1,020)	(291)
Preferred stock cash dividends paid	(115)	(115)
Common stock cash dividends paid	(516)	(491)
Net cash provided (used) by financing activities	6,906	3,661
Net Increase (Decrease) In Cash And Due From Banks	52	849
Cash and due from banks at beginning of period	4,360	4,043
Cash and due from banks at end of period	$ 4,412	$ 4,892
Supplemental Disclosures		
Interest paid	$ 503	$ 418
Income taxes paid	191	551
Income taxes refunded	1	9
Non-cash Investing and Financing Items		
Transfer from (to) loans to (from) loans held for sale, net	3	390
Transfer from loans to foreclosed assets	227	315

See accompanying Notes To Consolidated Financial Statements.

BUSINESS

The PNC Financial Services Group, Inc. (PNC) is one of the largest diversified financial services companies in the United States and is headquartered in Pittsburgh, Pennsylvania.

We have businesses engaged in retail banking, corporate and institutional banking, asset management and residential mortgage banking, providing many of our products and services nationally, as well as other products and services in our primary geographic markets located in Pennsylvania, Ohio, New Jersey, Michigan, Illinois, Maryland, Indiana, North Carolina, Florida, Kentucky, Washington, D.C., Delaware, Virginia, Alabama, Missouri, Georgia, Wisconsin and South Carolina. We also provide certain products and services internationally.

NOTE 1 ACCOUNTING POLICIES

Basis Of Financial Statement Presentation

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

We prepared these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). We have eliminated intercompany accounts and transactions. We have also reclassified certain prior year amounts to conform to the 2015 presentation, which did not have a material impact on our consolidated financial condition or results of operations. Additionally, we evaluate the materiality of identified errors in the financial statements using both an income statement and a balance sheet approach, based on relevant quantitative and qualitative factors. The consolidated financial statements include certain adjustments to correct immaterial errors related to previously reported periods. In addition, as disclosed in certain Notes to the Consolidated Financial Statements, we made adjustments to previously reported periods for immaterial errors.

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

When preparing these unaudited interim consolidated financial statements, we have assumed that you have read the audited consolidated financial statements included in our 2014 Annual Report on Form 10-K. Reference is made to Note 1 Accounting Policies in the 2014 Form 10-K for a detailed description of significant accounting policies. Included herein are policies that are required to be disclosed on an interim basis as well as policies where there has been a significant change within the first six months of 2015. These interim consolidated financial statements serve to update the 2014 Form 10-K and may not include all information and notes necessary to constitute a complete set of financial statements.

We have also considered the impact of subsequent events on these consolidated financial statements.

Use Of Estimates

We prepared these consolidated financial statements using financial information available at the time of preparation, which requires us to make estimates and assumptions that affect the amounts reported. Our most significant estimates pertain to our fair value measurements, allowances for loan and lease losses and unfunded loan commitments and letters of credit, and accretion on purchased impaired loans. Actual results may differ from the estimates and the differences may be material to the consolidated financial statements.

Nonperforming Loans and Leases

The matrix below summarizes PNC's policies for classifying certain loans as nonperforming loans and/or discontinuing the accrual of loan interest income.

Commercial loans	
Loans Classified as Nonperforming and Accounted for as Nonaccrual	• Loans accounted for at amortized cost where: – The loan is 90 days or more past due. – The loan is rated substandard or worse due to the determination that full collection of principal and interest is not probable as demonstrated by the following conditions: • The collection of principal or interest is 90 days or more past due; • Reasonable doubt exists as to the certainty of the borrower's future debt service ability, according to the terms of the credit arrangement, regardless of whether 90 days have passed or not; • The borrower has filed or will likely file for bankruptcy; • The bank advances additional funds to cover principal or interest; • We are in the process of liquidating a commercial borrower; or • We are pursuing remedies under a guarantee.
Loans Excluded from Nonperforming Classification but Accounted for as Nonaccrual	• Loans accounted for under the fair value option when we determine that full collection of principal and interest is not probable. • Loans accounted for at the lower of cost or market less costs to sell (Held for Sale) when we determine that full collection of principal and interest is not probable.
Loans Excluded from Nonperforming Classification and Nonaccrual Accounting	• Purchased impaired loans because interest income is accreted by nature of the accounting for these assets. • Loans that are well secured and in the process of collection.
Consumer loans	
Loans Classified as Nonperforming and Accounted for as Nonaccrual	• Loans accounted for at amortized cost where full collection of contractual principal and interest is not deemed probable as demonstrated in the policies below: – The loan is 90 days past due for home equity and installment loans, and 180 days past due for well secured residential real estate loans; – The loan has been modified and classified as a troubled debt restructuring (TDR); – Notification of bankruptcy has been received and the loan is 30 days or more past due; – The bank holds a subordinate lien position in the loan and the first lien loan is seriously stressed (i.e., 90 days or more past due); – Other loans within the same borrower relationship have been placed on nonaccrual or charge-offs have been taken on them; – The bank has repossessed non-real estate collateral securing the loan; or – The bank has charged-off the loan to the value of the collateral.
Loans Excluded from Nonperforming Classification but Accounted for as Nonaccrual	• Loans accounted for under the fair value option when we determine that full collection of principal and interest is not probable. • Loans accounted for at the lower of cost or market less costs to sell (Held for Sale) when we determine that full collection of principal and interest is not probable.
Loans Excluded from Nonperforming Classification and Nonaccrual Accounting	• Purchased impaired loans because interest income is accreted through the accounting model. • Certain government insured loans where substantially all principal and interest is insured. • Residential real estate loans that are well secured and in the process of collection. • Consumer loans and lines of credit, not secured by residential real estate, as permitted by regulatory guidance.

See Note 3 Asset Quality in this Report for additional detail on nonperforming assets and asset quality indicators for commercial and consumer loans.

Commercial Loans
We generally charge off Commercial Lending (Commercial, Commercial Real Estate, and Equipment Lease Financing) nonperforming loans when we determine that a specific loan, or portion thereof, is uncollectible. This determination is based on the specific facts and circumstances of the individual loans. In making this determination, we consider the viability of the business or project as a going concern, the past due
status when the asset is not well-secured, the expected cash
flows to repay the loan, the value of the collateral, and the ability and willingness of any guarantors to perform.

Additionally, in general, for smaller dollar commercial loans of $1 million or less, a partial or full charge-off occurs at 120 days past due for term loans and 180 days past due for revolvers. Certain small business credit card balances that are placed on nonaccrual status when they become 90 days or more past due are charged-off at 180 days past due.

Consumer Loans
Home equity installment loans, home equity lines of credit, and residential real estate loans that are not well-secured and in the process of collection are charged-off at no later than 180 days past due. At that time, the basis in the loan is reduced to the fair value of the collateral less costs to sell. In addition to this policy, the bank recognizes a charge-off on a secured consumer loan when:

- The bank holds a subordinate lien position in the loan and a foreclosure notice has been received on the first lien loan;
- The bank holds a subordinate lien position in the loan which is 30 days or more past due with a combined loan to value ratio of greater than or equal to 110% and the first lien loan is seriously stressed (*i.e*., 90 days or more past due);
- The loan is modified or otherwise restructured in a manner that results in the loan becoming collateral dependent;
- Notification of bankruptcy has been received within the last 60 days and the loan is 60 days or more past due;
- The borrower has been discharged from personal liability through Chapter 7 bankruptcy and has not formally reaffirmed his or her loan obligation to PNC; or
- The collateral securing the loan has been repossessed and the value of the collateral is less than the recorded investment of the loan outstanding.

For loans that continue to meet any of the above policies, collateral values are updated annually and subsequent declines in collateral values are charged-off resulting in incremental provision for credit loss.

Most consumer loans and lines of credit, not secured by residential real estate, are charged off after 120-180 days past due.

Accounting for Nonperforming Loans and Leases and Other Nonaccrual Loans
For accrual loans, interest income is accrued on a monthly basis and certain fees and costs are deferred upon origination and recognized in income over the term of the loan utilizing an effective yield method. For nonaccrual loans, interest income accrual and deferred fee/cost amortization is discontinued. Additionally, the current year accrued and uncollected interest is reversed through Net interest income and prior year accrued and uncollected interest is charged-off. Nonaccrual loans may also be charged-off to reduce the basis to the fair value of collateral less costs to sell.

If payment is received on a nonaccrual loan, generally the payment is first applied to the recorded investment; payments are then applied to recover any charged-off amounts related to the loan. Finally, if both recorded investment and any charge-offs have been recovered, then the payment will be recorded as fee and interest income.

For TDRs, payments are applied based upon their contractual terms unless the related loan is deemed non-performing. TDRs are generally included in nonperforming and nonaccrual loans until returned to performing/accruing status through performance under restructured terms and other performance indicators for a reasonable period of time demonstrating that the bank expects to collect all of the loan's remaining contractual principal and interest. TDRs resulting from 1) borrowers that have been discharged from personal liability through Chapter 7 bankruptcy and have not formally reaffirmed their loan obligations to PNC and 2) borrowers that are not currently obligated to make both principal and interest payments under the restructured terms are not returned to accrual status.

Other nonaccrual loans are generally not returned to accrual status until the borrower has performed in accordance with the contractual terms and other performance indicators for at least six months, the period of time which was determined to demonstrate the expected collection of the loan's remaining contractual principal and interest. When a nonperforming loan is returned to accrual status, it is then considered a performing loan.

See Note 3 Asset Quality and Note 5 Allowances for Loan and Lease Losses and Unfunded Loan Commitments and Letters of Credit in this Report and in our 2014 Form 10-K for additional TDR information.

Allowance for Loan and Lease Losses

We maintain the ALLL at a level that we believe to be appropriate to absorb estimated probable credit losses incurred in the loan and lease portfolios as of the balance sheet date. Our determination of the allowance is based on periodic evaluations of these loan and lease portfolios and other relevant factors. This critical estimate includes significant use

of PNC's own historical data and complex methods to interpret this data. These evaluations are inherently subjective, as they require material estimates and may be susceptible to significant change, and include, among others:

- Probability of default (PD),
- Loss given default (LGD),
- Outstanding balance of the loan,
- Movement through delinquency stages,
- Amounts and timing of expected future cash flows,
- Value of collateral, which may be obtained from third parties, and
- Qualitative factors, such as changes in current economic conditions, that may not be reflected in modeled results.

For all loans, except purchased impaired loans, the ALLL is the sum of three components: (i) asset specific/individual impaired reserves, (ii) quantitative (formulaic or pooled) reserves and (iii) qualitative (judgmental) reserves.

The reserve calculation and determination process is dependent on the use of key assumptions. Key reserve assumptions and estimation processes react to and are influenced by observed changes in loan portfolio performance experience, the financial strength of the borrower, and economic conditions. Key reserve assumptions are periodically updated.

Asset Specific/Individual Component
Nonperforming loans that are considered impaired under ASC 310 – Receivables, which include all commercial and consumer TDRs, are evaluated for a specific reserve. Specific reserve allocations are determined as follows:

- For commercial nonperforming loans and commercial TDRs greater than or equal to a defined dollar threshold, specific reserves are based on an analysis of the present value of the loan's expected future cash flows, the loan's observable market price or the fair value of the collateral.
- For commercial nonperforming loans and commercial TDRs below the defined dollar threshold, the individual loan's loss given default (LGD) percentage is multiplied by the loan balance and the results are aggregated for purposes of measuring specific reserve impairment.
- Consumer nonperforming loans are collectively reserved for unless classified as consumer TDRs. For consumer TDRs, specific reserves are determined through an analysis of the present value of the loan's expected future cash flows, except for those instances where loans have been deemed collateral dependent, including loans where borrowers have been discharged from personal liability through Chapter 7 bankruptcy and have not formally reaffirmed their loan obligations to PNC. Once that determination has been made, those TDRs are charged down to the fair value of the collateral less costs to sell at each period end.

Commercial Lending Quantitative Component
The estimates of the quantitative component of ALLL for incurred losses within the commercial lending portfolio segment are determined through statistical loss modeling utilizing PD, LGD and outstanding balance of the loan. Based upon loan risk ratings, we assign PDs and LGDs. Each of these statistical parameters is determined based on internal historical data and market data. PD is influenced by such factors as liquidity, industry, obligor financial structure, access to capital and cash flow. LGD is influenced by collateral type, original and/or updated loan-to-value ratio (LTV), facility structure and other factors.

Consumer Lending Quantitative Component
Quantitative estimates within the consumer lending portfolio segment are calculated primarily using a roll-rate model based on statistical relationships, calculated from historical data that estimate the movement of loan outstandings through the various stages of delinquency and ultimately charge-off over our loss emergence period.

Qualitative Component
While our reserve methodologies strive to reflect all relevant risk factors, there continues to be uncertainty associated with, but not limited to, potential imprecision in the estimation process due to the inherent time lag of obtaining information and normal variations between estimates and actual outcomes. We provide additional reserves that are designed to provide coverage for losses attributable to such risks. The ALLL also includes factors that may not be directly measured in the determination of specific or pooled reserves. Such qualitative factors may include:

- Industry concentrations and conditions,
- Recent credit quality trends,
- Recent loss experience in particular portfolios,
- Recent macro-economic factors,
- Model imprecision,
- Changes in lending policies and procedures,
- Timing of available information, including the performance of first lien positions, and
- Limitations of available historical data.

Allowance for Purchased Non-Impaired Loans
ALLL for purchased non-impaired loans is determined based upon a comparison between the methodologies described above and the remaining acquisition date fair value discount that has yet to be accreted into interest income. After making the comparison, an ALLL is recorded for the amount greater than the discount, or no ALLL is recorded if the discount is greater.

Allowance for Purchased Impaired Loans

ALLL for purchased impaired loans is determined in accordance with ASC 310-30 by comparing the net present value of the cash flows expected to be collected to the recorded investment for a given loan (or pool of loans). In cases where the net present value of expected cash flows is lower than the recorded investment, ALLL is established. Cash flows expected to be collected represent management's best estimate of the cash flows expected over the life of a loan (or pool of loans). For large balance commercial loans, cash flows are separately estimated at the loan level. For smaller balance pooled loans, pool cash flows are estimated using cash flow models. Pools were defined at acquisition based on the risk characteristics of the loan. Our cash flow models use loan data including, but not limited to, contractual loan balance, delinquency status of the loan, updated borrower FICO credit scores, geographic information, historical loss experience, and updated LTVs, as well as best estimates for changes in unemployment rates, home prices and other economic factors, to determine estimated cash flows.

See Note 4 Purchased Loans and Note 5 Allowances for Loan and Lease Losses and Unfunded Loan Commitments and Letters of Credit for additional loan data and application of the policies disclosed herein.

Our credit risk management policies, procedures and practices are designed to promote sound lending standards and prudent credit risk management. We have policies, procedures and practices that address financial statement requirements, collateral review and appraisal requirements, advance rates based upon collateral types, appropriate levels of exposure, cross-border risk, lending to specialized industries or borrower type, guarantor requirements, and regulatory compliance.

Allowance for Unfunded Loan Commitments and Letters of Credit

We maintain the allowance for unfunded loan commitments and letters of credit at a level we believe is appropriate to absorb estimated probable credit losses on these unfunded credit facilities as of the balance sheet date. We determine the allowance based on periodic evaluations of the unfunded credit facilities, including an assessment of the probability of commitment usage, credit risk factors, and, solely for commercial lending, the terms and expiration dates of the unfunded credit facilities. Other than the estimation of the probability of funding, the reserve for unfunded loan commitments is estimated in a manner similar to the methodology used for determining reserves for funded exposures. The allowance for unfunded loan commitments and letters of credit is recorded as a liability on the Consolidated Balance Sheet. Net adjustments to the allowance for unfunded loan commitments and letters of credit are included in the provision for credit losses.

See Note 5 Allowances for Loan and Lease Losses and Unfunded Loan Commitments and Letters of Credit for additional loan data and application of the policies disclosed herein.

Earnings Per Common Share

Basic earnings per common share is calculated using the two-class method to determine income attributable to common shareholders. Unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents are considered participating securities under the two-class method. Income attributable to common shareholders is then divided by the weighted-average common shares outstanding for the period.

Diluted earnings per common share is calculated under the more dilutive of either the treasury method or the two-class method. For the diluted calculation, we increase the weighted-average number of shares of common stock outstanding by the assumed conversion of outstanding convertible preferred stock from the beginning of the year or date of issuance, if later, and the number of shares of common stock that would be issued assuming the exercise of stock options and warrants and the issuance of incentive shares using the treasury stock method. These adjustments to the weighted-average number of shares of common stock outstanding are made only when such adjustments will dilute earnings per common share. See Note 12 Earnings Per Share for additional information.

Recently Adopted Accounting Standards

In June 2014, the FASB issued ASU 2014-11, Transfers and Servicing (Topic 860): *Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures.* This ASU impacts the accounting for repurchase-to-maturity transactions and transfers executed contemporaneously with a repurchase agreement with the same counterparty (i.e., a repurchase financing) by requiring secured borrowing accounting. We adopted this accounting as of January 1, 2015. The disclosure requirements were adopted in the current reporting period. Adoption of this ASU did not have a material effect on our results of operations or financial position.

NOTE 2 LOAN SALE AND SERVICING ACTIVITIES AND VARIABLE INTEREST ENTITIES

Loan Sale and Servicing Activities

As more fully described in Note 2 Loan Sale and Servicing Activities and Variable Interest Entities in our 2014 Form 10-K, we have transferred residential and commercial mortgage loans in securitization or sales transactions in which we have continuing involvement. Our continuing involvement generally consists of servicing, repurchasing previously transferred loans under certain conditions and loss share arrangements, and, in limited circumstances, holding of mortgage-backed securities issued by the securitization SPEs.

The following table provides certain financial information and cash flows associated with PNC's loan sale and servicing activities:

Table 50: Certain Financial Information and Cash Flows Associated with Loan Sale and Servicing Activities

In millions	Residential Mortgages	Commercial Mortgages (a)	Home Equity Loans/Lines (b)
FINANCIAL INFORMATION – June 30, 2015			
Servicing portfolio (c)	$115,454	$ 197,932	$ 3,438
Carrying value of servicing assets (d)	1,015	543	
Servicing advances (e)	463	271	6
Repurchase and recourse obligations (f)	97	35	28
Carrying value of mortgage-backed securities held (g)	5,639	1,170	
FINANCIAL INFORMATION – December 31, 2014			
Servicing portfolio (c)	$108,010	$ 186,032	$ 3,833
Carrying value of servicing assets (d)	845	506	
Servicing advances (e)	501	299	31
Repurchase and recourse obligations (f)	107	35	29
Carrying value of mortgage-backed securities held (g)	3,365	1,269	
CASH FLOWS – Three months ended June 30, 2015			
Sales of loans (h)	$ 2,015	$ 1,159	
Repurchases of previously transferred loans (i)	134		
Servicing fees (j)	82	36	$ 4
Servicing advances recovered/(funded), net	47	21	1
Cash flows on mortgage-backed securities held (g)	429	54	
CASH FLOWS – Three months ended June 30, 2014			
Sales of loans (h)	$ 2,189	$ 496	
Repurchases of previously transferred loans (i)	159		$ 3
Servicing fees (j)	87	26	5
Servicing advances recovered/(funded), net	39	23	3
Cash flows on mortgage-backed securities held (g)	254	47	
CASH FLOWS – Six months ended June 30, 2015			
Sales of loans (h)	$ 3,955	$ 2,179	
Repurchases of previously transferred loans (i)	303		$ 2
Servicing fees (j)	165	68	8
Servicing advances recovered/(funded), net	38	28	25
Cash flows on mortgage-backed securities held (g)	669	114	
CASH FLOWS – Six months ended June 30, 2014			
Sales of loans (h)	$ 4,284	$ 935	
Repurchases of previously transferred loans (i)	368		$ 9
Servicing fees (j)	174	67	10
Servicing advances recovered/(funded), net	69	55	6
Cash flows on mortgage-backed securities held (g)	486	191	

(a) Represents financial and cash flow information associated with both commercial mortgage loan transfer and servicing activities.
(b) These activities were part of an acquired brokered home equity lending business in which PNC is no longer engaged.
(c) For our continuing involvement with residential mortgages, this amount represents the outstanding balance of loans we service, including loans transferred by us and loans originated by others where we have purchased the associated servicing rights. For home equity loan/line of credit transfers, this amount represents the outstanding balance of loans transferred and serviced. For commercial mortgages, this amount represents our overall servicing portfolio in which loans have been transferred by us or third parties to VIEs.
(d) See Note 7 Fair Value and Note 8 Goodwill and Other Intangible Assets for further information.
(e) Pursuant to certain contractual servicing agreements, represents outstanding balance of funds advanced (i) to investors for monthly collections of borrower principal and interest, (ii) for borrower draws on unused home equity lines of credit, and (iii) for collateral protection associated with the underlying mortgage collateral.
(f) Represents liability for our loss exposure associated with loan repurchases for breaches of representations and warranties for our Residential Mortgage Banking and Non-Strategic Assets Portfolio segments, and our commercial mortgage loss share arrangements for our Corporate & Institutional Banking segment. See Note 16 Commitments and Guarantees for further information.
(g) Represents securities held where PNC transferred to and/or services loans for a securitization SPE and we hold securities issued by that SPE.
(h) Gains/losses recognized on sales of loans were insignificant for the periods presented.
(i) Includes government insured or guaranteed loans eligible for repurchase through the exercise of our ROAP option and loans repurchased due to breaches of origination covenants or representations and warranties made to purchasers.
(j) Includes contractually specified servicing fees, late charges and ancillary fees.

The table below presents information about the principal balances of transferred loans that we service and are not recorded on our balance sheet.

Table 51: Principal Balance, Delinquent Loans, and Net Charge-offs Related to Serviced Loans

In millions	Residential Mortgages	Commercial Mortgages (a)	Home Equity Loans/Lines (b)
June 30, 2015			
Total principal balance	$ 75,639	$ 56,552	$ 3,438
Delinquent loans (c)	2,161	672	1,129
December 31, 2014			
Total principal balance	$ 79,108	$ 60,873	$ 3,833
Delinquent loans (c)	2,657	707	1,303
Three months ended June 30, 2015			
Net charge-offs (d)	$ 37	$ 148	$ 8
Three months ended June 30, 2014			
Net charge-offs (d)	$ 34	$ 345	$ 15
Six months ended June 30, 2015			
Net charge-offs (d)	$ 69	$ 255	$ 15
Six months ended June 30, 2014			
Net charge-offs (d)	$ 75	$ 700	$ 32

(a) Represents information at the securitization level in which PNC has sold loans and is the servicer for the securitization.
(b) These activities were part of an acquired brokered home equity lending business in which PNC is no longer engaged.
(c) Serviced delinquent loans are 90 days or more past due or are in process of foreclosure.
(d) Net charge-offs for Residential mortgages and Home equity loans/lines represent credit losses less recoveries distributed and as reported to investors during the period. Net charge-offs for Commercial mortgages represent credit losses less recoveries distributed and as reported by the trustee for CMBS securitizations. Realized losses for Agency securitizations are not reflected as we do not manage the underlying real estate upon foreclosure and, as such, do not have access to loss information.

Variable Interest Entities (VIEs)

As discussed in Note 2 Loan Sale and Servicing Activities and Variable Interest Entities in our 2014 Form 10-K, we are involved with various entities in the normal course of business that are deemed to be VIEs. The following provides a summary of VIEs, including those that we have consolidated and those in which we hold variable interests but have not consolidated into our financial statements as of June 30, 2015 and December 31, 2014, respectively. We have not provided additional financial support to these entities which we are not contractually required to provide.

Table 52: Consolidated VIEs – Carrying Value (a) (b)

June 30, 2015 In millions	Credit Card and Other Securitization Trusts	Tax Credit Investments	Total
Assets			
Cash and due from banks		$ 5	$ 5
Interest-earning deposits with banks		5	5
Loans	$ 1,457	6	1,463
Allowance for loan and lease losses	(44)		(44)
Equity investments		256	256
Other assets	20	420	440
Total assets	$ 1,433	$ 692	$2,125
Liabilities			
Other borrowed funds	$ 154	$ 157	$ 311
Accrued expenses		63	63
Other liabilities		136	136
Total liabilities	$ 154	$ 356	$ 510

December 31, 2014 In millions	Credit Card and Other Securitization Trusts	Tax Credit Investments	Total
Assets			
Cash and due from banks		$ 6	$ 6
Interest-earning deposits with banks		6	6
Loans	$ 1,606		1,606
Allowance for loan and lease losses	(50)		(50)
Equity investments		492	492
Other assets	31	452	483
Total assets	$ 1,587	$ 956	$2,543
Liabilities			
Other borrowed funds	$ 166	$ 181	$ 347
Accrued expenses		70	70
Other liabilities		206	206
Total liabilities	$ 166	$ 457	$ 623

(a) Amounts represent carrying value on PNC's Consolidated Balance Sheet.
(b) Difference between total assets and total liabilities represents the equity portion of the VIE or intercompany assets and liabilities which are eliminated in consolidation.

Table 53: Non-Consolidated VIEs

In millions	Aggregate Assets	Aggregate Liabilities	PNC Risk of Loss (a)	Carrying Value of Assets Owned by PNC	Carrying Value of Liabilities Owned by PNC
June 30, 2015					
Commercial Mortgage-Backed Securitizations (b)	$ 45,797	$ 45,797	$ 1,415	$ 1,415 (d)	
Residential Mortgage-Backed Securitizations (b)	323,975	323,975	5,678	5,678 (d)	$ 1 (f)
Tax Credit Investments and Other (c)	7,576	2,937	2,237	2,281 (e)	695 (g)
Total	$377,348	$372,709	$ 9,330	$ 9,374	$ 696

In millions	Aggregate Assets	Aggregate Liabilities	PNC Risk of Loss (a)	Carrying Value of Assets Owned by PNC	Carrying Value of Liabilities Owned by PNC
December 31, 2014					
Commercial Mortgage-Backed Securitizations (b)	$ 53,436	$ 53,436	$ 1,550	$ 1,550 (d)	$ 1 (f)
Residential Mortgage-Backed Securitizations (b)	62,236	62,236	3,385	3,385 (d)	4 (f)
Tax Credit Investments and Other (c)	7,493	2,933	2,270	2,304 (e)	777 (g)
Total	$123,165	$118,605	$ 7,205	$ 7,239	$ 782

(a) This represents loans, investments and other assets related to non-consolidated VIEs, net of collateral (if applicable). Our total exposure related to our involvement in loan sale and servicing activities is disclosed in Table 50. Additionally, we also invest in other mortgage and asset-backed securities issued by third-party VIEs with which we have no continuing involvement. Further information on these securities is included in Note 6 Investment Securities and values disclosed represent our maximum exposure to loss for those securities' holdings.

(b) Amounts reflect involvement with securitization SPEs where PNC transferred to and/or services loans for an SPE and we hold securities issued by that SPE. Asset amounts equal outstanding liability amounts of the SPEs due to limited availability of SPE financial information.

(c) Aggregate assets and aggregate liabilities are based on limited availability of financial information associated with certain acquired partnerships and certain LLCs engaged in solar power generation to which PNC provides lease financing. The aggregate assets and aggregate liabilities of LLCs engaged in solar power generation may not be reflective of the size of these VIEs due to differences in classification of leases by these entities.

(d) Included in Trading securities, Investment securities, Other intangible assets and Other assets on our Consolidated Balance Sheet.

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

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

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

Our involvement with VIEs is discussed in further detail in Note 2 Loan Sale and Servicing Activities and Variable Interest Entities in our 2014 Form 10-K.

NOTE 3 ASSET QUALITY

Asset Quality

We closely monitor economic conditions and loan performance trends to manage and evaluate our exposure to credit risk. Trends in delinquency rates may be a key indicator, among other considerations, of credit risk within the loan portfolios. The measurement of delinquency status is based on the contractual terms of each loan. Loans that are 30 days or more past due in terms of payment are considered delinquent. Loan delinquencies exclude loans held for sale, purchased impaired loans, nonperforming loans and loans accounted for under the fair value option which are on nonaccrual status, but include government insured or guaranteed loans and accruing loans accounted for under the fair value option.

Nonperforming assets include nonperforming loans and leases, OREO and foreclosed assets, and nonperforming TDRs. Nonperforming loans are those loans accounted for at amortized cost whose credit quality has deteriorated to the extent that full collection of contractual principal and interest is not probable. Interest income is not recognized on these loans. Loans accounted for under the fair value option are reported as performing loans as these loans are accounted for at fair value. Accordingly, when nonaccrual criteria is met, interest income is not recognized on these loans. Additionally, certain government insured or guaranteed loans for which we expect to collect substantially all principal and interest are not reported as nonperforming loans and continue to accrue interest. Purchased impaired loans are excluded from nonperforming loans as we are currently accreting interest income over the expected life of the loans. See Note 4 Purchased Loans for further information.

See Note 1 Accounting Policies for additional delinquency, nonperforming, and charge-off information.

The following tables display the delinquency status of our loans and our nonperforming assets at June 30, 2015 and December 31, 2014, respectively.

Table 54: Analysis of Loan Portfolio (a)

Dollars in millions	Accruing								
	Current or Less Than 30 Days Past Due	30-59 Days Past Due	60-89 Days Past Due	90 Days Or More Past Due	Total Past Due (b)	Nonperforming Loans	Fair Value Option Nonaccrual Loans (c)	Purchased Impaired Loans	Total Loans (d) (e)
June 30, 2015									
Commercial Lending									
Commercial	$ 97,675	$ 83	$ 32	$ 35	$ 150	$ 258		$ 50	$ 98,133
Commercial real estate	24,368	5	5	1	11	242		185	24,806
Equipment lease financing	7,778	2			2	3			7,783
Total commercial lending	129,821	90	37	36	163	503		235	130,722
Consumer Lending									
Home equity	30,555	65	25		90	1,057		1,833	33,535
Residential real estate (f)	10,456	142	58	604	804	633	$ 242	2,397	14,532
Credit card	4,448	23	17	29	69	3			4,520
Other consumer (g)	21,273	172	98	245	515	56			21,844
Total consumer lending	66,732	402	198	878	1,478	1,749	242	4,230	74,431
Total	$ 196,553	$ 492	$ 235	$ 914	$ 1,641	$ 2,252	$ 242	$ 4,465	$205,153
Percentage of total loans	95.80%	.24%	.11%	.45%	.80%	1.10%	.12%	2.18%	100.00%
December 31, 2014									
Commercial Lending									
Commercial	$ 96,922	$ 73	$ 24	$ 37	$ 134	$ 290		$ 74	$ 97,420
Commercial real estate	22,667	23	2		25	334		236	23,262
Equipment lease financing	7,672	11	1		12	2			7,686
Total commercial lending	127,261	107	27	37	171	626		310	128,368
Consumer Lending									
Home equity	31,474	70	32		102	1,112		1,989	34,677
Residential real estate (f)	9,900	163	68	742	973	706	$ 269	2,559	14,407
Credit card	4,528	28	20	33	81	3			4,612
Other consumer (g)	22,071	214	112	293	619	63			22,753
Total consumer lending	67,973	475	232	1,068	1,775	1,884	269	4,548	76,449
Total	$ 195,234	$ 582	$ 259	$ 1,105	$ 1,946	$ 2,510	$ 269	$ 4,858	$204,817
Percentage of total loans	95.32%	.28%	.13%	.54%	.95%	1.23%	.13%	2.37%	100.00%

(a) Amounts in table represent recorded investment and exclude loans held for sale.

(b) Past due loan amounts exclude purchased impaired loans, even if contractually past due (or if we do not expect to receive payment in full based on the original contractual terms), as we are currently accreting interest income over the expected life of the loans.

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

(d) Net of unearned income, net deferred loan fees, unamortized discounts and premiums, and purchase discounts and premiums totaling $1.6 billion and $1.7 billion at June 30, 2015 and December 31, 2014, respectively.

(e) Future accretable yield related to purchased impaired loans is not included in the analysis of loan portfolio.

(f) Past due loan amounts at June 30, 2015 include government insured or guaranteed Residential real estate mortgages totaling $64 million for 30 to 59 days past due, $38 million for 60 to 89 days past due and $585 million for 90 days or more past due. Past due loan amounts at December 31, 2014 include government insured or guaranteed Residential real estate mortgages totaling $68 million for 30 to 59 days past due, $43 million for 60 to 89 days past due and $719 million for 90 days or more past due.

(g) Past due loan amounts at June 30, 2015 include government insured or guaranteed Other consumer loans totaling $121 million for 30 to 59 days past due, $81 million for 60 to 89 days past due and $232 million for 90 days or more past due. Past due loan amounts at December 31, 2014 include government insured or guaranteed Other consumer loans totaling $152 million for 30 to 59 days past due, $93 million for 60 to 89 days past due and $277 million for 90 days or more past due.

At June 30, 2015, we pledged $18.7 billion of commercial loans to the Federal Reserve Bank (FRB) and $52.6 billion of residential real estate and other loans to the Federal Home Loan Bank (FHLB) as collateral for the contingent ability to borrow, if necessary. The comparable amounts at December 31, 2014 were $19.2 billion and $52.8 billion, respectively.

In the normal course of business, we originate or purchase loan products with contractual characteristics that, when concentrated, may increase our exposure as a holder of those loan products. Possible product features that may create a concentration of credit risk would include a high original or updated LTV ratio, terms that may expose the borrower to future increases in repayments above increases in market interest rates, and interest-only loans, among others.

We originate interest-only loans to commercial borrowers. Such credit arrangements are usually designed to match borrower cash flow expectations (e.g., working capital lines, revolvers). These products are standard in the financial services industry and product features are considered during the underwriting process to mitigate the increased risk that the interest-only feature may result in borrowers not being able to make interest and principal payments when due. We do not believe that these product features create a concentration of credit risk.

Table 55: Nonperforming Assets

Dollars in millions	June 30 2015	December 31 2014
Nonperforming loans		
Commercial lending		
Commercial	$ 258	$ 290
Commercial real estate	242	334
Equipment lease financing	3	2
Total commercial lending	503	626
Consumer lending (a)		
Home equity	1,057	1,112
Residential real estate	633	706
Credit card	3	3
Other consumer	56	63
Total consumer lending	1,749	1,884
Total nonperforming loans (b) (c)	2,252	2,510
OREO and foreclosed assets		
Other real estate owned (OREO)	302	351
Foreclosed and other assets	24	19
Total OREO and foreclosed assets	326	370
Total nonperforming assets	$2,578	$ 2,880
Nonperforming loans to total loans	1.10%	1.23%
Nonperforming assets to total loans, OREO and foreclosed assets	1.25	1.40
Nonperforming assets to total assets	.73	.83

(a) Excludes most consumer loans and lines of credit, not secured by residential real estate, which are charged off after 120 to 180 days past due and are not placed on nonperforming status.
(b) Nonperforming loans exclude certain government insured or guaranteed loans, loans held for sale, loans accounted for under the fair value option and purchased impaired loans.
(c) The recorded investment of loans collateralized by residential real estate property that are in process of foreclosure was $.6 billion and $.8 billion at June 30, 2015 and December 31, 2014, which included $.4 billion and $.5 billion, respectively, of loans that are government insured/guaranteed.

Nonperforming loans also include certain loans whose terms have been restructured in a manner that grants a concession to a borrower experiencing financial difficulties. In accordance with applicable accounting guidance, these loans are considered TDRs. See Note 1 Accounting Policies and the TDR section of Note 3 in our 2014 Form 10-K for additional information. For the six months ended June 30, 2015, $442 million of Consumer loans held for sale, loans accounted for under the fair value option, pooled purchased impaired loans, as well as certain government insured or guaranteed loans which were evaluated for TDR consideration, are not classified as TDRs. The comparable amount for the six months ended June 30, 2014 was $615 million.

Total nonperforming loans in the nonperforming assets table above include TDRs of $1.2 billion at June 30, 2015 and $1.4 billion at December 31, 2014. TDRs that are performing, including credit card TDR loans, totaled $1.2 billion at June 30, 2015 and December 31, 2014 and are excluded from nonperforming loans. These include TDRs that are not placed on nonaccrual status as permitted by regulatory guidance. Nonperforming TDRs are returned to accrual and classified as performing after demonstrating a period of at least six months of consecutive performance under the restructured terms. Loans where borrowers have been discharged from personal liability through Chapter 7 bankruptcy and have not formally reaffirmed their loan obligations to PNC and loans to borrowers not currently obligated to make both principal and interest payments under the restructured terms are not returned to accrual status.

Additional Asset Quality Indicators

We have two overall portfolio segments – Commercial Lending and Consumer Lending. Each of these two segments is comprised of multiple loan classes. Classes are characterized by similarities in initial measurement, risk attributes and the manner in which we monitor and assess credit risk. The Commercial Lending segment is comprised of the commercial, commercial real estate, equipment lease financing, and commercial purchased impaired loan classes. The Consumer Lending segment is comprised of the home equity, residential real estate, credit card, other consumer, and consumer purchased impaired loan classes.

Commercial Lending Asset Classes

Commercial Loan Class

For commercial loans, we monitor the performance of the borrower in a disciplined and regular manner based upon the level of credit risk inherent in the loan. To evaluate the level of credit risk, we assign an internal risk rating reflecting the borrower's PD and LGD. This two-dimensional credit risk rating methodology provides granularity in the risk monitoring process on an ongoing basis. These ratings are reviewed and updated, generally at least once per year. Additionally, no less frequently than on an annual basis, we review PD rates related to each rating grade based upon internal historical data. These rates are updated as needed and augmented by market data as deemed necessary. For small balance homogenous pools of commercial loans, mortgages and leases, we apply statistical modeling to assist in determining the probability of default within these pools. Further, on a periodic basis, we update our LGD estimates associated with each rating grade based upon historical data. The combination of the PD and LGD ratings assigned to a commercial loan, capturing both the combination of expectations of default and loss severity in event of default, reflects the relative estimated likelihood of loss for that loan at the reporting date. In general, loans with better PD and LGD tend to have a lower likelihood of loss compared to loans with worse PD and LGD. The loss amount also considers exposure at date of default, which we also periodically update based upon historical data.

Based upon the amount of the lending arrangement and our risk rating assessment, we follow a formal schedule of written periodic review. Quarterly, we conduct formal reviews of a market's or business unit's entire loan portfolio, focusing on those loans which we perceive to be of higher risk, based upon PDs and LGDs, or loans for which credit quality is weakening. If circumstances warrant, it is our practice to review any customer obligation and its level of credit risk more frequently. We attempt to proactively manage our loans by using various procedures that are customized to the risk of a given loan, including ongoing outreach, contact, and assessment of obligor financial conditions, collateral inspection and appraisal.

Commercial Real Estate Loan Class

We manage credit risk associated with our commercial real estate projects and commercial mortgage activities similar to commercial loans by analyzing PD and LGD. Additionally, risks connected with commercial real estate projects and commercial mortgage activities tend to be correlated to the loan structure and collateral location, project progress and business environment. As a result, these attributes are also monitored and utilized in assessing credit risk.

As with the commercial class, a formal schedule of periodic review is also performed to assess market/geographic risk and business unit/industry risk. Often as a result of these overviews, more in-depth reviews and increased scrutiny are placed on areas of higher risk, including adverse changes in risk ratings, deteriorating operating trends, and/or areas that concern management. These reviews are designed to assess risk and take actions to mitigate our exposure to such risks.

Equipment Lease Financing Loan Class

We manage credit risk associated with our equipment lease financing loan class similar to commercial loans by analyzing PD and LGD.

Based upon the dollar amount of the lease and of the level of credit risk, we follow a formal schedule of periodic review. Generally, this occurs quarterly, although we have established practices to review such credit risk more frequently if circumstances warrant. Our review process entails analysis of the following factors: equipment value/residual value, exposure levels, jurisdiction risk, industry risk, guarantor requirements, and regulatory compliance.

Commercial Purchased Impaired Loan Class

Estimates of the expected cash flows primarily determine the valuation of commercial purchased impaired loans. Commercial cash flow estimates are influenced by a number of credit related items, which include but are not limited to: estimated collateral value, receipt of additional collateral, secondary trading prices, circumstances of possible and/or ongoing liquidation, capital availability, business operations and payment patterns.

We attempt to proactively manage these factors by using various procedures that are customized to the risk of a given loan. These procedures include a review by our Special Asset Committee (SAC), ongoing outreach, contact, and assessment of obligor financial conditions, collateral inspection and appraisal.

See Note 4 Purchased Loans for additional information.

Table 56: Commercial Lending Asset Quality Indicators (a)(b)

In millions	Pass Rated	Criticized Commercial Loans: Special Mention (c)	Substandard (d)	Doubtful (e)	Total Loans
June 30, 2015					
Commercial	$ 93,470	$ 1,848	$ 2,696	$ 69	$ 98,083
Commercial real estate	23,828	215	564	14	24,621
Equipment lease financing	7,621	84	76	2	7,783
Purchased impaired loans		6	208	21	235
Total commercial lending	$124,919	$ 2,153	$ 3,544	$ 106	$130,722
December 31, 2014					
Commercial	$ 92,884	$ 1,984	$ 2,424	$ 55	$ 97,347
Commercial real estate	22,066	285	639	35	23,025
Equipment lease financing	7,518	73	93	2	7,686
Purchased impaired loans		4	280	26	310
Total commercial lending	$122,468	$ 2,346	$ 3,436	$ 118	$128,368

(a) Based upon PDs and LGDs. We apply a split rating classification to certain loans meeting threshold criteria. By assigning a split classification, a loan's exposure amount may be split into more than one classification category in the above table.
(b) Loans are included above based on the Regulatory Classification definitions of "Pass", "Special Mention", "Substandard" and "Doubtful".
(c) Special Mention rated loans have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of repayment prospects at some future date. These loans do not expose us to sufficient risk to warrant a more adverse classification at this time.
(d) Substandard rated loans have a well-defined weakness or weaknesses that jeopardize the collection or liquidation of debt. They are characterized by the distinct possibility that we will sustain some loss if the deficiencies are not corrected.
(e) Doubtful rated loans possess all the inherent weaknesses of a Substandard loan with the additional characteristics that the weakness makes collection or liquidation in full improbable due to existing facts, conditions, and values.

Consumer Lending Asset Classes

Home Equity and Residential Real Estate Loan Classes

We use several credit quality indicators, including delinquency information, nonperforming loan information, updated credit scores, originated and updated LTV ratios, and geography, to monitor and manage credit risk within the home equity and residential real estate loan classes. We evaluate mortgage loan performance by source originators and loan servicers. A summary of asset quality indicators follows:

Delinquency/Delinquency Rates: We monitor trending of delinquency/delinquency rates for home equity and residential real estate loans. See the Asset Quality section of this Note 3 for additional information.

Nonperforming Loans: We monitor trending of nonperforming loans for home equity and residential real estate loans. See the Asset Quality section of this Note 3 for additional information.

Credit Scores: We use a national third-party provider to update FICO credit scores for home equity loans and lines of credit and residential real estate loans at least quarterly. The updated scores are incorporated into a series of credit management reports, which are utilized to monitor the risk in the loan classes.

LTV (inclusive of combined loan-to-value (CLTV) for first and subordinate lien positions): At least annually, we update the property values of real estate collateral and calculate an updated LTV ratio. For open-end credit lines secured by real estate in regions experiencing significant declines in property values, more frequent valuations may occur. We examine LTV migration and stratify LTV into categories to monitor the risk in the loan classes.

Historically, we used, and we continue to use, a combination of original LTV and updated LTV for internal risk management and reporting purposes (*e.g.*, line management, loss mitigation strategies). In addition to the fact that estimated property values by their nature are estimates, given certain data limitations it is important to note that updated LTVs may be based upon management's assumptions (*e.g.*, if an updated LTV is not provided by the third-party service provider, home price index (HPI) changes will be incorporated in arriving at management's estimate of updated LTV).

Geography: Geographic concentrations are monitored to evaluate and manage exposures. Loan purchase programs are sensitive to, and focused within, certain regions to manage geographic exposures and associated risks.

A combination of updated FICO scores, originated and updated LTV ratios and geographic location assigned to home equity loans and lines of credit and residential real estate loans is used to monitor the risk in the loan classes. Loans with higher FICO scores and lower LTVs tend to have a lower level of risk. Conversely, loans with lower FICO scores, higher LTVs, and in certain geographic locations tend to have a higher level of risk.

Consumer Purchased Impaired Loan Class

Estimates of the expected cash flows primarily determine the valuation of consumer purchased impaired loans. Consumer cash flow estimates are influenced by a number of credit related items, which include, but are not limited to: estimated real estate values, payment patterns, updated FICO scores, the current economic environment, updated LTV ratios and the date of origination. These key factors are monitored to help ensure that concentrations of risk are managed and cash flows are maximized.

See Note 4 Purchased Loans for additional information.

Table 57: Home Equity and Residential Real Estate Balances

In millions	June 30 2015	December 31 2014
Home equity and residential real estate loans – excluding purchased impaired loans (a)	$42,830	$ 43,348
Home equity and residential real estate loans – purchased impaired loans (b)	4,136	4,541
Government insured or guaranteed residential real estate mortgages (a)	1,007	1,188
Difference between outstanding balance and recorded investment in purchased impaired loans (c)	94	7
Total home equity and residential real estate loans (a)	$48,067	$ 49,084

(a) Represents recorded investment.
(b) Represents outstanding balance.
(c) Outstanding balance represents the balance on the loan servicing system for active loans. It is possible for the outstanding balance to be lower than the recorded investment for certain loans due to the use of pool accounting.

Table 58: Home Equity and Residential Real Estate Asset Quality Indicators – Excluding Purchased Impaired Loans (a) (b)

June 30, 2015 – in millions	Home Equity		Residential Real Estate	Total
	1st Liens	2nd Liens		
Current estimated LTV ratios (c)				
Greater than or equal to 125% and updated FICO scores:				
Greater than 660	$ 315	$ 1,223	$ 346	$ 1,884
Less than or equal to 660 (d) (e)	55	236	89	380
Missing FICO	1	7	6	14
Greater than or equal to 100% to less than 125% and updated FICO scores:				
Greater than 660	797	2,016	763	3,576
Less than or equal to 660 (d) (e)	114	341	137	592
Missing FICO	2	5	8	15
Greater than or equal to 90% to less than 100% and updated FICO scores:				
Greater than 660	863	1,659	774	3,296
Less than or equal to 660	98	236	102	436
Missing FICO	2	4	9	15
Less than 90% and updated FICO scores:				
Greater than 660	13,957	7,574	8,216	29,747
Less than or equal to 660	1,251	902	566	2,719
Missing FICO	29	15	112	156
Total home equity and residential real estate loans	$17,484	$14,218	$ 11,128	$42,830

December 31, 2014 – in millions	Home Equity 1st Liens	Home Equity 2nd Liens	Residential Real Estate	Total
Current estimated LTV ratios (c)				
Greater than or equal to 125% and updated FICO scores:				
Greater than 660	$ 333	$ 1,399	$ 360	$ 2,092
Less than or equal to 660 (d) (e)	57	273	92	422
Missing FICO	1	9	8	18
Greater than or equal to 100% to less than 125% and updated FICO scores:				
Greater than 660	839	2,190	772	3,801
Less than or equal to 660 (d) (e)	118	383	153	654
Missing FICO	1	5	12	18
Greater than or equal to 90% to less than 100% and updated FICO scores:				
Greater than 660	891	1,703	755	3,349
Less than or equal to 660	103	271	118	492
Missing FICO	2	3	5	10
Less than 90% and updated FICO scores:				
Greater than 660	13,878	7,874	7,703	29,455
Less than or equal to 660	1,319	995	573	2,887
Missing FICO	27	14	109	150
Total home equity and residential real estate loans	$17,569	$15,119	$ 10,660	$43,348

(a) Excludes purchased impaired loans of approximately $4.2 billion and $4.5 billion in recorded investment, certain government insured or guaranteed residential real estate mortgages of approximately $1.0 billion and $1.2 billion, and loans held for sale at June 30, 2015 and December 31, 2014, respectively. See the Home Equity and Residential Real Estate Asset Quality Indicators – Purchased Impaired Loans table below for additional information on purchased impaired loans.

(b) Amounts shown represent recorded investment.

(c) Based upon updated LTV (inclusive of combined loan-to-value (CLTV) for first and subordinate lien positions). Updated LTV is estimated using modeled property values. These ratios are updated at least semi-annually. The related estimates and inputs are based upon an approach that uses a combination of third-party automated valuation models (AVMs), broker price opinions (BPOs), HPI indices, property location, internal and external balance information, origination data and management assumptions. In cases where we are in an originated second lien position, we generally utilize origination balances provided by a third-party which do not include an amortization assumption when calculating updated LTV. Accordingly, the results of these calculations do not represent actual appraised loan level collateral or updated LTV based upon a current first lien balance, and as such, are necessarily imprecise and subject to change as we enhance our methodology.

(d) Higher risk loans are defined as loans with both an updated FICO score of less than or equal to 660 and an updated LTV greater than or equal to 100%.

(e) The following states had the highest percentage of higher risk loans at June 30, 2015: New Jersey 15%, Ohio 12%, Illinois 12%, Pennsylvania 12%, Florida 7%, Maryland 6% and Michigan 5%. The remainder of the states had lower than 4% of the higher risk loans individually, and collectively they represent approximately 31% of the higher risk loans. The following states had the highest percentage of higher risk loans at December 31, 2014: New Jersey 14%, Illinois 12%, Pennsylvania 12%, Ohio 12%, Florida 8%, Maryland 6%, Michigan 5%, and North Carolina 4%. The remainder of the states had lower than 4% of the high risk loans individually, and collectively they represent approximately 28% of the higher risk loans.

Table 59: Home Equity and Residential Real Estate Asset Quality Indicators – Purchased Impaired Loans (a)

June 30, 2015 – in millions	Home Equity (b) (c)		Residential Real Estate (b) (c)	Total
	1st Liens	2nd Liens		
Current estimated LTV ratios (d)				
Greater than or equal to 125% and updated FICO scores:				
Greater than 660	$ 6	$ 225	$ 221	$ 452
Less than or equal to 660	9	105	121	235
Missing FICO		7	7	14
Greater than or equal to 100% to less than 125% and updated FICO scores:				
Greater than 660	14	387	245	646
Less than or equal to 660	11	166	173	350
Missing FICO		10	9	19
Greater than or equal to 90% to less than 100% and updated FICO scores:				
Greater than 660	12	186	157	355
Less than or equal to 660	7	84	103	194
Missing FICO		4	6	10
Less than 90% and updated FICO scores:				
Greater than 660	109	320	625	1,054
Less than or equal to 660	97	175	472	744
Missing FICO	1	13	28	42
Missing LTV and updated FICO scores:				
Greater than 660	1		12	13
Less than or equal to 660	3		5	8
Total home equity and residential real estate loans	$ 270	$ 1,682	$ 2,184	$4,136

December 31, 2014 – in millions	Home Equity (b) (c)		Residential Real Estate (b) (c)	Total
	1st Liens	2nd Liens		
Current estimated LTV ratios (d)				
Greater than or equal to 125% and updated FICO scores:				
Greater than 660	$ 8	$ 243	$ 276	$ 527
Less than or equal to 660	9	125	144	278
Missing FICO		8	6	14
Greater than or equal to 100% to less than 125% and updated FICO scores:				
Greater than 660	15	426	272	713
Less than or equal to 660	12	194	200	406
Missing FICO		11	5	16
Greater than or equal to 90% to less than 100% and updated FICO scores:				
Greater than 660	12	207	186	405
Less than or equal to 660	9	93	123	225
Missing FICO		5	3	8
Less than 90% and updated FICO scores:				
Greater than 660	102	339	626	1,067
Less than or equal to 660	109	200	515	824
Missing FICO	1	12	15	28
Missing LTV and updated FICO scores:				
Greater than 660	1		14	15
Less than or equal to 660	4		10	14
Missing FICO			1	1
Total home equity and residential real estate loans	$ 282	$ 1,863	$ 2,396	$4,541

(a) Amounts shown represent outstanding balance. See Note 4 Purchased Loans for additional information.
(b) For the estimate of cash flows utilized in our purchased impaired loan accounting, other assumptions and estimates are made, including amortization of first lien balances, pre-payment rates, etc., which are not reflected in this table.
(c) The following states had the highest percentage of purchased impaired loans at June 30, 2015: California 16%, Florida 14%, Illinois 11%, Ohio 8%, North Carolina 7%, and Michigan 5%. The remainder of the states had lower than a 4% concentration of purchased impaired loans individually, and collectively they represent approximately 39% of the purchased impaired portfolio. The following states had the highest percentage of purchased impaired loans at December 31, 2014: California 17%, Florida 15%, Illinois 11%, Ohio 8%, North Carolina 7% and Michigan 5%. The remainder of the states had lower than a 4% concentration of purchased impaired loans individually, and collectively they represent approximately 37% of the purchased impaired portfolio.
(d) Based upon updated LTV (inclusive of combined loan-to-value (CLTV) for first and subordinate lien positions). Updated LTV is estimated using modeled property values. These ratios are updated at least semi-annually. The related estimates and inputs are based upon an approach that uses a combination of third-party automated valuation models (AVMs), broker price opinions (BPOs), HPI indices, property location, internal and external balance information, origination data and management assumptions. In cases where we are in an originated second lien position, we generally utilize origination balances provided by a third-party which do not include an amortization assumption when calculating updated LTV. Accordingly, the results of these calculations do not represent actual appraised loan level collateral or updated LTV based upon a current first lien balance, and as such, are necessarily imprecise and subject to change as we enhance our methodology.

Credit Card and Other Consumer Loan Classes

Table 60: Credit Card and Other Consumer Loan Classes Asset Quality Indicators

	Credit Card (a)		Other Consumer (b)	
Dollars in millions	Amount	% of Total Loans Using FICO Credit Metric	Amount	% of Total Loans Using FICO Credit Metric
June 30, 2015				
FICO score greater than 719	$2,680	59%	$ 9,293	65%
650 to 719	1,265	28	3,425	24
620 to 649	193	4	503	3
Less than 620	208	5	578	4
No FICO score available or required (c)	174	4	517	4
Total loans using FICO credit metric	4,520	100%	14,316	100%
Consumer loans using other internal credit metrics (b)			7,528	
Total loan balance	$4,520		$21,844	
Weighted-average updated FICO score (d)		734		745
December 31, 2014				
FICO score greater than 719	$2,717	59%	$ 9,156	64%
650 to 719	1,288	28	3,459	24
620 to 649	203	4	528	4
Less than 620	239	5	619	4
No FICO score available or required (c)	165	4	557	4
Total loans using FICO credit metric	4,612	100%	14,319	100%
Consumer loans using other internal credit metrics (b)			8,434	
Total loan balance	$4,612		$22,753	
Weighted-average updated FICO score (d)		732		744

(a) At June 30, 2015, we had $30 million of credit card loans that are higher risk (i.e., loans with both updated FICO scores less than 660 and in late stage (90+ days) delinquency status). The majority of the June 30, 2015 balance related to higher risk credit card loans was geographically distributed throughout the following areas: Ohio 17%, Pennsylvania 16%, Michigan 9%, New Jersey 8%, Illinois 7%, Florida 7% and Indiana 5%. All other states had less than 4% individually and make up the remainder of the balance. At December 31, 2014, we had $35 million of credit card loans that are higher risk. The majority of the December 31, 2014 balance related to higher risk credit card loans was geographically distributed throughout the following areas: Ohio 17%, Pennsylvania 16%, Michigan 9%, Illinois 7%, New Jersey 7%, Indiana 6%, Florida 6% and North Carolina 4%. All other states had less than 4% individually and make up the remainder of the balance.
(b) Other consumer loans for which updated FICO scores are used as an asset quality indicator include non-government guaranteed or insured education loans, automobile loans and other secured and unsecured lines and loans. Other consumer loans for which other internal credit metrics are used as an asset quality indicator include primarily government guaranteed or insured education loans, as well as consumer loans to high net worth individuals. Other internal credit metrics may include delinquency status, geography or other factors.
(c) Credit card loans and other consumer loans with no FICO score available or required generally refers to new accounts issued to borrowers with limited credit history, accounts for which we cannot obtain an updated FICO score (e.g., recent profile changes), cards issued with a business name, and/or cards secured by collateral. Management proactively assesses the risk and size of this loan portfolio and, when necessary, takes actions to mitigate the credit risk.
(d) Weighted-average updated FICO score excludes accounts with no FICO score available or required.

Troubled Debt Restructurings (TDRs)

See Note 3 Asset Quality in our 2014 Form 10-K for additional discussion on TDRs. We held specific reserves in the ALLL of $.3 billion and $.4 billion at June 30, 2015 and December 31, 2014, respectively, for the total TDR portfolio.

Table 61: Summary of Troubled Debt Restructurings

In millions	June 30 2015	December 31 2014
Total consumer lending	$2,002	$ 2,041
Total commercial lending	414	542
Total TDRs	$2,416	$ 2,583
Nonperforming	$1,208	$ 1,370
Accruing (a)	1,091	1,083
Credit card	117	130
Total TDRs	$2,416	$ 2,583

(a) Accruing TDR loans have demonstrated a period of at least six months of performance under the restructured terms and are excluded from nonperforming loans. Loans where borrowers have been discharged from personal liability through Chapter 7 bankruptcy and have not formally reaffirmed their loan obligations to PNC and loans to borrowers not currently obligated to make both principal and interest payments under the restructured terms are not returned to accrual status.

Table 62 quantifies the number of loans that were classified as TDRs as well as the change in the recorded investments as a result of the TDR classification during the first six months and second quarters of 2015 and 2014, respectively. Additionally, the table provides information about the types of TDR concessions. The Principal Forgiveness TDR category includes principal forgiveness and accrued interest forgiveness. These types of TDRs result in a write down of the recorded investment and a charge-off if such action has not already taken place. The Rate Reduction TDR category includes reduced interest rate and interest deferral. The TDRs within this category result in reductions to future interest income. The Other TDR category primarily includes consumer borrowers that have been discharged from personal liability through Chapter 7 bankruptcy and have not formally reaffirmed their loan obligations to PNC, as well as postponement/reduction of scheduled amortization and contractual extensions for both consumer and commercial borrowers.

In some cases, there have been multiple concessions granted on one loan. This is most common within the commercial loan portfolio. When there have been multiple concessions granted in the commercial loan portfolio, the principal forgiveness concession was prioritized for purposes of determining the inclusion in Table 62. For example, if there is principal forgiveness in conjunction with lower interest rate and postponement of amortization, the type of concession will be reported as Principal Forgiveness. Second in priority would be rate reduction. For example, if there is an interest rate reduction in conjunction with postponement of amortization, the type of concession will be reported as a Rate Reduction. In the event that multiple concessions are granted on a consumer loan, concessions resulting from discharge from personal liability through Chapter 7 bankruptcy without formal affirmation of the loan obligations to PNC would be prioritized and included in the Other type of concession in the table below. After that, consumer loan concessions would follow the previously discussed priority of concessions for the commercial loan portfolio.

Table 62: Financial Impact and TDRs by Concession Type (a)

During the three months ended June 30, 2015 Dollars in millions	Number of Loans	Pre-TDR Recorded Investment (b)	Post-TDR Recorded Investment (c)			
			Principal Forgiveness	Rate Reduction	Other	Total
Commercial lending						
Commercial	27	$ 38	$ 4	$ 2	$ 19	$ 25
Commercial real estate	9	4		1	2	3
Equipment lease financing	1					–
Total commercial lending	37	42	4	3	21	28
Consumer lending						
Home equity	818	57		27	28	55
Residential real estate	78	12		6	6	12
Credit card	1,641	14		13		13
Other consumer	232	3		1	2	3
Total consumer lending	2,769	86		47	36	83
Total TDRs	2,806	$ 128	$ 4	$ 50	$ 57	$111
During the three months ended June 30, 2014 Dollars in millions						
Commercial lending						
Commercial	29	$ 48	$ 3	$ 4	$ 40	$ 47
Commercial real estate	23	40		4	32	36
Total commercial lending (d)	52	88	3	8	72	83
Consumer lending						
Home equity	561	40		9	29	38
Residential real estate	161	22		7	15	22
Credit card	1,717	14		14		14
Other consumer	222	4			3	3
Total consumer lending	2,661	80		30	47	77
Total TDRs	2,713	$ 168	$ 3	$ 38	$119	$160

Table 62: Financial Impact and TDRs by Concession Type (Continued) (a)

During the six months ended June 30, 2015 Dollars in millions	Number of Loans	Pre-TDR Recorded Investment (b)	Post-TDR Recorded Investment (c)			
			Principal Forgiveness	Rate Reduction	Other	Total
Commercial lending						
Commercial	57	$ 91	$ 5	$ 2	$ 68	$ 75
Commercial real estate	17	14	1	1	4	6
Equipment lease financing	1					–
Total commercial lending	75	105	6	3	72	81
Consumer lending						
Home equity	1,530	102		50	47	97
Residential real estate	148	20		11	10	21
Credit card	3,204	26		25		25
Other consumer	504	7		2	4	6
Total consumer lending	5,386	155		88	61	149
Total TDRs	5,461	$ 260	$ 6	$ 91	$133	$230
During the six months ended June 30, 2014 Dollars in millions						
Commercial lending						
Commercial	63	$ 89	$ 3	$ 4	$ 78	$ 85
Commercial real estate	46	81	19	4	43	66
Total commercial lending (d)	109	170	22	8	121	151
Consumer lending						
Home equity	1,392	92		29	56	85
Residential real estate	280	40		13	27	40
Credit card	3,568	29		28		28
Other consumer	487	8			6	6
Total consumer lending	5,727	169		70	89	159
Total TDRs	5,836	$ 339	$ 22	$ 78	$210	$310

(a) Impact of partial charge-offs at TDR date are included in this table.
(b) Represents the recorded investment of the loans as of the quarter end immediately preceding TDR designation, and excludes immaterial amounts of accrued interest receivable.
(c) Represents the recorded investment of the TDRs as of the quarter end and immediately following the TDR designation, and excludes immaterial amounts of accrued interest receivable.
(d) During the three and six months ended June 30, 2014, there were no loans classified as TDRs in the Equipment lease financing loan class.

After a loan is determined to be a TDR, we continue to track its performance under its most recent restructured terms. In Table 63, we consider a TDR to have subsequently defaulted when it becomes 60 days past due after the most recent date the loan was restructured. The following table presents the recorded investment of loans that both (i) were classified as TDRs or were subsequently modified during each 12-month period preceding April 1, 2015, January 1, 2015, April 1, 2014 and January 1, 2014, respectively, and (ii) subsequently defaulted during these reporting periods.

Table 63: TDRs that were Modified in the Past Twelve Months which have Subsequently Defaulted

During the three months ended June 30, 2015 Dollars in millions	Number of Contracts	Recorded Investment
Commercial lending		
Commercial	8	$ 3
Commercial real estate	1	1
Equipment lease financing	1	
Total commercial lending	10	4
Consumer lending		
Home equity	102	5
Residential real estate	60	8
Credit card	1,140	10
Other consumer	38	
Total consumer lending	1,340	23
Total TDRs	1,350	$ 27

During the three months ended June 30, 2014 Dollars in millions	Number of Contracts	Recorded Investment
Commercial lending		
Commercial	23	$ 16
Commercial real estate	14	21
Total commercial lending (a)	37	37
Consumer lending		
Home equity	100	6
Residential real estate	51	11
Credit card	1,446	12
Other consumer	34	
Total consumer lending	1,631	29
Total TDRs	1,668	$ 66

During the six months ended June 30, 2015 Dollars in millions	Number of Contracts	Recorded Investment
Commercial lending		
Commercial	13	$ 4
Commercial real estate	8	9
Equipment lease financing	1	
Total commercial lending (a)	22	13
Consumer lending		
Home equity	168	9
Residential real estate	71	10
Credit card	1,482	12
Other consumer	75	1
Total consumer lending	1,796	32
Total TDRs	1,818	$ 45

During the six months ended June 30, 2014 Dollars in millions	Number of Contracts	Recorded Investment
Commercial lending		
Commercial	33	$ 22
Commercial real estate	21	31
Total commercial lending (a)	54	53
Consumer lending		
Home equity	216	13
Residential real estate	76	14
Credit card	1,894	15
Other consumer	79	1
Total consumer lending	2,265	43
Total TDRs	2,319	$ 96

(a) During the three and six months ended June 30, 2014, there were no loans classified as TDRs in the Equipment lease financing loan class that have subsequently defaulted.

Impaired Loans

Impaired loans include commercial nonperforming loans and consumer and commercial TDRs, regardless of nonperforming status. TDRs that were previously recorded at amortized cost and are now classified and accounted for as held for sale are also included. Excluded from impaired loans are nonperforming leases, loans accounted for as held for sale other than the TDRs described in the preceding sentence, loans accounted for under the fair value option, smaller balance homogeneous type loans and purchased impaired loans. See Note 4 Purchased Loans for additional information. Nonperforming equipment lease financing loans of $3 million at June 30, 2015 and $2 million at December 31, 2014 are excluded from impaired loans pursuant to authoritative lease accounting guidance. We did not recognize any interest income on impaired loans that have not returned to performing status, while they were impaired during the six months ended June 30, 2015 and June 30, 2014. The following table provides further detail on impaired loans individually evaluated for impairment and the associated ALLL. Certain commercial impaired loans and loans to consumers discharged from bankruptcy and not formally reaffirmed do not have a related ALLL as the valuation of these impaired loans exceeded the recorded investment.

Table 64: Impaired Loans

In millions	Unpaid Principal Balance	Recorded Investment (a)	Associated Allowance (b)	Average Recorded Investment (c)
June 30, 2015				
Impaired loans with an associated allowance				
Commercial	$ 398	$ 305	$ 59	$ 305
Commercial real estate	367	196	41	230
Home equity	1,006	982	189	984
Residential real estate	478	362	58	398
Credit card	117	117	26	124
Other consumer	58	40	1	44
Total impaired loans with an associated allowance	$2,424	$ 2,002	$ 374	$ 2,085
Impaired loans without an associated allowance				
Commercial	$ 45	$ 38		$ 73
Commercial real estate	183	157		171
Home equity	421	147		144
Residential real estate	369	354		328
Total impaired loans without an associated allowance	$1,018	$ 696		$ 716
Total impaired loans	$3,442	$ 2,698	$ 374	$ 2,801
December 31, 2014				
Impaired loans with an associated allowance				
Commercial	$ 432	$ 318	$ 74	$ 360
Commercial real estate	418	262	65	283
Home equity	1,021	984	215	986
Residential real estate	397	420	75	422
Credit card	130	130	32	147
Other consumer	64	47	2	51
Total impaired loans with an associated allowance	$2,462	$ 2,161	$ 463	$ 2,249
Impaired loans without an associated allowance				
Commercial	$ 106	$ 84		$ 133
Commercial real estate	249	187		276
Home equity	403	145		134
Residential real estate	344	315		365
Total impaired loans without an associated allowance	$1,102	$ 731		$ 908
Total impaired loans	$3,564	$ 2,892	$ 463	$ 3,157

(a) Recorded investment in a loan includes the unpaid principal balance plus accrued interest and net accounting adjustments, less any charge-offs. Recorded investment does not include any associated valuation allowance.
(b) Associated allowance amounts include $.3 billion and $.4 billion for TDRs at June 30, 2015 and December 31, 2014, respectively.
(c) Average recorded investment is for the six months ended June 30, 2015 and the year ended December 31, 2014, respectively.

NOTE 4 PURCHASED LOANS

Purchased Impaired Loans

Purchased impaired loan accounting addresses differences between contractual cash flows and cash flows expected to be collected from the initial investment in loans if those differences are attributable, at least in part, to credit quality. Several factors were considered when evaluating whether a loan was considered a purchased impaired loan, including the delinquency status of the loan, updated borrower credit status, geographic information, and updated LTV. GAAP allows purchasers to account for loans individually or to aggregate purchased impaired loans acquired in the same fiscal quarter into one or more pools, provided that the loans have common risk characteristics. A pool is then accounted for as a single asset with a single composite interest rate and an aggregate expectation of cash flows. Purchased impaired homogeneous consumer, residential real estate and smaller balance commercial loans with common risk characteristics are aggregated into pools where appropriate, whereas commercial loans with a total commitment greater than a defined threshold are accounted for individually. For pooled loans, proceeds of individual loans are not applied individually to each loan within a pool, but to the pool's recorded investment since it is accounted for as a single asset. Upon final disposition of a loan within a pool (*e.g.*, payoff, short-sale, foreclosure, *etc.*), the loan's carrying value is removed from the pool and any gain or loss associated with the transaction is retained in the pool's recorded investment. For example, upon final disposition of a loan by short-sale, the proceeds of the short-sale may be less (or more) than the loan's recorded investment. This shortfall or loss (excess or gain) is not accounted for as an individual loan sale in our income statement and is instead retained as part of the pool's recorded investment consistent with our accounting for the pool as a single asset. This treatment is designed to maintain a constant effective yield for recognition of interest income. Accordingly, a pool's recorded investment includes the net accumulation of realized losses or gains attributable to these final dispositions. As there are no future expected cash flows related to these dispositions, their net carrying value is $0. The recorded investment, including these realized losses and gains, is evaluated for collectability based upon the net present value of the pool's remaining expected cash flows when establishing our allowance for loan losses. See below and Note 1 Accounting Policies and Note 5 Allowances for Loan and Lease Losses and Unfunded Loan Commitments and Letters of Credit for additional information.

The following table provides balances of purchased impaired loans at June 30, 2015 and December 31, 2014:

Table 65: Purchased Impaired Loans – Balances

	June 30, 2015			December 31, 2014		
In millions	Outstanding Balance (a)	Recorded Investment	Carrying Value	Outstanding Balance (a)	Recorded Investment	Carrying Value
Commercial lending						
Commercial	$ 129	$ 50	$ 34	$ 159	$ 74	$ 57
Commercial real estate	217	185	134	307	236	174
Total commercial lending	346	235	168	466	310	231
Consumer lending						
Consumer	1,952	1,833	1,517	2,145	1,989	1,661
Residential real estate	2,184	2,397	1,925	2,396	2,559	2,094
Total consumer lending	4,136	4,230	3,442	4,541	4,548	3,755
Total	$ 4,482	$ 4,465	$ 3,610	$ 5,007	$ 4,858	$ 3,986

(a) Outstanding balance represents the balance on the loan servicing system for active loans. It is possible for the outstanding balance to be lower than the recorded investment for certain loans due to the use of pool accounting.

The excess of undiscounted cash flows expected at acquisition over the estimated fair value is referred to as the accretable yield and is recognized as interest income over the remaining life of the loan using the constant effective yield method. The difference between contractually required payments at acquisition and the cash flows expected to be collected at acquisition is referred to as the non-accretable difference and is not recognized in income. Subsequent changes in the expected cash flows of individual or pooled purchased impaired loans will either impact the accretable yield or result in an impairment charge to provision for credit losses in the period in which the changes become probable. Decreases to the net present value of expected cash flows will generally result in an impairment charge recorded as a provision for credit losses, resulting in an increase to the allowance for loan and lease losses, and a reclassification from accretable yield to non-accretable difference.

During the first six months of 2015, $12 million of provision recapture was recorded for purchased impaired loans compared to $95 million of provision recapture during the first six months of 2014. Charge-offs (which were specifically for commercial loans greater than a defined threshold) during the first six months of 2015 were $5 million compared to $24

million during the first six months of 2014. At both June 30, 2015 and December 31, 2014, the allowance for loan and lease losses on total purchased impaired loans was $.9 billion. At June 30, 2015, an allowance was recognized on each consumer purchased impaired loan pool. Subsequent increases in the net present value of cash flows will result in a provision recapture of any previously recorded allowance for loan and lease losses, to the extent applicable, and/or a reclassification from non-accretable difference to accretable yield, which will be recognized prospectively. Individual loan transactions where final dispositions have occurred (as noted above) result in removal of the loans from their applicable pools for cash flow estimation purposes. The cash flow re-estimation process is completed quarterly to evaluate the appropriateness of the allowance associated with the purchased impaired loans.

Activity for the accretable yield during the first six months of 2015 and 2014 follows:

Table 66: Purchased Impaired Loans – Accretable Yield

In millions	2015	2014
January 1	$1,558	$2,055
Accretion (including excess cash recoveries)	(252)	(309)
Net reclassifications to accretable from non-accretable (a)	146	208
Disposals	(9)	(18)
June 30	$1,443	$1,936

(a) Approximately 70% and 78% of the net reclassifications for the six months ended June 30, 2015 and 2014, respectively, were driven by the consumer portfolio and were due to improvements of cash expected to be collected on loans in future periods. The remaining net reclassifications were predominantly due to future cash flow changes in the commercial portfolio.

NOTE 5 ALLOWANCES FOR LOAN AND LEASE LOSSES AND UNFUNDED LOAN COMMITMENTS AND LETTERS OF CREDIT

Allowance for Loan and Lease Losses

We maintain the ALLL at levels that we believe to be appropriate to absorb estimated probable credit losses incurred in the portfolios as of the balance sheet date. We use the two main portfolio segments – Commercial Lending and Consumer Lending – and develop and document the ALLL under separate methodologies for each of these segments as discussed in Note 1 Accounting Policies. A rollforward of the ALLL and associated loan data follows.

Table 67: Rollforward of Allowance for Loan and Lease Losses and Associated Loan Data

In millions	Commercial Lending	Consumer Lending	Total
June 30, 2015			
Allowance for Loan and Lease Losses			
January 1	$ 1,571	$ 1,760	$ 3,331
Charge-offs	(108)	(284)	(392)
Recoveries	134	88	222
Net (charge-offs) / recoveries	26	(196)	(170)
Provision for credit losses	20	80	100
Net change in allowance for unfunded loan commitments and letters of credit	13		13
Other	(2)		(2)
June 30	$ 1,628	$ 1,644	$ 3,272
TDRs individually evaluated for impairment	$ 35	$ 274	$ 309
Other loans individually evaluated for impairment	65		65
Loans collectively evaluated for impairment	1,461	582	2,043
Purchased impaired loans	67	788	855
June 30	$ 1,628	$ 1,644	$ 3,272
Loan Portfolio			
TDRs individually evaluated for impairment (a)	$ 414	$ 2,002	$ 2,416
Other loans individually evaluated for impairment	282		282
Loans collectively evaluated for impairment (b)	129,791	67,258	197,049
Fair value option loans (c)		941	941
Purchased impaired loans	235	4,230	4,465
June 30	$ 130,722	$ 74,431	$205,153
Portfolio segment ALLL as a percentage of total ALLL	50%	50%	100%
Ratio of the allowance for loan and lease losses to total loans	1.25%	2.21%	1.59%
June 30, 2014			
Allowance for Loan and Lease Losses			
January 1	$ 1,547	$ 2,062	$ 3,609
Charge-offs	(209)	(355)	(564)
Recoveries	149	84	233
Net charge-offs	(60)	(271)	(331)
Provision for credit losses	108	58	166
Net change in allowance for unfunded loan commitments and letters of credit	10		10
Other	(1)		(1)
June 30	$ 1,604	$ 1,849	$ 3,453
TDRs individually evaluated for impairment	$ 29	$ 407	$ 436
Other loans individually evaluated for impairment	118		118
Loans collectively evaluated for impairment	1,349	664	2,013
Purchased impaired loans	108	778	886
June 30	$ 1,604	$ 1,849	$ 3,453
Loan Portfolio			
TDRs individually evaluated for impairment (a)	$ 545	$ 2,121	$ 2,666
Other loans individually evaluated for impairment	526		526
Loans collectively evaluated for impairment (b) (d)	122,533	68,717	191,250
Fair value option loans (c) (d)		985	985
Purchased impaired loans	479	5,078	5,557
June 30	$ 124,083	$ 76,901	$200,984
Portfolio segment ALLL as a percentage of total ALLL	46%	54%	100%
Ratio of the allowance for loan and lease losses to total loans	1.29%	2.40%	1.72%

(a) TDRs individually evaluated for impairment exclude TDRs that were subsequently accounted for as held for sale loans, but continue to be disclosed as TDRs.

(b) Includes $174 million of loans collectively evaluated for impairment based upon collateral values and written down to the respective collateral value less costs to sell at June 30, 2015. Accordingly, there is no allowance recorded for these loans. The comparative amount as of June 30, 2014 was $232 million.

(c) Loans accounted for under the fair value option are not evaluated for impairment as these loans are accounted for at fair value. Accordingly, there is no allowance recorded on these loans.

(d) Prior period amounts were corrected to include transferred loans over which PNC regained effective control as fair value option loans. This resulted in an increase of $101 million in consumer lending fair value option loans and a corresponding decrease of $101 million in consumer lending loans collectively evaluated for impairment.

Allowance for Unfunded Loan Commitments and Letters of Credit

We maintain the allowance for unfunded loan commitments and letters of credit at a level we believe is appropriate to absorb estimated probable credit losses on these unfunded credit facilities as of the balance sheet date as discussed in Note 1 Accounting Policies. A rollforward of the allowance is presented below.

Table 68: Rollforward of Allowance for Unfunded Loan Commitments and Letters of Credit

In millions	2015	2014
January 1	$259	$242
Net change in allowance for unfunded loan commitments and letters of credit	(13)	(10)
June 30	$246	$232

NOTE 6 INVESTMENT SECURITIES

Table 69: Investment Securities Summary

In millions	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
June 30, 2015				
Securities Available for Sale				
Debt securities				
U.S. Treasury and government agencies	$ 5,931	$ 166	$ (2)	$ 6,095
Residential mortgage-backed				
Agency	20,629	331	(118)	20,842
Non-agency	4,357	284	(89)	4,552
Commercial mortgage-backed				
Agency	1,980	21	(7)	1,994
Non-agency	4,368	62	(8)	4,422
Asset-backed	5,377	82	(24)	5,435
State and municipal	2,010	59	(11)	2,058
Other debt	1,822	39	(7)	1,854
Total debt securities	46,474	1,044	(266)	47,252
Corporate stocks and other	428		(1)	427
Total securities available for sale	$ 46,902	$1,044	$ (267)	$47,679
Securities Held to Maturity (a)				
Debt securities				
U.S. Treasury and government agencies	$ 253	$ 37		$ 290
Residential mortgage-backed				
Agency	8,199	117	$ (58)	8,258
Non-agency	252	7		259
Commercial mortgage-backed				
Agency	1,142	48		1,190
Non-agency	812	13		825
Asset-backed	736	3	(6)	733
State and municipal	1,982	78		2,060
Other debt	307	6		313
Total securities held to maturity	$ 13,683	$ 309	$ (64)	$13,928
December 31, 2014				
Securities Available for Sale				
Debt securities				
U.S. Treasury and government agencies	$ 5,237	$ 186	$ (1)	$ 5,422
Residential mortgage-backed				
Agency	17,646	438	(41)	18,043
Non-agency	4,723	318	(99)	4,942
Commercial mortgage-backed				
Agency	2,178	23	(14)	2,187
Non-agency	4,085	88	(11)	4,162
Asset-backed	5,141	78	(32)	5,187
State and municipal	1,953	88	(3)	2,038
Other debt	1,776	43	(6)	1,813
Total debt securities	42,739	1,262	(207)	43,794
Corporate stocks and other	442		(1)	441
Total securities available for sale	$ 43,181	$1,262	$ (208)	$44,235
Securities Held to Maturity (a)				
Debt securities				
U.S. Treasury and government agencies	$ 248	$ 44		$ 292
Residential mortgage-backed				
Agency	5,736	166	$ (10)	5,892
Non-agency	270	13		283
Commercial mortgage-backed				
Agency	1,200	53		1,253
Non-agency	1,010	19		1,029
Asset-backed	759	2	(8)	753
State and municipal	2,042	111		2,153
Other debt	323	6		329
Total securities held to maturity	$ 11,588	$ 414	$ (18)	$11,984

(a) Held to maturity securities transferred from available for sale are included in held to maturity at fair value at the time of transfer. The amortized cost of held to maturity securities included net unrealized gains of $110 million and $125 million at June 30, 2015 and December 31, 2014, respectively, related to securities transferred, which are offset in Accumulated Other Comprehensive Income, net of tax.

The fair value of investment securities is impacted by interest rates, credit spreads, market volatility and liquidity conditions. Net unrealized gains and losses in the securities available for sale portfolio are included in Shareholders' equity as Accumulated other comprehensive income or loss, net of tax, unless credit-related. Securities held to maturity are carried at amortized cost. At June 30, 2015, Accumulated other comprehensive income included pretax gains of $93 million from derivatives that hedged the purchase of investment securities classified as held to maturity. The gains will be accreted into interest income as an adjustment of yield on the securities.

Table 70 presents gross unrealized losses on securities available for sale at June 30, 2015 and December 31, 2014. The securities are segregated between investments that have been in a continuous unrealized loss position for less than twelve months and twelve months or more based on the point in time that the fair value declined below the amortized cost basis. The table includes debt securities where a portion of other-than-temporary impairment (OTTI) has been recognized in Accumulated other comprehensive income (loss).

Table 70: Gross Unrealized Loss and Fair Value of Securities Available for Sale

In millions	Unrealized loss position less than 12 months		Unrealized loss position 12 months or more		Total	
	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value
June 30, 2015						
Debt securities						
U.S. Treasury and government agencies	$ (2)	$ 1,167			$ (2)	$ 1,167
Residential mortgage-backed						
Agency	(94)	7,736	$ (24)	$ 1,259	(118)	8,995
Non-agency	(5)	443	(84)	1,395	(89)	1,838
Commercial mortgage-backed						
Agency	(2)	429	(5)	150	(7)	579
Non-agency	(5)	1,504	(3)	339	(8)	1,843
Asset-backed	(5)	946	(19)	605	(24)	1,551
State and municipal	(8)	503	(3)	49	(11)	552
Other debt	(4)	332	(3)	139	(7)	471
Total debt securities	(125)	13,060	(141)	3,936	(266)	16,996
Corporate stocks and other			(1)	61	(1)	61
Total	$ (125)	$ 13,060	$ (142)	$ 3,997	$ (267)	$17,057
December 31, 2014						
Debt securities						
U.S. Treasury and government agencies	$ (1)	$ 1,426			$ (1)	$ 1,426
Residential mortgage-backed						
Agency	(4)	644	$ (37)	$ 1,963	(41)	2,607
Non-agency	(5)	276	(94)	1,487	(99)	1,763
Commercial mortgage-backed						
Agency	(2)	681	(12)	322	(14)	1,003
Non-agency	(4)	928	(7)	335	(11)	1,263
Asset-backed	(4)	913	(28)	1,133	(32)	2,046
State and municipal	(a)	41	(3)	77	(3)	118
Other debt	(2)	314	(4)	186	(6)	500
Total debt securities	(22)	5,223	(185)	5,503	(207)	10,726
Corporate stocks and other			(1)	15	(1)	15
Total	$ (22)	$ 5,223	$ (186)	$ 5,518	$ (208)	$10,741

(a) The unrealized loss on these securities was less than $.5 million.

The gross unrealized loss on debt securities held to maturity was $74 million at June 30, 2015, with $51 million of the loss related to securities with a fair value of $4.0 billion that had been in a continuous loss position less than 12 months and $23 million of the loss related to securities with a fair value of $1.0 billion that had been in a continuous loss position for more than 12 months. The gross unrealized loss on debt securities held to maturity was $22 million at December 31, 2014, with $1 million of the loss related to securities with a fair value of $134 million that had been in a continuous loss position less than 12 months and $21 million of the loss related to securities with a fair value of $1.6 billion that had been in a continuous loss position for more than 12 months. For securities transferred to held to maturity from available for sale, the unrealized loss for purposes of this analysis is determined by comparing the security's original amortized cost to its current estimated fair value.

Evaluating Investment Securities for Other-than-Temporary Impairments

For the securities in the preceding Table 70, as of June 30, 2015 we do not intend to sell and believe we will not be required to sell the securities prior to recovery of the amortized cost basis.

At least quarterly, we conduct a comprehensive security-level assessment on all securities. For those securities in an unrealized loss position we determine if OTTI exists. An unrealized loss exists when the current fair value of an individual security is less than its amortized cost basis. An OTTI loss must be recognized for a debt security in an unrealized loss position if we intend to sell the security or it is more likely than not we will be required to sell the security prior to recovery of its amortized cost basis. In this situation, the amount of loss recognized in income is equal to the difference between the fair value and the amortized cost basis of the security. Even if we do not expect to sell the security, we must evaluate the expected cash flows to be received to determine if we believe a credit loss has occurred. In the event of a credit loss, only the amount of impairment associated with the credit loss is recognized in income. The portion of the unrealized loss relating to other factors, such as liquidity conditions in the market or changes in market interest rates, is recorded in accumulated other comprehensive income (loss).

The security-level assessment is performed on each investment security. Our assessment considers the security structure, recent security collateral performance metrics if applicable, external credit ratings, failure of the issuer to make scheduled interest or principal payments, our judgment and expectations of future performance, and relevant independent industry research, analysis and forecasts. Results of the periodic assessment are reviewed by a cross-functional senior management team representing Asset & Liability Management, Finance, and Market Risk Management. The senior management team considers the results of the assessments, as well as other factors, in determining whether the impairment is other-than-temporary.

Substantially all of the credit impairment we have recognized relates to non-agency residential mortgage-backed securities and asset-backed securities collateralized by first-lien and second-lien non-agency residential mortgage loans. Potential credit losses on these securities are evaluated on a security-by-security basis. Collateral performance assumptions are developed for each security after reviewing collateral composition and collateral performance statistics. This includes analyzing recent delinquency roll rates, loss severities, voluntary prepayments and various other collateral and performance metrics. This information is then combined with general expectations on the housing market, employment and other macroeconomic factors to develop estimates of future performance.

Security level assumptions for prepayments, loan defaults and loss given default are applied to each non-agency residential mortgage-backed security and asset-backed security collateralized by first-lien and second-lien non-agency residential mortgage loans using a third-party cash flow model. The third-party cash flow model then generates projected cash flows according to the structure of each security. Based on the results of the cash flow analysis, we determine whether we expect that we will recover the amortized cost basis of our security.

For those securities on our balance sheet where we determined losses represented OTTI, we have recorded cumulative credit losses of $1.2 billion at June 30, 2015. During the first six months and second quarters of 2015 and 2014, the OTTI credit losses recognized in noninterest income and the OTTI noncredit losses recognized in accumulated other comprehensive income (loss), net of tax, on securities were not significant.

Information relating to gross realized securities gains and losses from the sales of securities is set forth in the following table.

Table 71: Gains (Losses) on Sales of Securities Available for Sale

In millions	Proceeds	Gross Gains	Gross Losses	Net Gains	Tax Expense
Six months ended June 30					
2015	$2,441	$ 51	$ (1)	$ 50	$ 17
2014	$3,401	$ 29	$ (25)	$ 4	$ 1

The following table presents, by remaining contractual maturity, the amortized cost, fair value and weighted-average yield of debt securities at June 30, 2015.

Table 72: Contractual Maturity of Debt Securities

June 30, 2015 Dollars in millions	1 Year or Less	After 1 Year through 5 Years	After 5 Years through 10 Years	After 10 Years	Total
Securities Available for Sale					
U.S. Treasury and government agencies	$ 513	$ 804	$ 3,976	$ 638	$ 5,931
Residential mortgage-backed					
Agency		123	760	19,746	20,629
Non-agency		5	1	4,351	4,357
Commercial mortgage-backed					
Agency	83	136	48	1,713	1,980
Non-agency		85		4,283	4,368
Asset-backed	5	1,150	2,104	2,118	5,377
State and municipal	9	129	316	1,556	2,010
Other debt	140	1,174	327	181	1,822
Total debt securities available for sale	$ 750	$ 3,606	$ 7,532	$34,586	$46,474
Fair value	$ 757	$ 3,682	$ 7,628	$35,185	$47,252
Weighted-average yield, GAAP basis	2.96%	2.46%	2.33%	2.98%	2.83%
Securities Held to Maturity					
U.S. Treasury and government agencies				$ 253	$ 253
Residential mortgage-backed					
Agency			$ 215	7,984	8,199
Non-agency				252	252
Commercial mortgage-backed					
Agency		$ 940	144	58	1,142
Non-agency		6		806	812
Asset-backed		9	592	135	736
State and municipal		56	825	1,101	1,982
Other debt			307		307
Total debt securities held to maturity		$ 1,011	$ 2,083	$10,589	$13,683
Fair value		$ 1,050	$ 2,134	$10,744	$13,928
Weighted-average yield, GAAP basis		3.49%	3.04%	3.56%	3.48%

Weighted-average yields are based on historical cost with effective yields weighted for the contractual maturity of each security. At June 30, 2015, there were no securities of a single issuer, other than FNMA, that exceeded 10% of Total shareholders' equity.

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

Table 73: Fair Value of Securities Pledged and Accepted as Collateral

In millions	June 30 2015	December 31 2014
Pledged to others	$10,051	$ 10,874
Accepted from others:		
Permitted by contract or custom to sell or repledge	1,569	1,658
Permitted amount repledged to others	1,399	1,488

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

NOTE 7 FAIR VALUE

Fair Value Measurement

PNC measures certain financial assets and liabilities at fair value in accordance with GAAP. Fair value is defined in GAAP as the price that would be received to sell an asset or the price that would be paid to transfer a liability on the measurement date. GAAP focuses on the exit price in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. GAAP also establishes a fair value hierarchy to maximize the use of observable inputs when measuring fair value. For more information regarding the fair value hierarchy see Note 7 Fair Value in our 2014 Form 10-K.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

For more information on the valuation methodologies used to measure assets and liabilities at fair value on a recurring basis, see Note 7 Fair Value in our 2014 Form 10-K. The following table summarizes our assets and liabilities measured at fair value on a recurring basis, including instruments for which PNC has elected the fair value option.

Table 74: Fair Value Measurements – Recurring Basis Summary

In millions	June 30, 2015 Level 1	Level 2	Level 3	Total Fair Value	December 31, 2014 Level 1	Level 2	Level 3	Total Fair Value
Assets								
Securities available for sale								
U.S. Treasury and government agencies	$5,476	$ 619		$ 6,095	$4,795	$ 627		$ 5,422
Residential mortgage-backed								
Agency		20,842		20,842		18,043		18,043
Non-agency		128	$4,424	4,552		144	$ 4,798	4,942
Commercial mortgage-backed								
Agency		1,994		1,994		2,187		2,187
Non-agency		4,422		4,422		4,162		4,162
Asset-backed		4,904	531	5,435		4,624	563	5,187
State and municipal		2,042	16	2,058		1,904	134	2,038
Other debt		1,821	33	1,854		1,783	30	1,813
Total debt securities	5,476	36,772	5,004	47,252	4,795	33,474	5,525	43,794
Corporate stocks and other	365	62		427	426	15		441
Total securities available for sale	5,841	36,834	5,004	47,679	5,221	33,489	5,525	44,235
Financial derivatives (a) (b)								
Interest rate contracts	5	4,560	34	4,599	4	4,874	40	4,918
Other contracts		250	2	252		314	2	316
Total financial derivatives	5	4,810	36	4,851	4	5,188	42	5,234
Residential mortgage loans held for sale (c)		1,354	10	1,364		1,255	6	1,261
Trading securities (d)								
Debt (e)	1,048	1,272	3	2,323	1,340	960	32	2,332
Equity	11			11	21			21
Total trading securities	1,059	1,272	3	2,334	1,361	960	32	2,353
Trading loans (a)		48		48		30	7	37
Residential mortgage servicing rights (f)			1,015	1,015			845	845
Commercial mortgage servicing rights (f)			543	543			506	506
Commercial mortgage loans held for sale (c)			757	757			893	893
Equity investments (a)								
Direct investments			1,191	1,191			1,152	1,152
Indirect investments (g)			425	425			469	469
Total equity investments			1,616	1,616			1,621	1,621
Customer resale agreements (h)		150		150		155		155
Loans (i)		576	365	941		637	397	1,034
Other assets (a)								
BlackRock Series C Preferred Stock (j)			363	363			375	375
Other	248	186	7	441	190	226	8	424
Total other assets	248	186	370	804	190	226	383	799
Total assets	$7,153	$45,230	$9,719	$62,102	$6,776	$41,940	$10,257	$58,973
Liabilities								
Financial derivatives (b) (k)								
Interest rate contracts	$ 3	$ 3,101	$ 8	$ 3,112		$ 3,260	$ 12	$ 3,272
BlackRock LTIP			363	363			375	375
Other contracts		225	127	352		241	139	380
Total financial derivatives	3	3,326	498	3,827		3,501	526	4,027
Trading securities sold short (l)								
Debt	1,410	19		1,429	$1,479	11		1,490
Total trading securities sold short	1,410	19		1,429	1,479	11		1,490
Other borrowed funds (l)		59	165	224		92	181	273
Other liabilities (k)		3	10	13			9	9
Total liabilities	$1,413	$ 3,407	$ 673	$ 5,493	$1,479	$ 3,604	$ 716	$ 5,799

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(a) Included in Other assets on our Consolidated Balance Sheet.
(b) Amounts at June 30, 2015 and December 31, 2014 are presented gross and are not reduced by the impact of legally enforceable master netting agreements that allow PNC to net positive and negative positions and cash collateral held or placed with the same counterparty. At both June 30, 2015 and December 31, 2014, the net asset amounts were $2.6 billion and the net liability amounts were $1.4 billion.
(c) Included in Loans held for sale on our Consolidated Balance Sheet. PNC has elected the fair value option for certain residential and commercial mortgage loans held for sale.
(d) Fair value includes net unrealized gains of $18 million at June 30, 2015 compared with net unrealized gains of $54 million at December 31, 2014.
(e) Approximately 37% of these securities are residential mortgage-backed securities and 45% are U.S. Treasury and government agencies securities at June 30, 2015. Comparable amounts at December 31, 2014 were 34% and 57%, respectively.
(f) Included in Other intangible assets on our Consolidated Balance Sheet.
(g) The indirect equity funds are not redeemable, but PNC receives distributions over the life of the partnership from liquidation of the underlying investments by the investee, which we expect to occur over the next twelve years. The amount of unfunded contractual commitments as of June 30, 2015 related to indirect equity investments was $118 million and related to direct equity investments was $26 million, respectively. Comparable amounts at December 31, 2014 were $112 million and $28 million, respectively.
(h) Included in Federal funds sold and resale agreements on our Consolidated Balance Sheet. PNC has elected the fair value option for these items.
(i) Included in Loans on our Consolidated Balance Sheet.
(j) PNC has elected the fair value option for these shares.
(k) Included in Other liabilities on our Consolidated Balance Sheet.
(l) Included in Other borrowed funds on our Consolidated Balance Sheet.

Reconciliations of assets and liabilities measured at fair value on a recurring basis using Level 3 inputs for the three and six months ended June 30, 2015 and 2014 follow:

Table 75: Reconciliation of Level 3 Assets and Liabilities

Three Months Ended June 30, 2015

Level 3 Instruments Only In millions	Fair Value March 31, 2015	Total realized / unrealized gains or losses for the period (a): Included in Earnings	Total realized / unrealized gains or losses for the period (a): Included in Other comprehensive income	Purchases	Sales	Issuances	Settlements	Transfers into Level 3 (b)	Transfers out of Level 3 (b)	Fair Value June 30, 2015	Unrealized gains (losses) on assets and liabilities held on Consolidated Balance Sheet at June 30, 2015 (c)
Assets											
Securities available for sale											
Residential mortgage-backed non-agency	$ 4,624	$ 30	$ (8)				$ (222)			$4,424	
Commercial mortgage-backed non-agency		1					(1)				
Asset-backed	548	5	5				(27)			531	
State and municipal	133						(117)			16	
Other debt	33									33	
Total securities available for sale	5,338	36	(3)				(367)			5,004	
Financial derivatives	54	16					(34)			36	$ 33
Residential mortgage loans held for sale	7			$ 11	$ (2)		(1)	$ 1	$ (6)	10	
Trading securities – Debt	3									3	
Trading loans	2				(2)						
Residential mortgage servicing rights	839	135		67		$ 21	(47)			1,015	134
Commercial mortgage servicing rights	494	34		17		20	(22)			543	34
Commercial mortgage loans held for sale	975	23			(56)	1,008	(1,193)			757	
Equity investments											
Direct investments	1,149	27		95	(80)					1,191	22
Indirect investments	442	21		5	(43)					425	20
Total equity investments	1,591	48		100	(123)					1,616	42
Loans	383	5		23	(4)		(35)	6	(13)	365	1
Other assets											
BlackRock Series C Preferred Stock	384	(21)								363	(21)
Other	8						(1)			7	
Total other assets	392	(21)					(1)			370	(21)
Total assets	$ 10,078	$ 276 (e)	$ (3)	$ 218	$(187)	$ 1,049	$ (1,700)	$ 7	$ (19)	$9,719	$ 223 (f)
Liabilities											
Financial derivatives (d)	$ 529	$ (15)			$ 1		$ (17)			$ 498	$ (25)
Other borrowed funds	171	3				$ 21	(30)			165	
Other liabilities	10									10	
Total liabilities	$ 710	$ (12) (e)			$ 1	$ 21	$ (47)			$ 673	$ (25) (f)

Three Months Ended June 30, 2014

Level 3 Instruments Only In millions	Fair Value March 31, 2014	Total realized / unrealized gains or losses for the period (a): Included in Earnings	Total realized / unrealized gains or losses for the period (a): Included in Other comprehensive income	Purchases	Sales	Issuances	Settlements	Transfers into Level 3 (b)	Transfers out of Level 3 (b)	Fair Value June 30, 2014	Unrealized gains (losses) on assets and liabilities held on Consolidated Balance Sheet at June 30, 2014 (c)
Assets											
Securities available for sale											
Residential mortgage-backed non-agency	$ 5,234	$ 40	$ 31				$ (198)			$ 5,107	$ (1)
Asset-backed	642	4					(27)			619	
State and municipal	331		13				1			345	
Other debt	32			$ 1	$ (1)		(1)			31	
Total securities available for sale	6,239	44	44	1	(1)		(225)			6,102	(1)
Financial derivatives	30	59		1			(49)			41	47
Residential mortgage loans held for sale	5	1		3	(1)		(1)	$ 1	$ (4)	4	1
Trading securities – Debt	32	1								33	2
Residential mortgage servicing rights	1,039	(57)				$ 20	(35)			967	(57)
Commercial mortgage servicing rights	529	(11)		9		10	(22)			515	(11)
Commercial mortgage loans held for sale	577	5					(61)			521	5
Equity investments											
Direct investments	1,163	38		99	(81)					1,219	30
Indirect investments	594	15		6	(39)		(2)			574	14
Total equity investments	1,757	53		105	(120)		(2)			1,793	44
Loans (g)	518	10		25	(132)		(26)	3	(25)	373	8
Other assets											
BlackRock Series C Preferred Stock	330	5								335	5
Other	8									8	
Total other assets	338	5								343	5
Total assets	$ 11,064	$ 110 (e)	$ 44	$ 144	$(254)	$ 30	$ (421)	$ 4	$ (29)	$10,692	$ 43 (f)
Liabilities											
Financial derivatives (d)	$ 440	$ 30					$ (16)			$ 454	$ 16
Other borrowed funds (g)	193	(7)				$ 10	(13)			183	
Total liabilities	$ 633	$ 23 (e)				$ 10	$ (29)			$ 637	$ 16 (f)

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Six Months Ended June 30, 2015

Level 3 Instruments Only In millions	Fair Value Dec. 31, 2014	Total realized / unrealized gains or losses for the period (a) Included in Earnings	Included in Other comprehensive income	Purchases	Sales	Issuances	Settlements	Transfers into Level 3 (b)	Transfers out of Level 3 (b)	Fair Value June 30, 2015	Unrealized gains (losses) on assets and liabilities held on Consolidated Balance Sheet at June 30, 2015 (c)
Assets											
Securities available for sale											
Residential mortgage-backed non-agency	$ 4,798	$ 55	$ (22)				$ (407)			$4,424	$ (1)
Commercial mortgage backed non-agency		8					(8)				
Asset-backed	563	11	9				(52)			531	
State and municipal	134		(1)				(117)			16	
Other debt	30	1		$ 3			(1)			33	
Total securities available for sale	5,525	75	(14)	3			(585)			5,004	(1)
Financial derivatives	42	87		1			(94)			36	76
Residential mortgage loans held for sale	6			17	$ (2)		(1)	$ 2	$ (12)	10	
Trading securities – Debt	32						(29)			3	
Trading loans	7				(7)						
Residential mortgage servicing rights	845	68		150		$ 38	(86)			1,015	72
Commercial mortgage servicing rights	506	18		28		34	(43)			543	18
Commercial mortgage loans held for sale	893	44			(56)	2,091	(2,215)			757	2
Equity investments											
Direct investments	1,152	56		138	(155)					1,191	40
Indirect investments	469	35		8	(87)					425	33
Total equity investments	1,621	91		146	(242)					1,616	73
Loans	397	15		55	(8)		(72)	11	(33)	365	9
Other assets											
BlackRock Series C Preferred Stock	375	(12)								363	(12)
Other	8						(1)			7	
Total other assets	383	(12)					(1)			370	(12)
Total assets	$10,257	$ 386(e)	$ (14)	$ 400	$(315)	$ 2,163	$ (3,126)	$ 13	$ (45)	$9,719	$ 237(f)
Liabilities											
Financial derivatives (d)	$ 526	$ 26			$ 1		$ (55)			$ 498	$ (17)
Other borrowed funds	181	3				$ 46	(65)			165	
Other liabilities	9	1								10	
Total liabilities	$ 716	$ 30(e)			$ 1	$ 46	$ (120)			$ 673	$ (17)(f)

Six Months Ended June 30, 2014

Level 3 Instruments Only In millions	Fair Value Dec. 31, 2013	Total realized / unrealized gains or losses for the period (a) Included in Earnings	Included in Other comprehensive income	Purchases	Sales	Issuances	Settlements	Transfers into Level 3 (b)	Transfers out of Level 3 (b)	Fair Value June 30, 2014	Unrealized gains (losses) on assets and liabilities held on Consolidated Balance Sheet at June 30, 2014 (c)
Assets											
Securities available for sale											
Residential mortgage-backed non-agency	$ 5,358	$ 74	$ 85				$ (410)			$ 5,107	$ (3)
Asset-backed	641	8	19				(49)			619	
State and municipal	333	(2)	14							345	
Other debt	38	1		$ 1	$ (7)		(2)			31	
Total securities available for sale	6,370	81	118	1	(7)		(461)			6,102	(3)
Financial derivatives	36	119		1			(115)			41	80
Residential mortgage loans held for sale	8	1		8	(3)		(1)	$ 4	$ (13)	4	1
Trading securities – Debt	32	1								33	2
Residential mortgage servicing rights	1,087	(116)		17		$ 43	(64)			967	(114)
Commercial mortgage servicing rights		(25)		16		17	507(h)			515	(25)
Commercial mortgage loans held for sale	586	7					(72)			521	7
Equity investments											
Direct investments	1,069	72		168	(90)					1,219	63
Indirect investments	595	33		12	(65)		(1)			574	31
Total equity investments	1,664	105		180	(155)		(1)			1,793	94
Loans (g)	527	19		24	(138)		(47)	42	(54)	373	14
Other assets											
BlackRock Series C											
Preferred Stock	332	3								335	3
Other	8									8	
Total other assets	340	3								343	3
Total assets	$10,650	$ 195 (e)	$ 118	$ 247	$(303)	$ 60	$ (254)	$ 46	$ (67)	$10,692	$ 59(f)
Liabilities											
Financial derivatives (d)	$ 439	$ 70			$ 1		$ (56)			$ 454	$ 22
Other borrowed funds (g)	199	(3)				$ 19	(32)			183	
Total liabilities	$ 638	$ 67 (e)			$ 1	$ 19	$ (88)			$ 637	$ 22(f)

(a) Losses for assets are bracketed while losses for liabilities are not.
(b) PNC's policy is to recognize transfers in and transfers out as of the end of the reporting period.
(c) The amount of the total gains or losses for the period included in earnings that is attributable to the change in unrealized gains or losses related to those assets and liabilities held at the end of the reporting period.
(d) Includes swaps entered into in connection with sales of certain Visa Class B common shares.
(e) Net gains (realized and unrealized) included in earnings relating to Level 3 assets and liabilities were $288 million for the second quarter of 2015, while for the first six months of 2015 there were $356 million of net gains (realized and unrealized) included in earnings. The comparative amounts included net gains (realized and unrealized) of $87 million for the second quarter of 2014 and net gains (realized and unrealized) of $128 million for the first six months of 2014. These amounts also included amortization and accretion of $37 million for the second quarter of 2015 and $77 million for the first six months of 2015. The comparative amounts were $44 million for the second quarter of 2014 and $85 million for the first six months of 2014. The amortization and accretion amounts were included in Interest income on the Consolidated Income Statement and the remaining net gains/(losses) (realized and unrealized) were included in Noninterest income on the Consolidated Income Statement.
(f) Net unrealized gains relating to those assets and liabilities held at the end of the reporting period were $248 million for the second quarter of 2015, while for the first six months of 2015 there were $254 million of net unrealized gains. The comparative amounts included net unrealized gains of $27 million for the second quarter of 2014 and net unrealized gains of $37 million for the first six months of 2014. These amounts were included in Noninterest income on the Consolidated Income Statement.
(g) These line items were corrected for the three and six months ended June 30, 2014 to include transferred loans over which PNC regained effective control and the related liabilities that are recorded pursuant to ASC 860.
(h) Settlements relating to commercial MSRs include $552 million, which represents the fair value as of January 1, 2014 as a result of an irrevocable election to measure all classes of commercial MSRs at fair value. Refer to Note 8 Goodwill and Other Intangible Assets in our 2014 Form 10-K for additional information on this election.

An instrument's categorization within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Changes from one quarter to the next related to the observability of inputs to a fair value measurement may result in a reclassification (transfer) of assets or liabilities between hierarchy levels. PNC's policy is to recognize transfers in and transfers out as of the end of the reporting period. There were no significant transfers into or out of Level 3 assets and liabilities during the first six months of 2015 and 2014.

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

Table 76: Fair Value Measurements – Recurring Quantitative Information

June 30, 2015

Level 3 Instruments Only Dollars in millions	Fair Value	Valuation Techniques	Unobservable Inputs	Range (Weighted Average)	
Residential mortgage-backed non-agency securities	$ 4,424	Priced by a third-party vendor using a discounted cash flow pricing model (a)	Constant prepayment rate (CPR)	1.0% - 24.2% (6.9%)	(a)
			Constant default rate (CDR)	0.0% - 16.7% (5.4%)	(a)
			Loss severity	10.0% - 98.5% (53.1%)	(a)
			Spread over the benchmark curve (b)	242bps weighted average	(a)
Asset-backed securities	531	Priced by a third-party vendor using a discounted cash flow pricing model (a)	Constant prepayment rate (CPR)	1.0% - 15.7% (6.4%)	(a)
			Constant default rate (CDR)	1.7% - 13.9% (6.9%)	(a)
			Loss severity	15.0% - 100% (76.4%)	(a)
			Spread over the benchmark curve (b)	308bps weighted average	(a)
Other debt securities	33	Consensus pricing (c)	Credit and Liquidity discount	7.0% - 100.0% (88.4%)	
Residential mortgage servicing rights	1,015	Discounted cash flow	Constant prepayment rate (CPR)	0.3% - 38.4% (9.7%)	
			Spread over the benchmark curve (b)	558bps - 1,861bps (966bps)	
Commercial mortgage servicing rights	543	Discounted cash flow		4.8% - 13.8% (5.9%)	
			Constant prepayment rate (CPR) Discount rate	3.5% - 9.1% (7.6%)	
Commercial mortgage loans held for sale	757	Discounted cash flow	Spread over the benchmark curve (b) Estimated servicing cash flows	32bps - 3,115bps (455bps) 0.0% - 5.2% (2.5%)	
Equity investments – Direct investments	1,191	Multiple of adjusted earnings	Multiple of earnings	4.2x - 14.0x (7.7x)	
Equity investments – Indirect (d)	425	Net asset value	Net asset value		
Loans – Residential real estate	123	Consensus pricing (c)	Cumulative default rate	2.0% - 100% (86.6%)	
			Loss severity	0.0% - 100% (30.2%)	
			Discount rate	4.9% - 7.0% (5.1%)	
	123	Discounted cash flow	Loss severity	8.0% weighted average	
			Discount rate	3.5% weighted average	
Loans – Home equity	119	Consensus pricing (c)	Credit and Liquidity discount	26.0% - 99.0% (52.0%)	
BlackRock Series C Preferred Stock	363	Consensus pricing (c)	Liquidity discount	20.0%	
BlackRock LTIP	(363)	Consensus pricing (c)	Liquidity discount	20.0%	
Swaps related to sales of certain Visa Class B common shares	(122)	Discounted cash flow	Estimated conversion factor of Class B shares into Class A shares	164.3%	(e)
			Estimated growth rate of Visa Class A share price	17.3%	
Other borrowed funds – non-agency securitization	(154)	Consensus pricing (c)	Credit and Liquidity discount	0% - 99.0% (18.0%)	
			Spread over the benchmark curve (b)	112bps	
Insignificant Level 3 assets, net of liabilities (f)	38				
Total Level 3 assets, net of liabilities (g)	$ 9,046				

December 31, 2014

Level 3 Instruments Only Dollars in millions	Fair Value	Valuation Techniques	Unobservable Inputs	Range (Weighted Average)	
Residential mortgage-backed non-agency securities	$ 4,798	Priced by a third-party vendor using a discounted cash flow pricing model (a)	Constant prepayment rate (CPR)	1.0% - 28.9% (6.8%)	(a)
			Constant default rate (CDR)	0.0% - 16.7% (5.6%)	(a)
			Loss severity	6.1% - 100.0% (53.1%)	(a)
			Spread over the benchmark curve (b)	249bps weighted average	(a)
Asset-backed securities	563	Priced by a third-party vendor using a discounted cash flow pricing model (a)	Constant prepayment rate (CPR)	1.0% - 15.7% (5.9%)	(a)
			Constant default rate (CDR)	1.7% - 13.9% (7.6%)	(a)
			Loss severity	14.6% - 100.0% (73.5%)	(a)
			Spread over the benchmark curve (b)	352bps weighted average	(a)
State and municipal securities	132	Discounted cash flow Consensus pricing (c)	Spread over the benchmark curve (b)	55bps - 165bps (67bps)	
	2		Credit and Liquidity discount	0.0% - 20.0% (14.9%)	
Other debt securities	30	Consensus pricing (c)	Credit and Liquidity discount	7.0% - 95.0% (88.6%)	
Trading securities – Debt	32	Consensus pricing (c)	Credit and Liquidity discount	0.0% - 15.0% (8.0%)	
Residential mortgage servicing rights	845	Discounted cash flow	Constant prepayment rate (CPR)	3.8% - 32.7% (11.2%)	
			Spread over the benchmark curve (b)	889bps - 1,888bps (1,036bps)	
Commercial mortgage servicing rights	506	Discounted cash flow	Constant prepayment rate (CPR)	7.0% - 16.8% (8.0%)	
			Discount rate	2.5% - 8.6% (6.6%)	
Commercial mortgage loans held for sale	893	Discounted cash flow	Spread over the benchmark curve (b)	37bps - 4,025bps (549bps)	
			Estimated servicing cash flows	0.0% - 2.0% (1.2%)	
Equity investments – Direct investments	1,152	Multiple of adjusted earnings	Multiple of earnings	3.2x - 13.9x (7.7x)	
Equity investments – Indirect (d)	469	Net asset value	Net asset value		
Loans – Residential real estate	114	Consensus pricing (c)	Cumulative default rate	2.0% - 100.0% (90.5%)	
			Loss severity	0.0% - 100.0% (35.6%)	
	154	Discounted cash flow	Discount rate	5.4% - 7.0% (6.4%)	
			Loss severity	8.0% weighted average	
			Discount rate	3.4% weighted average	
Loans – Home equity	129	Consensus pricing (c)	Credit and Liquidity discount	26.0% - 99.0% (51.0%)	
BlackRock Series C Preferred Stock	375	Consensus pricing (c)	Liquidity discount	20.0%	
BlackRock LTIP	(375)	Consensus pricing (c)	Liquidity discount	20.0%	
Swaps related to sales of certain Visa Class B common shares	(135)	Discounted cash flow	Estimated conversion factor of Class B shares into Class A shares	41.1%	
			Estimated growth rate of Visa Class A share price	14.8%	
Other borrowed funds – non-agency securitization	(166)	Consensus pricing (c)	Credit and Liquidity discount	0.0% - 99.0% (18.0%)	
			Spread over the benchmark curve (b)	113bps	
Insignificant Level 3 assets, net of liabilities (f)	23				
Total Level 3 assets, net of liabilities (g)	$ 9,541				

(a) Level 3 residential mortgage-backed non-agency and asset-backed securities with fair values as of June 30, 2015 totaling $3,749 million and $500 million, respectively, were priced by a third-party vendor using a discounted cash flow pricing model that incorporates consensus pricing, where available. The comparable amounts as of December 31, 2014 were $4,081 million and $532 million, respectively. The significant unobservable inputs for these securities were provided by the third-party vendor and are disclosed in the table. Our procedures to validate the prices provided by the third-party vendor related to these securities are discussed further in the Fair Value Measurement section of Note 7 Fair Value in our 2014 Form 10-K. Certain Level 3 residential mortgage-backed non-agency and asset-backed securities with fair values as of June 30, 2015 of $675 million and $31 million, respectively, were valued using a pricing source, such as a dealer quote or comparable security price, for which the significant unobservable inputs used to determine the price were not reasonably available. The comparable amounts as of December 31, 2014 were $717 million and $31 million, respectively.

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

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

(d) The range on these indirect equity investments has not been disclosed since these investments are recorded at their net asset redemption values.

(e) This conversion factor reflects the 4-for-1 split of Visa Class A common shares, which occurred during the first quarter of 2015.

(f) Represents the aggregate amount of Level 3 assets and liabilities measured at fair value on a recurring basis that are individually and in the aggregate insignificant. The amount includes certain financial derivative assets and liabilities, trading securities (for the 2015 period), state and municipal securities (for the 2015 period), residential mortgage loans held for sale, trading loans, other assets, other borrowed funds (ROAPs) and other liabilities. For additional information, please see the Fair Value Measurement discussion included in Note 7 Fair Value in our 2014 Form 10-K.

(g) Consisted of total Level 3 assets of $9,719 million and total Level 3 liabilities of $673 million as of June 30, 2015 and $10,257 million and $716 million as of December 31, 2014, respectively.

Financial Assets Accounted for at Fair Value on a Nonrecurring Basis

We may be required to measure certain financial assets at fair value on a nonrecurring basis. These adjustments to fair value usually result from the application of lower of amortized cost or fair value accounting or write-downs of individual assets due to impairment and are included in Table 77 and Table 78. For more information regarding the valuation methodologies of our financial assets measured at fair value on a nonrecurring basis, see Note 7 Fair Value in our 2014 Form 10-K.

Table 77: Fair Value Measurements – Nonrecurring

In millions	Fair Value (a) June 30 2015	Fair Value (a) December 31 2014	Gains (Losses) Three months ended June 30 2015	Gains (Losses) Three months ended June 30 2014	Gains (Losses) Six months ended June 30 2015	Gains (Losses) Six months ended June 30 2014
Assets						
Nonaccrual loans	$ 33	$ 54	$ (15)	$ (11)	$ (15)	$ (15)
Loans held for sale		8		(1)		(1)
Equity investments		17		(3)		(3)
OREO and foreclosed assets	110	168	(12)	(7)	(18)	(15)
Long-lived assets held for sale	19	22	(5)	(6)	(13)	(9)
Total assets	$ 162	$ 269	$ (32)	$ (28)	$ (46)	$ (43)

(a) All Level 3 as of June 30, 2015 and December 31, 2014, except for $8 million included in Loans held for sale which was categorized as Level 2 as of December 31, 2014.

Quantitative information about the significant unobservable inputs within Level 3 nonrecurring assets follows.

Table 78: Fair Value Measurements – Nonrecurring Quantitative Information

Level 3 Instruments Only Dollars in millions	Fair Value	Valuation Techniques	Unobservable Inputs	Range (Weighted Average)
June 30, 2015				
Assets				
Nonaccrual loans (a)	$ 19	LGD percentage (b)	Loss severity	10.9%-99.2% (44.1%)
Other (c)	143	Fair value of property or collateral	Appraised value/sales price	Not meaningful
Total assets	$ 162			
December 31, 2014				
Assets				
Nonaccrual loans (a)	$ 29	LGD percentage (b)	Loss severity	2.9%-68.5% (42.1%)
Equity investments	17	Discounted cash flow	Market rate of return	6.0%
Other (c)	215	Fair value of property or collateral	Appraised value/sales price	Not meaningful
Total assets	$ 261			

(a) The fair value of nonaccrual loans included in this line item is determined based on internal loss rates. The fair value of nonaccrual loans where the fair value is determined based on the appraised value or sales price is included within Other, below.

(b) LGD percentage represents the amount that PNC expects to lose in the event a borrower defaults on an obligation.

(c) Other included Nonaccrual loans of $14 million, OREO and foreclosed assets of $110 million and Long-lived assets held for sale of $19 million as of June 30, 2015. Comparably, as of December 31, 2014, Other included Nonaccrual loans of $25 million, OREO and foreclosed assets of $168 million and Long-lived assets held for sale of $22 million. The fair value of these assets is determined based on appraised value or sales price, the range of which is not meaningful to disclose.

Financial Instruments Accounted For Under Fair Value Option

We elect the fair value option to account for certain financial instruments. For more information on these financial instruments for which the fair value option election has been made, please refer to Note 7 Fair Value in our 2014 Form 10-K.

The changes in fair value included in Noninterest income for items for which we elected the fair value option follow.

Table 79: Fair Value Option – Changes in Fair Value (a)

In millions	Gains (Losses) Three months ended June 30 2015	Gains (Losses) Three months ended June 30 2014	Gains (Losses) Six months ended June 30 2015	Gains (Losses) Six months ended June 30 2014
Assets				
Customer resale agreements				$ (1)
Trading loans	$ 1	$ 1	$ 2	1
Commercial mortgage loans held for sale	31	5	56	7
Residential mortgage loans held for sale	25	64	71	129
Residential mortgage loans – portfolio	13	59	29	87
BlackRock Series C Preferred Stock	(21)	5	(12)	3
Liabilities				
Other borrowed funds	(2)	7	(2)	3

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

Fair values and aggregate unpaid principal balances of items for which we elected the fair value option follow.

Table 80: Fair Value Option – Fair Value and Principal Balances

In millions	Fair Value	Aggregate Unpaid Principal Balance	Difference
June 30, 2015			
Assets			
Customer resale agreements	$ 150	$ 143	$ 7
Trading loans	48	48	
Residential mortgage loans held for sale			
Performing loans	1,338	1,300	38
Accruing loans 90 days or more past due	3	3	
Nonaccrual loans	23	25	(2)
Total	1,364	1,328	36
Commercial mortgage loans held for sale (a)			
Performing loans	755	768	(13)
Nonaccrual loans	2	3	(1)
Total	757	771	(14)
Residential mortgage loans – portfolio			
Performing loans	230	289	(59)
Accruing loans 90 days or more past due	468	471	(3)
Nonaccrual loans	243	397	(154)
Total	941	1,157	(216)
Liabilities			
Other borrowed funds	$ 224	$ 260	$ (36)
December 31, 2014			
Assets			
Customer resale agreements	$ 155	$ 148	$ 7
Trading loans	37	37	
Residential mortgage loans held for sale			
Performing loans	1,236	1,176	60
Accruing loans 90 days or more past due	9	9	
Nonaccrual loans	16	17	(1)
Total	1,261	1,202	59
Commercial mortgage loans held for sale (a)			
Performing loans	873	908	(35)
Nonaccrual loans	20	64	(44)
Total	893	972	(79)
Residential mortgage loans – portfolio			
Performing loans	194	256	(62)
Accruing loans 90 days or more past due	570	573	(3)
Nonaccrual loans	270	449	(179)
Total	1,034	1,278	(244)
Liabilities			
Other borrowed funds	$ 273	$ 312	$ (39)

(a) There were no accruing loans 90 days or more past due within this category at June 30, 2015 or December 31, 2014.

Additional Fair Value Information Related to Other Financial Instruments

The following table presents the carrying amounts and estimated fair values, including the level within the fair value hierarchy, of all other financial instruments that are not measured on the consolidated financial statements at fair value as of June 30, 2015 and December 31, 2014.

Table 81: Additional Fair Value Information Related to Other Financial Instruments

In millions	Carrying Amount	Fair Value			
		Total	Level 1	Level 2	Level 3
June 30, 2015					
Assets					
Cash and due from banks	$ 4,412	$ 4,412	$4,412		
Short-term assets	36,743	36,743		$ 36,743	
Securities held to maturity	13,683	13,928	290	13,631	$ 7
Loans held for sale	236	236		203	33
Net loans (excludes leases)	192,980	194,807			194,807
Other assets	1,936	2,531		1,882	649(a)
Total assets	$249,990	$252,657	$4,702	$ 52,459	$195,496
Liabilities					
Demand, savings and money market deposits	$219,114	$219,114		$219,114	
Time deposits	20,590	20,509		20,509	
Borrowed funds	56,931	57,316		56,020	$ 1,296
Unfunded loan commitments and letters of credit	228	228			228
Total liabilities	$296,863	$297,167		$295,643	$ 1,524
December 31, 2014					
Assets					
Cash and due from banks	$ 4,360	$ 4,360	$4,360		
Short-term assets	34,380	34,380		$ 34,380	
Securities held to maturity	11,588	11,984	292	11,683	$ 9
Loans held for sale	108	108		56	52
Net loans (excludes leases)	192,573	194,564			194,564
Other assets	1,879	2,544		1,802	742(a)
Total assets	$244,888	$247,940	$4,652	$ 47,921	$195,367
Liabilities					
Demand, savings and money market deposits	$210,838	$210,838		$210,838	
Time deposits	21,396	21,392		21,392	
Borrowed funds	55,329	56,011		54,574	$ 1,437
Unfunded loan commitments and letters of credit	240	240			240
Total liabilities	$287,803	$288,481		$286,804	$ 1,677

(a) Represents estimated fair value of Visa Class B common shares, which was estimated solely based upon the June 30, 2015 and December 31, 2014 closing price for the Visa Class A common shares, respectively, and the Visa Class B common share conversion rate, which reflects adjustments in respect of all litigation funding by Visa as of that date. The transfer restrictions on the Visa Class B common shares could impact the aforementioned estimate, until they can be converted to Class A common shares. See Note 22 Commitments and Guarantees in our 2014 Form 10-K for additional information.

The aggregate fair values in the preceding table represent only a portion of the total market value of PNC's assets and liabilities as, in accordance with the guidance related to fair values of financial instruments, Table 81 excludes the following:

- financial instruments recorded at fair value on a recurring basis,
- real and personal property,
- lease financing,
- loan customer relationships,
- deposit customer intangibles,
- mortgage servicing rights,
- retail branch networks,
- fee-based businesses, such as asset management and brokerage, and
- trademarks and brand names.

For more information regarding the methods and assumptions used to estimate the fair values of financial instruments included in Table 81, see Note 7 Fair Value in our 2014 Form 10-K.

NOTE 8 GOODWILL AND INTANGIBLE ASSETS

Goodwill

Goodwill by business segment consisted of the following:

Table 82: Goodwill by Business Segment (a)

In millions	June 30 2015	December 31 2014
Retail Banking	$5,795	$ 5,795
Corporate & Institutional Banking	3,244	3,244
Asset Management Group	64	64
Total	$9,103	$ 9,103

(a) The Residential Mortgage Banking and Non-Strategic Assets Portfolio business segments did not have any goodwill allocated to them as of June 30, 2015 and December 31, 2014.

Mortgage Servicing Rights

We recognize the right to service mortgage loans for others as an intangible asset. MSRs are purchased or originated when loans are sold with servicing retained. MSRs totaled $1.6 billion and $1.4 billion at June 30, 2015 and December 31, 2014, respectively, and consisted of loan servicing contracts for commercial and residential mortgages measured at fair value.

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

See the Sensitivity Analysis section of this Note 8, as well as Note 7 Fair Value for more detail on our fair value measurement of MSRs. Refer to Note 8 Goodwill and Other Intangible Assets in our 2014 Form 10-K for more information on our accounting and measurement of MSRs.

Changes in the commercial and residential MSRs follow:

Table 83: Mortgage Servicing Rights

	Commercial MSRs		Residential MSRs	
In millions	2015	2014	2015	2014
January 1	$ 506	$ 552	$ 845	$ 1,087
Additions:				
From loans sold with servicing retained	34	17	38	43
Purchases	28	16	150	17
Changes in fair value due to:				
Time and payoffs (a)	(43)	(45)	(86)	(64)
Other (b)	18	(25)	68	(116)
June 30	$ 543	$ 515	$ 1,015	$ 967
Related unpaid principal balance at June 30	$ 144,416	$ 143,226	$ 115,454	$ 110,933

(a) Represents decrease in MSR value due to passage of time, including the impact from both regularly scheduled loan principal payments and loans that were paid down or paid off during the period.
(b) Represents MSR value changes resulting primarily from market-driven changes in interest rates.

Sensitivity Analysis

The fair value of commercial and residential MSRs and significant inputs to the valuation models as of June 30, 2015 are shown in the tables below. The expected and actual rates of mortgage loan prepayments are significant factors driving the fair value. Management uses both internal proprietary models and a third-party model to estimate future commercial mortgage loan prepayments and a third-party model to estimate future residential mortgage loan prepayments. These models have been refined based on current market conditions and management judgment. Future interest rates are another important factor in the valuation of MSRs. Management utilizes market implied forward interest rates to estimate the future direction of mortgage and discount rates. The forward rates utilized are derived from the current yield curve for U.S. dollar interest rate swaps and are consistent with pricing of capital markets instruments. Changes in the shape and slope of the forward curve in future periods may result in volatility in the fair value estimate.

A sensitivity analysis of the hypothetical effect on the fair value of MSRs to adverse changes in key assumptions is presented below. These sensitivities do not include the impact of the related hedging activities. Changes in fair value generally cannot be extrapolated because the relationship of the change in the assumption to the change in fair value may not be linear. Also, the effect of a variation in a particular assumption on the fair value of the MSRs is calculated

independently without changing any other assumption. In reality, changes in one factor may result in changes in another (for example, changes in mortgage interest rates, which drive changes in prepayment rate estimates, could result in changes in the interest rate spread), which could either magnify or counteract the sensitivities.

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

Table 84: Commercial Mortgage Loan Servicing Rights – Key Valuation Assumptions

Dollars in millions	June 30 2015	December 31 2014
Fair value	$ 543	$ 506
Weighted-average life (years)	4.9	4.7
Weighted-average constant prepayment rate	5.94%	8.03%
Decline in fair value from 10% adverse change	$ 10	$ 10
Decline in fair value from 20% adverse change	$ 20	$ 19
Effective discount rate	7.62%	6.59%
Decline in fair value from 10% adverse change	$ 15	$ 13
Decline in fair value from 20% adverse change	$ 29	$ 26

Table 85: Residential Mortgage Loan Servicing Rights – Key Valuation Assumptions

Dollars in millions	June 30 2015	December 31 2014
Fair value	$1,015	$ 845
Weighted-average life (years)	6.7	6.1
Weighted-average constant prepayment rate	9.69%	11.16%
Decline in fair value from 10% adverse change	$ 41	$ 36
Decline in fair value from 20% adverse change	$ 78	$ 69
Weighted-average option adjusted spread	9.66%	10.36%
Decline in fair value from 10% adverse change	$ 37	$ 31
Decline in fair value from 20% adverse change	$ 72	$ 61

Fees from mortgage and other loan servicing, comprised of contractually specified servicing fees, late fees and ancillary fees, follows:

Table 86: Fees from Mortgage and Other Loan Servicing

In millions	2015	2014
Six months ended June 30	$248	$256
Three months ended June 30	$127	$127

We also generate servicing fees from fee-based activities provided to others for which we do not have an associated servicing asset.

Fees from commercial and residential MSRs are reported on our Consolidated Income Statement in the line items Corporate services and Residential mortgage, respectively.

Other Intangible Assets

Other intangible assets consist primarily of core deposit intangibles, customer lists and non-compete agreements. Core deposit intangibles are amortized on an accelerated basis, whereas the remaining other intangible assets are amortized on a straight-line basis. The estimated remaining useful lives of our other intangible assets range from 1 year to 10 years, with a weighted-average remaining useful life of 6 years.

Other intangible assets were as follows at June 30, 2015 and December 31, 2014:

Table 87: Other Intangible Assets

In millions	June 30 2015	December 31 2014
Gross carrying amount	$ 1,499	$ 1,502
Accumulated amortization	(1,064)	(1,009)
Net carrying amount	$ 435	$ 493

Amortization expense on existing other intangible assets for the first six months of 2015 and 2014, as well as future amortization expense for the remainder of 2015 and the next five fiscal years, follows:

Table 88: Amortization Expense on Existing Other Intangible Assets

In millions	
Six months ended June 30, 2015	$58
Six months ended June 30, 2014	65
Remainder of 2015	56
2016	97
2017	83
2018	72
2019	61
2020	37

NOTE 9 CAPITAL SECURITIES OF A SUBSIDIARY TRUST AND PERPETUAL TRUST SECURITIES

Capital Securities of a Subsidiary Trust

Our capital securities of a subsidiary trust ("Trust") are described in Note 12 Capital Securities of a Subsidiary Trust and Perpetual Trust Securities in our 2014 Form 10-K. This Trust is a wholly-owned finance subsidiary of PNC. In the event of certain changes or amendments to regulatory requirements or federal tax rules, the capital securities are redeemable in whole. In accordance with GAAP, the financial statements of the Trust are not included in PNC's consolidated financial statements.

The obligations of the parent of the Trust, when taken collectively, are the equivalent of a full and unconditional guarantee of the obligations of the Trust under the terms of the Capital Securities. Such guarantee is subordinate in right of payment in the same manner as other junior subordinated debt. There are certain restrictions on PNC's overall ability to obtain funds from its subsidiaries. For additional disclosure on these funding restrictions, including an explanation of dividend and intercompany loan limitations, see Note 20 Regulatory Matters in our 2014 Form 10-K.

PNC is also subject to restrictions on dividends and other provisions potentially imposed under the Exchange Agreement with PNC Preferred Funding Trust II, as described in Note 12 in our 2014 Form 10-K in the Perpetual Trust Securities section, and to other provisions similar to or in some ways more restrictive than those potentially imposed under that agreement.

Perpetual Trust Securities

Our perpetual trust securities are described in Note 12 in our 2014 Form 10-K. Our 2014 Form 10-K also includes additional information regarding the PNC Preferred Funding Trust I and Trust II Securities, including descriptions of replacement capital and dividend restriction covenants.

NOTE 10 CERTAIN EMPLOYEE BENEFIT AND STOCK BASED COMPENSATION PLANS

Pension And Postretirement Plans

As described in Note 13 Employee Benefit Plans in our 2014 Form 10-K, we have a noncontributory, qualified defined benefit pension plan covering eligible employees. Benefits are determined using a cash balance formula where earnings credits are a percentage of eligible compensation. Pension contributions are based on an actuarially determined amount necessary to fund total benefits payable to plan participants.

We also maintain nonqualified supplemental retirement plans for certain employees and provide certain health care and life insurance benefits for qualifying retired employees (postretirement benefits) through various plans. The nonqualified pension and postretirement benefit plans are unfunded. PNC reserves the right to terminate plans or make plan changes at any time.

The components of our net periodic pension and postretirement benefit cost for the first six months of 2015 and 2014, respectively, were as follows:

Table 89: Net Periodic Pension and Postretirement Benefits Costs

Three months ended June 30	Qualified Pension Plan		Nonqualified Retirement Plans		Postretirement Benefits	
In millions	2015	2014	2015	2014	2015	2014
Net periodic cost consists of:						
Service cost	$ 26	$ 26	$ 1	$ 1	$ 2	$ 1
Interest cost	45	47	3	3	3	4
Expected return on plan assets	(74)	(72)				
Amortization of prior service credit	(2)	(2)				
Amortization of actuarial losses	8		1	1		
Net periodic cost/(benefit)	$ 3	$ (1)	$ 5	$ 5	$ 5	$ 5

Six months ended June 30	Qualified Pension Plan		Nonqualified Retirement Plans		Postretirement Benefits	
In millions	2015	2014	2015	2014	2015	2014
Net periodic cost consists of:						
Service cost	$ 53	$ 51	$ 1	$ 2	$ 3	$ 2
Interest cost	89	94	6	6	7	8
Expected return on plan assets	(148)	(144)				
Amortization of prior service credit	(4)	(4)				
Amortization of actuarial losses	15		3	2		
Net periodic cost/(benefit)	$ 5	$ (3)	$ 10	$ 10	$ 10	$ 10

Stock Based Compensation Plans

As more fully described in Note 14 Stock Based Compensation Plans in our 2014 Form 10-K, we have long-term incentive award plans (Incentive Plans) that provide for the granting of incentive stock options, nonqualified stock options, stock appreciation rights, incentive shares/performance units, restricted stock, restricted share units, other share-based awards and dollar-denominated awards to executives and, other than incentive stock options, to non-employee directors. Certain Incentive Plan awards may be paid in stock, cash or a combination of stock and cash. We typically grant a substantial portion of our stock-based compensation awards during the first quarter of the year. As of June 30, 2015, no stock appreciation rights were outstanding.

Total compensation expense recognized related to all share-based payment arrangements during the first six months of 2015 and 2014 was $88 million and $104 million, respectively. At June 30, 2015, there was $252 million of unamortized share-based compensation expense related to nonvested equity compensation arrangements, including liability awards granted under the Incentive Plans. This unamortized cost is expected to be recognized as expense over a period of no longer than five years.

Nonqualified Stock Options

Beginning in 2014, PNC discontinued the use of stock options as a standard element of our long-term equity incentive compensation programs under our Incentive Plans. Additional information regarding PNC stock options is more fully described in Note 14 Stock Based Compensation Plans in our 2014 Form 10-K.

The following table represents the stock option activity for the first six months of 2015.

Table 90: Stock Option Rollforward

In thousands, except weighted-average data	PNC Shares	PNC Weighted-Average Exercise Price	PNC Options Converted From National City Options Shares	PNC Options Converted From National City Options Weighted-Average Exercise Price	Total Shares	Total Weighted-Average Exercise Price
Outstanding at December 31, 2014	6,701	$ 56.41	343	$ 585.23	7,044	$ 82.17
Granted (a)						
Exercised	(1,533)	59.42			(1,533)	59.42
Cancelled	(28)	44.42	(14)	474.12	(42)	187.83
Outstanding at June 30, 2015	5,140	$ 55.58	329	$ 590.02	5,469	$ 87.73
Exercisable at June 30, 2015	5,092	$ 55.50	329	$ 590.02	5,421	$ 87.94

(a) PNC did not grant any stock options in the first six months of 2015.

During the first six months of 2015, we issued approximately 1.1 million common shares from treasury stock in connection with stock option exercise activity. As with past exercise activity, we currently intend to utilize primarily treasury stock for any future stock option exercises.

Incentive/Performance Unit Share Awards and Restricted Stock/Share Unit Awards

Information on incentive/performance unit share awards and restricted stock/share unit awards is more fully described in Note 14 Stock Based Compensation Plans in our 2014 Form 10-K.

Table 91: Nonvested Incentive/Performance Unit Share Awards and Restricted Stock/Share Unit Awards – Rollforward

Shares in thousands	Nonvested Incentive/ Performance Unit Shares	Weighted-Average Grant Date Fair Value	Nonvested Restricted Stock/Share Units	Weighted-Average Grant Date Fair Value
December 31, 2014	1,837	$ 69.84	3,652	$ 69.03
Granted	649	90.35	1,019	92.17
Vested/Released	(682)	66.17	(1,149)	61.17
Forfeited	(24)	70.15	(90)	76.96
June 30, 2015	1,780	$ 78.72	3,432	$ 78.41

In the preceding table, the unit shares and related weighted-average grant date fair value of the incentive/performance awards exclude the effect of dividends on the underlying shares, as those dividends will be paid in cash if and when the underlying unit shares are released to the participants.

Liability Awards

A summary of all nonvested, cash-payable incentive/performance units and restricted share unit activity follows:

Table 92: Nonvested Cash-Payable Incentive/Performance Units and Restricted Share Units – Rollforward

In thousands	Cash-Payable Incentive/ Performance Units	Cash-Payable Restricted Share Units	Total
Outstanding at December 31, 2014	177	658	835
Granted	81	347	428
Vested and Released	(98)	(349)	(447)
Forfeited	(43)	(4)	(47)
Outstanding at June 30, 2015	117	652	769

Included in the preceding table are cash-payable restricted share units granted to certain executives. These grants were made primarily as part of an annual bonus incentive deferral plan. While there are time-based and other vesting criteria, there are generally no market or performance criteria associated with these awards. Prior to the 2015 grant, compensation expense recognized related to these awards was recorded in prior periods as part of the annual cash bonus process. Due to certain requisite service period changes in the award agreements starting with the 2015 grant (for the 2014 performance year), compensation expense is recognized ratably over a four year period commensurate with the performance year plus the three years of service-based vesting requirements. As of June 30, 2015, the aggregate intrinsic value of all outstanding nonvested cash-payable incentive/performance units and restricted share units was approximately $74 million.

NOTE 11 FINANCIAL DERIVATIVES

We use derivative financial instruments (derivatives) primarily to help manage exposure to interest rate, market and credit risk and reduce the effects that changes in interest rates may have on net income, the fair value of assets and liabilities, and cash flows. We also enter into derivatives with customers to facilitate their risk management activities. Derivatives represent contracts between parties that usually require little or no initial net investment and result in one party delivering cash or another type of asset to the other party based on a notional amount and an underlying as specified in the contract.

For more information regarding derivatives see Note 1 Accounting Policies and Note 15 Financial Derivatives in our Notes To Consolidated Financial Statements under Item 8 of our 2014 Form 10-K.

The following table presents the notional amounts and gross fair values of all derivative assets and liabilities held by PNC:

Table 93: Total Gross Derivatives

	June 30, 2015			December 31, 2014		
In millions	Notional/ Contract Amount	Asset Fair Value (a)	Liability Fair Value (b)	Notional/ Contract Amount	Asset Fair Value (a)	Liability Fair Value (b)
Derivatives designated as hedging instruments under GAAP	$ 53,342	$ 1,172	$ 225	$ 49,061	$ 1,261	$ 186
Derivatives not designated as hedging instruments under GAAP	318,207	3,679	3,602	291,256	3,973	3,841
Total gross derivatives	$ 371,549	$ 4,851	$ 3,827	$ 340,317	$ 5,234	$ 4,027

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

All derivatives are carried on our Consolidated Balance Sheet at fair value. Derivative balances are presented on the Consolidated Balance Sheet on a net basis taking into consideration the effects of legally enforceable master netting agreements and any related cash collateral exchanged with counterparties. Further discussion regarding the rights of setoff associated with these legally enforceable master netting agreements is included in the Offsetting, Counterparty Credit Risk, and Contingent Features section below. Our exposure related to risk participations where we sold protection is discussed in the Credit Derivatives section below. Any nonperformance risk, including credit risk, is included in the determination of the estimated net fair value of the derivatives.

Derivatives Designated As Hedging Instruments under GAAP

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

Further detail regarding the notional amounts and fair values related to derivatives designated in hedge relationships is presented in the following table:

Table 94: Derivatives Designated As Hedging Instruments under GAAP

	June 30, 2015			December 31, 2014		
In millions	Notional/ Contract Amount	Asset Fair Value (a)	Liability Fair Value (b)	Notional/ Contract Amount	Asset Fair Value (a)	Liability Fair Value (b)
Interest rate contracts:						
Fair value hedges:						
Receive-fixed swaps	$23,713	$ 733	$ 59	$20,930	$ 827	$ 38
Pay-fixed swaps (c)	3,997	9	125	4,233	3	138
Subtotal	$27,710	$ 742	$ 184	$25,163	$ 830	$ 176
Cash flow hedges:						
Receive-fixed swaps	$20,516	$ 427	$ 17	$19,991	$ 400	$ 10
Forward purchase commitments	3,959	3	19	2,778	25	
Subtotal	$24,475	$ 430	$ 36	$22,769	$ 425	$ 10
Foreign exchange contracts:						
Net investment hedges	$ 1,157		$ 5	$ 1,129	$ 6	
Total derivatives designated as hedging instruments	$53,342	$1,172	$ 225	$49,061	$1,261	$ 186

(a) Included in Other assets on our Consolidated Balance Sheet.
(b) Included in Other liabilities on our Consolidated Balance Sheet.
(c) Includes zero-coupon swaps.

Fair Value Hedges

We enter into receive-fixed, pay-variable interest rate swaps to hedge changes in the fair value of outstanding fixed-rate debt and borrowings caused by fluctuations in market interest rates. We also enter into pay-fixed, receive-variable interest rate swaps and zero-coupon swaps to hedge changes in the fair value of fixed rate and zero-coupon investment securities caused by fluctuations in market interest rates. For these hedge relationships, we use statistical regression analysis to assess hedge effectiveness at both the inception of the hedge relationship and on an ongoing basis. There were no components of derivative gains or losses excluded from the assessment of hedge effectiveness.

Further detail regarding gains (losses) on fair value hedge derivatives and related hedged items is presented in the following table:

Table 95: Gains (Losses) on Derivatives and Related Hedged Items – Fair Value Hedges

			Three months ended				Six months ended			
			June 30, 2015		June 30, 2014		June 30, 2015		June 30, 2014	
In millions	Hedged Items	Location	Gain (Loss) on Derivatives Recognized in Income Amount	Gain (Loss) on Related Hedged Items Recognized in Income Amount	Gain (Loss) on Derivatives Recognized in Income Amount	Gain (Loss) on Related Hedged Items Recognized in Income Amount	Gain (Loss) on Derivatives Recognized in Income Amount	Gain (Loss) on Related Hedged Items Recognized in Income Amount	Gain (Loss) on Derivatives Recognized in Income Amount	Gain (Loss) on Related Hedged Items Recognized in Income Amount
Interest rate contracts	U.S. Treasury and Government Agencies Securities	Investment securities (interest income)	$ 63	$ (65)	$ (53)	$ 55	$ 12	$ (12)	$ (83)	$ 86
Interest rate contracts	Other Debt Securities	Investment securities (interest income)	1	(1)	(2)	1			(1)	1
Interest rate contracts	Subordinated debt	Borrowed funds (interest expense)	(138)	130	51	(60)	(84)	67	74	(89)
Interest rate contracts	Bank notes and senior debt	Borrowed funds (interest expense)	(126)	129	50	(52)	(23)	20	59	(62)
Total (a)			$ (200)	$ 193	$ 46	$ (56)	$ (95)	$ 75	$ 49	$ (64)

(a) The ineffective portion of the change in value of our fair value hedge derivatives resulted in net losses of $7 million for the three months ended June 30, 2015 and net losses of $20 million for the six months ended June 30, 2015 compared with net losses of $10 million for the three months ended June 30, 2014 and net losses of $15 million for the six months ended June 30, 2014.

Cash Flow Hedges

We enter into receive-fixed, pay-variable interest rate swaps to modify the interest rate characteristics of designated commercial loans from variable to fixed in order to reduce the impact of changes in future cash flows due to market interest rate changes. For these cash flow hedges, any changes in the fair value of the derivatives that are effective in offsetting changes in the forecasted interest cash flows are recorded in Accumulated other comprehensive income and are reclassified to interest income in conjunction with the recognition of interest received on the loans. In the 12 months that follow June 30, 2015, we expect to reclassify from the amount currently reported in Accumulated other comprehensive income, net derivative gains of $256 million pretax, or $167 million after-tax, in association with interest received on the hedged loans. This amount could differ from amounts actually recognized due to changes in interest rates, hedge de-designations, and the addition of other hedges subsequent to June 30, 2015. The maximum length of time over which forecasted loan cash flows are hedged is 10 years. We use statistical regression analysis to assess the effectiveness of these hedge relationships at both the inception of the hedge relationship and on an ongoing basis.

We also periodically enter into forward purchase and sale contracts to hedge the variability of the consideration that will be paid or received related to the purchase or sale of investment securities. The forecasted purchase or sale is consummated upon gross settlement of the forward contract itself. As a result, hedge ineffectiveness, if any, is typically minimal. Gains and losses on these forward contracts are recorded in Accumulated other comprehensive income and are recognized in earnings when the hedged cash flows affect earnings. In the 12 months that follow June 30, 2015, we expect to reclassify from the amount currently reported in Accumulated other comprehensive income, net derivative gains of $19 million pretax, or $12 million after-tax, as adjustments of yield on investment securities. As of June 30, 2015, the maximum length of time over which forecasted purchase contracts are hedged is three months.

There were no components of derivative gains or losses excluded from the assessment of hedge effectiveness related to either cash flow hedge strategy.

During the first six months of 2015 and 2014, there were no gains or losses from cash flow hedge derivatives reclassified to earnings because it became probable that the original forecasted transaction would not occur.

Further detail regarding gains (losses) on derivatives and related cash flows is presented in the following table:

Table 96: Gains (Losses) on Derivatives and Related Cash Flows – Cash Flow Hedges (a) (b)

	Three months ended June 30		Six months ended June 30	
In millions	2015	2014	2015	2014
Gains (losses) on derivatives recognized in OCI – (effective portion)	$(102)	$138	$196	$210
Less: Gains (losses) reclassified from accumulated OCI into income – (effective portion)				
Interest income	72	64	140	136
Noninterest income	(4)	(7)	(13)	(2)
Total gains (losses) reclassified from accumulated OCI into income – (effective portion)	68	57	127	134
Net unrealized gains (losses) on cash flow hedge derivatives	$(170)	$ 81	$ 69	$ 76

(a) All cash flow hedge derivatives are interest rate contracts as of June 30, 2015 and June 30, 2014.
(b) The amount of cash flow hedge ineffectiveness recognized in income was not material for the periods presented.

Net Investment Hedges

We enter into foreign currency forward contracts to hedge non-U.S. Dollar (USD) net investments in foreign subsidiaries against adverse changes in foreign exchange rates. We assess whether the hedging relationship is highly effective in achieving offsetting changes in the value of the hedge and hedged item by qualitatively verifying that the critical terms of the hedge and hedged item match at the inception of the hedging relationship and on an ongoing basis. There were no components of derivative gains or losses excluded from the assessment of the hedge effectiveness.

For the first six months of 2015 and 2014, there was no net investment hedge ineffectiveness.

Further detail on gains (losses) on net investment hedge derivatives is presented in the following table:

Table 97: Gains (Losses) on Derivatives – Net Investment Hedges

	Three months ended June 30		Six months ended June 30	
In millions	2015	2014	2015	2014
Gains (losses) on derivatives recognized in OCI (effective portion)				
Foreign exchange contracts	$ (65)	$ (26)	$ (11)	$ (33)

Derivatives Not Designated As Hedging Instruments under GAAP

We also enter into derivatives that are not designated as accounting hedges under GAAP.

For additional information on derivatives not designated as hedging instruments under GAAP see Note 15 Financial Derivatives in our 2014Form 10-K.

Further detail regarding the notional amounts and fair values related to derivatives not designated in hedge relationships is presented in the following table:

Table 98: Derivatives Not Designated As Hedging Instruments under GAAP

	June 30, 2015			December 31, 2014		
In millions	Notional/ Contract Amount	Asset Fair Value (a)	Liability Fair Value (b)	Notional/ Contract Amount	Asset Fair Value (a)	Liability Fair Value (b)
Derivatives used for residential mortgage banking activities:						
Residential mortgage servicing						
Interest rate contracts:						
Swaps	$ 35,043	$ 709	$ 396	$ 32,459	$ 777	$ 394
Swaptions	3,176	23	21	1,498	29	22
Futures (c)	19,177			22,084		
Futures options	30,000	6	3	12,225	4	
Mortgage-backed securities commitments	2,390	4	8	710	4	
Subtotal	89,786	742	428	68,976	814	416
Loan sales						
Interest rate contracts:						
Futures (c)	40			58		
Bond options	300	4		300		
Mortgage-backed securities commitments	8,210	39	21	4,916	10	21
Residential mortgage loan commitments	2,437	21		1,852	22	
Subtotal	10,987	64	21	7,126	32	21
Subtotal	$ 100,773	$ 806	$ 449	$ 76,102	$ 846	$ 437
Derivatives used for commercial mortgage banking activities:						
Interest rate contracts:						
Swaps	$ 3,793	$ 62	$ 49	$ 3,801	$ 67	$ 48
Swaptions	439	1	1	439	2	1
Futures (c)	20,146			19,913		
Commercial mortgage loan commitments	1,295	10	6	2,042	16	10
Subtotal	25,673	73	56	26,195	85	59
Credit contracts:						
Credit default swaps	83			95		
Subtotal	$ 25,756	$ 73	$ 56	$ 26,290	$ 85	$ 59
Derivatives used for customer-related activities:						
Interest rate contracts:						
Swaps	$ 149,054	$ 2,455	$ 2,350	$ 146,008	$ 2,632	$ 2,559
Caps/floors – Sold	5,142		15	4,846		16
Caps/floors – Purchased	6,462	28		6,339	34	
Swaptions	4,496	59	17	3,361	62	12
Futures (c)	2,433			3,112		
Mortgage-backed securities commitments	3,552	6	5	2,137	3	3
Subtotal	171,139	2,548	2,387	165,803	2,731	2,590
Foreign exchange contracts	10,895	215	202	12,547	223	240
Credit contracts:						
Risk participation agreements	5,076	2	5	5,124	2	4
Subtotal	$ 187,110	$ 2,765	$ 2,594	$ 183,474	$ 2,956	$ 2,834
Derivatives used for other risk management activities:						
Interest rate contracts				$ 833	$ 1	
Foreign exchange contracts	$ 2,519	$ 35	$ 18	2,661	85	$ 1
Credit contracts:						
Credit default swaps	15			15		
Other contracts (d)	2,034		485	1,881		510
Subtotal	4,568	35	503	5,390	86	511
Total derivatives not designated as hedging instruments	$ 318,207	$ 3,679	$ 3,602	$ 291,256	$ 3,973	$ 3,841

(a) Included in Other assets on our Consolidated Balance Sheet.
(b) Included in Other liabilities on our Consolidated Balance Sheet.
(c) Futures contracts settle in cash daily and, therefore, no derivative asset or derivative liability is recognized on our Consolidated Balance Sheet.
(d) Includes PNC's obligation to fund a portion of certain BlackRock LTIP programs and the swaps entered into in connection with sales of a portion of Visa Class B common shares.

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

Table 99: Gains (Losses) on Derivatives Not Designated As Hedging Instruments under GAAP

In millions	Three months ended June 30 2015	Three months ended June 30 2014	Six months ended June 30 2015	Six months ended June 30 2014
Derivatives used for residential mortgage banking activities:				
Residential mortgage servicing				
Interest rate contracts	$ (83)	$ 57	$ 15	$ 110
Loan sales				
Interest rate contracts	47	(10)	68	(12)
Gains (losses) included in residential mortgage banking activities (a)	$ (36)	$ 47	$ 83	$ 98
Derivatives used for commercial mortgage banking activities:				
Interest rate contracts (b) (c)	$ (25)	$ 23	$ 5	$ 43
Credit contracts (c)	1	(1)		(1)
Gains (losses) from commercial mortgage banking activities	$ (24)	$ 22	$ 5	$ 42
Derivatives used for customer-related activities:				
Interest rate contracts	$ 30	$ 11	$ 34	$ 10
Foreign exchange contracts	32	22	33	48
Credit contracts		(1)		
Gains (losses) from customer-related activities (c)	$ 62	$ 32	$ 67	$ 58
Derivatives used for other risk management activities:				
Interest rate contracts	$ 1	$ (11)	$ 1	$ (15)
Foreign exchange contracts	(69)	(5)	114	(7)
Other contracts (d)	14	(19)	7	(27)
Gains (losses) from other risk management activities (c)	$ (54)	$ (35)	$ 122	$ (49)
Total gains (losses) from derivatives not designated as hedging instruments	$ (52)	$ 66	$ 277	$ 149

(a) Included in Residential mortgage noninterest income.
(b) Included in Corporate services noninterest income.
(c) Included in Other noninterest income.
(d) Includes BlackRock LTIP funding obligation and the swaps entered into in connection with sales of a portion of Visa Class B common shares.

Credit Derivatives

We enter into credit derivatives, specifically credit default swaps and risk participation agreements, as part of our commercial mortgage banking hedging activities and for customer and other risk management purposes. The credit derivative underlying is based on the credit risk of a specific entity, entities, or an index. Detail regarding credit default swaps purchased and risk participations sold follows.

Table 100: Credit Default Swaps (a)

Dollars in millions	June 30, 2015 Notional Amount	June 30, 2015 Weighted-Average Remaining Maturity In Years	December 31, 2014 Notional Amount	December 31, 2014 Weighted-Average Remaining Maturity In Years
Credit Default Swaps – Purchased (b)				
Single name	$ 50	5.2	$ 50	5.7
Index traded	48	33.7	60	34.2
Total	$ 98	19.1	$ 110	21.3

(a) There were no credit default swaps sold as of June 30, 2015 and December 31, 2014.
(b) The fair value of credit default swaps purchased was less than $1 million as of June 30, 2015 and December 31, 2014.

The notional amount of these credit default swaps by credit rating is presented in the following table:

Table 101: Credit Ratings of Credit Default Swaps (a)

In millions	June 30, 2015	December 31, 2014
Credit Default Swaps – Purchased		
Investment grade (b)	$ 83	$ 95
Subinvestment grade (c)	15	15
Total	$ 98	$ 110

(a) There were no credit default swaps sold as of June 30, 2015 and December 31, 2014.
(b) Investment grade with a rating of BBB-/Baa3 or above based on published rating agency information.
(c) Subinvestment grade represents a rating below BBB-/Baa3 based on published rating agency information.

The referenced/underlying assets for these credit default swaps are presented in the following table:

Table 102: Referenced/Underlying Assets of Credit Default Swaps

	June 30, 2015	December 31, 2014
Corporate debt	51%	45%
Commercial mortgage-backed securities	49%	55%

Risk Participation Agreements

We also periodically enter into risk participation agreements to share some of the credit exposure with other counterparties related to interest rate derivative contracts or to take on credit exposure to generate revenue. We will make/receive payments under these agreements if a customer defaults on its obligation to perform under certain derivative swap contracts. Risk participation agreements purchased and sold are included in these derivative tables: Tables 98, 99, and 103.

Further detail regarding the notional amount, fair value and weighted-average remaining maturities in years for risk participation agreements sold is presented in the following table:

Table 103: Risk Participation Agreements Sold

	June 30, 2015			December 31, 2014		
Dollars in millions	Notional Amount	Fair Value	Weighted-Average Remaining Maturity In Years	Notional Amount	Fair Value	Weighted-Average Remaining Maturity In Years
Risk Participation Agreements Sold	$2,669	$ (5)	5.0	$2,796	$ (4)	5.4

Based on our internal risk rating process of the underlying third party customers referenced in the swap contracts, all exposure related to risk participation agreements sold have an internal credit rating of pass, which indicates the expected risk of default is currently low.

We have sold risk participation agreements with terms ranging from less than 1 year to 22 years. We will be required to make payments under these agreements if a customer defaults on its obligation to perform under certain derivative swap contracts with third parties. Assuming all underlying third party customers referenced in the swap contracts defaulted at June 30, 2015, the exposure from these agreements would be $115 million based on the fair value of the underlying swaps, compared with $124 million at December 31, 2014.

Offsetting, Counterparty Credit Risk, and Contingent Features

We, generally, utilize a net presentation on the Consolidated Balance Sheet for those derivative financial instruments entered into with counterparties under legally enforceable master netting agreements. The master netting agreements reduce credit risk by permitting the closeout netting of various types of derivative instruments with the same counterparty upon the occurrence of an event of default.

For additional information on derivative offsetting, counterparty credit risk, and contingent features see Note 15 Financial Derivatives in our 2014 Form 10-K. Refer to Note 16 Commitments and Guarantees in this Report for additional information related to resale and repurchase agreements offsetting.

The following derivative Table 104 shows the impact legally enforceable master netting agreements had on our derivative assets and derivative liabilities as of June 30, 2015 and December 31, 2014. The table also includes the fair value of any securities collateral held or pledged under legally enforceable master netting agreements. Cash and securities collateral amounts are included in the table only to the extent of the related net derivative fair values.

Table 104: Derivative Assets and Liabilities Offsetting

June 30, 2015 In millions	Gross Fair Value Derivative Assets	Amounts Offset on the Consolidated Balance Sheet		Net Fair Value Derivative Assets	Securities Collateral Held Under Master Netting Agreements	Net Amounts
		Fair Value Offset Amount	Cash Collateral			
Derivative assets						
Interest rate contracts	$ 4,599	$ 1,806	$ 337	$ 2,456	$ 130	$2,326
Foreign exchange contracts	250	138	11	101	3	98
Credit contracts	2	1	1			
Total derivative assets (a)	$ 4,851	$ 1,945	$ 349	$ 2,557 (b)	$ 133	$2,424

June 30, 2015 In millions	Gross Fair Value Derivative Liabilities	Amounts Offset on the Consolidated Balance Sheet		Net Fair Value Derivative Liabilities	Securities Collateral Pledged Under Master Netting Agreements	Net Amounts
		Fair Value Offset Amount	Cash Collateral			
Derivative liabilities						
Interest rate contracts	$ 3,112	$ 1,856	$ 470	$ 786		$ 786
Foreign exchange contracts	225	85	20	120		120
Credit contracts	5	4	1			
Other contracts	485			485		485
Total derivative liabilities (a)	$ 3,827	$ 1,945	$ 491	$ 1,391 (c)		$1,391

December 31, 2014 In millions	Gross Fair Value Derivative Assets	Amounts Offset on the Consolidated Balance Sheet		Net Fair Value Derivative Assets	Securities Collateral Held Under Master Netting Agreements	Net Amounts
		Fair Value Offset Amount	Cash Collateral			
Derivative assets						
Interest rate contracts	$ 4,918	$ 1,981	$ 458	$ 2,479	$ 143	$2,336
Foreign exchange contracts	314	159	47	108	1	107
Credit contracts	2	1	1			
Total derivative assets (a)	$ 5,234	$ 2,141	$ 506	$ 2,587 (b)	$ 144	$2,443

December 31, 2014 In millions	Gross Fair Value Derivative Liabilities	Amounts Offset on the Consolidated Balance Sheet		Net Fair Value Derivative Liabilities	Securities Collateral Pledged Under Master Netting Agreements	Net Amounts
		Fair Value Offset Amount	Cash Collateral			
Derivative liabilities						
Interest rate contracts	$ 3,272	$ 2,057	$ 483	$ 732		$ 732
Foreign exchange contracts	241	80	20	141		141
Credit contracts	4	4				
Other contracts	510			510		510
Total derivative liabilities (a)	$ 4,027	$ 2,141	$ 503	$ 1,383 (c)		$1,383

(a) Included derivative assets and derivative liabilities as of June 30, 2015 totaling $889 million and $725 million, respectively, related to interest rate contracts executed bilaterally with counterparties in the U.S. over-the-counter market and novated to and cleared through a central clearing house. The comparable amounts as of December 31, 2014 totaled $807 million and $657 million, respectively. Derivative assets and liabilities as of June 30, 2015 and December 31, 2014 related to exchange-traded interest rate contracts were not material. As of June 30, 2015 and December 31, 2014, these contracts were not subject to offsetting. The remaining gross and net derivative assets and liabilities relate to contracts executed bilaterally with counterparties that are not settled through an organized exchange or central clearing house.

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

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

In addition to using master netting and related collateral agreements to reduce credit risk associated with derivative instruments, we also seek to manage credit risk by evaluating credit ratings of counterparties, by taking collateral and by using internal credit analysis, limits, and monitoring procedures. Collateral may also be exchanged under certain derivative agreements that are not considered master netting agreements.

At June 30, 2015, we held cash, U.S. government securities and mortgage-backed securities totaling $681 million under master netting and other collateral agreements to collateralize net derivative assets due from counterparties, and we have pledged cash totaling $555 million under these agreements to collateralize net derivative liabilities owed to counterparties. These totals may differ from the amounts presented in the preceding offsetting table because they may include collateral exchanged under an agreement that does not qualify as a master netting agreement or because the total amount of collateral held or pledged exceeds the net derivative fair value with the counterparty as of the balance sheet date due to timing or other factors. To the extent not netted against the derivative fair value under a master netting agreement, the receivable for cash pledged is included in Other assets and the obligation for cash held is included in Other borrowed funds on our Consolidated Balance Sheet. Securities held from counterparties are not recognized on our balance sheet. Likewise securities we have pledged to counterparties remain on our balance sheet.

Certain of the master netting agreements and certain other derivative agreements also contain provisions that require PNC's debt to maintain an investment grade credit rating from each of the major credit rating agencies. If PNC's debt ratings were to fall below investment grade, we would be in violation of these provisions and the counterparties to the derivative instruments could request immediate payment or demand immediate and ongoing full overnight collateralization on derivative instruments in net liability positions. The aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a net liability position on June 30, 2015 was $.6 billion for which PNC had posted collateral of $.5 billion in the normal course of business. The maximum additional amount of collateral PNC would have been required to post if the credit-risk-related contingent features underlying these agreements had been triggered on June 30, 2015 would be $.1 billion.

NOTE 12 EARNINGS PER SHARE

Table 105: Basic and Diluted Earnings per Common Share

	Three months ended June 30		Six months ended June 30	
In millions, except per share data	2015	2014	2015	2014
Basic				
Net income	$1,044	$1,052	$2,048	$2,112
Less:				
Net income (loss) attributable to noncontrolling interests	4	3	5	1
Preferred stock dividends and discount accretion and redemptions	48	48	118	118
Net income attributable to common shares	992	1,001	1,925	1,993
Less:				
Dividends and undistributed earnings allocated to nonvested restricted shares		3	2	6
Net income attributable to basic common shares	$ 992	$ 998	$1,923	$1,987
Basic weighted-average common shares outstanding	517	532	519	532
Basic earnings per common share (a)	$ 1.92	$ 1.88	$ 3.71	$ 3.73
Diluted				
Net income attributable to basic common shares	$ 992	$ 998	$1,923	$1,987
Less: Impact of BlackRock earnings per share dilution	5	3	10	9
Net income attributable to diluted common shares	$ 987	$ 995	$1,913	$1,978
Basic weighted-average common shares outstanding	517	532	519	532
Dilutive potential common shares (b) (c)	8	7	8	7
Diluted weighted-average common shares outstanding	525	539	527	539
Diluted earnings per common share (a)	$ 1.88	$ 1.85	$ 3.63	$ 3.67

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

(b) Excludes number of stock options considered to be anti-dilutive of 1 million for the three and six months ended June 30, 2014. No stock options were considered to be anti-dilutive for the three and six months ended June 30, 2015.

(c) No warrants were considered to be anti-dilutive for the three and six months ended June 30, 2015 and June 30, 2014, respectively.

NOTE 13 TOTAL EQUITY AND OTHER COMPREHENSIVE INCOME

Activity in total equity for the first six months of 2014 and 2015 follows.

Table 106: Rollforward of Total Equity

		Shareholders' Equity							
In millions	Shares Outstanding Common Stock	Common Stock	Capital Surplus - Preferred Stock	Capital Surplus - Common Stock and Other	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Non-controlling Interests	Total Equity
Balance at December 31, 2013	533	$2,698	$3,941	$12,416	$23,251	$ 436	$ (408)	$ 1,703	$44,037
Cumulative effect of adopting ASC 860-50 (a)					2				2
Balance at January 1, 2014	533	$2,698	$3,941	$12,416	$23,253	$ 436	$ (408)	$ 1,703	$44,039
Net income					2,111			1	2,112
Other comprehensive income (loss), net of tax						445			445
Cash dividends declared									
Common ($.92 per share)					(491)				(491)
Preferred					(115)				(115)
Preferred stock discount accretion			3		(3)				
Common stock activity	1	5		55					60
Treasury stock activity	(2)			11			(176)		(165)
Other				24				(116)	(92)
Balance at June 30, 2014 (b)	532	$2,703	$3,944	$12,506	$24,755	$ 881	$ (584)	$ 1,588	$45,793
Balance at January 1, 2015	523	$2,705	$3,946	$12,627	$26,200	$ 503	$(1,430)	$ 1,523	$46,074
Net income					2,043			5	2,048
Other comprehensive income (loss), net of tax						(124)			(124)
Cash dividends declared									
Common ($.99 per share)					(516)				(516)
Preferred					(115)				(115)
Preferred stock discount accretion			3		(3)				
Common stock activity	1	3		34					37
Treasury stock activity	(8)			(55)			(832)		(887)
Preferred stock redemption – Series K (c)			(500)						(500)
Other				26				(131)	(105)
Balance at June 30, 2015 (b)	516	$2,708	$3,449	$12,632	$27,609	$ 379	$(2,262)	$ 1,397	$45,912

(a) Amount represents the cumulative impact of our January 1, 2014 irrevocable election to prospectively measure all classes of commercial MSRs at fair value. See Note 1 Accounting Policies and Note 8 Goodwill and Other Intangible Assets for more information on this election in our Notes To Consolidated Financial Statements under Item 8 of our 2014 Form 10-K.

(b) The par value of our preferred stock outstanding was less than $.5 million at each date and, therefore, is excluded from this presentation.

(c) On May 4, 2015, PNC redeemed all 50,000 shares of its Series K Preferred Stock, as well as all 500,000 Depositary Shares representing fractional interests in such shares, resulting in net outflow of $500 million.

Warrants

We had 13,685,932 warrants outstanding as of June 30, 2015 compared to 16,885,192 as of December 31, 2014. The reduction was due to 3,199,260 warrants that were exercised during 2015. Each warrant entitles the holder to purchase one share of PNC common stock at an exercise price of $67.33 per share. In accordance with the terms of the warrants, the warrants are exercised on a non-cash net basis with the warrant holder receiving PNC common shares determined based on the excess of the market price of PNC common stock on the exercise date over the exercise price of the warrant. In 2015, we issued 971,570 common shares resulting from the exercise of the warrants. The issuance of these shares resulted in a reclassification within Capital surplus – Common stock and other with no impact on PNC's Shareholder's equity. The remaining outstanding warrants will expire as of December 31, 2018, and are considered in the calculation of diluted earnings per common share in Note 12 Earnings Per Share in this Report.

Table 107: Other Comprehensive Income

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

In millions	Pretax	Tax	After-tax
Net unrealized gains (losses) on non-OTTI securities			
Balance at March 31, 2014	$ 836	$(307)	$ 529
Second Quarter 2014 activity			
Increase in net unrealized gains (losses) on non-OTTI securities	220	(80)	140
Less: Net gains (losses) realized as a yield adjustment reclassified to investment securities interest income	7	(2)	5
Less: Net gains (losses) realized on sales of securities reclassified to noninterest income	1		1
Net unrealized gains (losses) on non-OTTI securities	212	(78)	134
Balance at June 30, 2014	1,048	(385)	663
Balance at March 31, 2015	1,096	(402)	694
Second Quarter 2015 activity			
Increase in net unrealized gains (losses) on non-OTTI securities	(346)	128	(218)
Less: Net gains (losses) realized as a yield adjustment reclassified to investment securities interest income	7	(2)	5
Less: Net gains (losses) realized on sales of securities reclassified to noninterest income	12	(4)	8
Net unrealized gains (losses) on non-OTTI securities	(365)	134	(231)
Balance at June 30, 2015	$ 731	$(268)	$ 463
Net unrealized gains (losses) on OTTI securities			
Balance at March 31, 2014	$ 102	$ (37)	$ 65
Second Quarter 2014 activity			
Increase in net unrealized gains (losses) on OTTI securities	40	(14)	26
Less: OTTI losses realized on securities reclassified to noninterest income	(1)		(1)
Net unrealized gains (losses) on OTTI securities	41	(14)	27
Balance at June 30, 2014	143	(51)	92
Balance at March 31, 2015	118	(42)	76
Second Quarter 2015 activity			
Increase in net unrealized gains (losses) on OTTI securities	3	(1)	2
Less: OTTI losses realized on securities reclassified to noninterest income	(1)	1	
Net unrealized gains (losses) on OTTI securities	4	(2)	2
Balance at June 30, 2015	$ 122	$ (44)	$ 78
Net unrealized gains (losses) on cash flow hedge derivatives			
Balance at March 31, 2014	$ 379	$(139)	$ 240
Second Quarter 2014 activity			
Increase in net unrealized gains (losses) on cash flow hedge derivatives	138	(50)	88
Less: Net gains (losses) realized as a yield adjustment reclassified to loan interest income (a)	61	(23)	38
Less: Net gains (losses) realized as a yield adjustment reclassified to investment securities interest income (a)	3	(1)	2
Less: Net gains (losses) realized on sales of securities reclassified to noninterest income (a)	(7)	3	(4)
Net unrealized gains (losses) on cash flow hedge derivatives	81	(29)	52
Balance at June 30, 2014	460	(168)	292
Balance at March 31, 2015	791	(290)	501
Second Quarter 2015 activity			
Increase in net unrealized gains (losses) on cash flow hedge derivatives	(102)	38	(64)
Less: Net gains (losses) realized as a yield adjustment reclassified to loan interest income (a)	64	(24)	40
Less: Net gains (losses) realized as a yield adjustment reclassified to investment securities interest income (a)	8	(3)	5
Less: Net gains (losses) realized on sales of securities reclassified to noninterest income (a)	(4)	2	(2)
Net unrealized gains (losses) on cash flow hedge derivatives	(170)	63	(107)
Balance at June 30, 2015	$ 621	$(227)	$ 394

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In millions	Pretax	Tax	After-tax
Pension and other postretirement benefit plan adjustments			
Balance at March 31, 2014	$(292)	$107	$ (185)
Second Quarter 2014 activity			
Net pension and other postretirement benefit plan activity	10	(4)	6
Amortization of actuarial loss (gain) reclassified to other noninterest expense	1	(1)	
Amortization of prior service cost (credit) reclassified to other noninterest expense	(2)	1	(1)
Total Second Quarter 2014 activity	9	(4)	5
Balance at June 30, 2014	(283)	103	(180)
Balance at March 31, 2015	(760)	278	(482)
Second Quarter 2015 activity			
Net pension and other postretirement benefit plan activity	(17)	7	(10)
Amortization of actuarial loss (gain) reclassified to other noninterest expense	9	(4)	5
Amortization of prior service cost (credit) reclassified to other noninterest expense	(2)	1	(1)
Total Second Quarter 2015 activity	(10)	4	(6)
Balance at June 30, 2015	$(770)	$282	$ (488)
Other			
Balance at March 31, 2014	$ (9)	$ 16	$ 7
Second Quarter 2014 Activity			
PNC's portion of BlackRock's OCI	(4)	2	(2)
Net investment hedge derivatives (b)	(26)	9	(17)
Foreign currency translation adjustments (c)	26		26
Total Second Quarter 2014 activity	(4)	11	7
Balance at June 30, 2014	(13)	27	14
Balance at March 31, 2015	(86)		(86)
Second Quarter 2015 Activity			
PNC's portion of BlackRock's OCI	(9)	3	(6)
Net investment hedge derivatives (b)	(65)	24	(41)
Foreign currency translation adjustments (c)	65		65
Total Second Quarter 2015 activity	(9)	27	18
Balance at June 30, 2015	$ (95)	$ 27	$ (68)

In millions	Pretax	Tax	After-tax
Net unrealized gains (losses) on non-OTTI securities			
Balance at December 31, 2013	$ 647	$(238)	$ 409
2014 activity			
Increase in net unrealized gains (losses) on non-OTTI securities	421	(154)	267
Less: Net gains (losses) realized as a yield adjustment reclassified to investment securities interest income	14	(5)	9
Less: Net gains (losses) realized on sale of securities reclassified to noninterest income	6	(2)	4
Net unrealized gains (losses) on non-OTTI securities	401	(147)	254
Balance at June 30, 2014	1,048	(385)	663
Balance at December 31, 2014	1,022	(375)	647
2015 activity			
Increase in net unrealized gains (losses) on non-OTTI securities	(214)	79	(135)
Less: Net gains (losses) realized as a yield adjustment reclassified to investment securities interest income	14	(5)	9
Less: Net gains (losses) realized on sale of securities reclassified to noninterest income	63	(23)	40
Net unrealized gains (losses) on non-OTTI securities	(291)	107	(184)
Balance at June 30, 2015	$ 731	$(268)	$ 463
Net unrealized gains (losses) on OTTI securities			
Balance at December 31, 2013	$ 36	$ (12)	$ 24
2014 activity			
Increase in net unrealized gains (losses) on OTTI securities	104	(38)	66
Less: OTTI losses realized on securities reclassified to noninterest income	(3)	1	(2)
Net unrealized gains (losses) on OTTI securities	107	(39)	68
Balance at June 30, 2014	143	(51)	92
Balance at December 31, 2014	115	(41)	74
2015 activity			
Increase in net unrealized gains (losses) on OTTI securities	5	(2)	3
Less: OTTI losses realized on securities reclassified to noninterest income	(2)	1	(1)
Net unrealized gains (losses) on OTTI securities	7	(3)	4
Balance at June 30, 2015	$ 122	$ (44)	$ 78
Net unrealized gains (losses) on cash flow hedge derivatives			
Balance at December 31, 2013	$ 384	$(141)	$ 243
2014 activity			
Increase in net unrealized gains (losses) on cash flow hedge derivatives	210	(76)	134
Less: Net gains (losses) realized as a yield adjustment reclassified to loan interest income (a)	130	(48)	82
Less: Net gains (losses) realized as a yield adjustment reclassified to investment securities interest income (a)	6	(2)	4
Less: Net gains (losses) realized on sales of securities reclassified to noninterest income (a)	(2)	1	(1)
Net unrealized gains (losses) on cash flow hedge derivatives	76	(27)	49
Balance at June 30, 2014	460	(168)	292
Balance at December 31, 2014	552	(202)	350
2015 activity			
Increase in net unrealized gains (losses) on cash flow hedge derivatives	196	(72)	124
Less: Net gains (losses) realized as a yield adjustment reclassified to loan interest income (a)	128	(47)	81
Less: Net gains (losses) realized as a yield adjustment reclassified to investment securities interest income (a)	12	(5)	7
Less: Net gains (losses) realized on sales of securities reclassified to noninterest income (a)	(13)	5	(8)
Net unrealized gains (losses) on cash flow hedge derivatives	69	(25)	44
Balance at June 30, 2015	$ 621	$(227)	$ 394

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In millions	Pretax	Tax	After-tax
Pension and other postretirement benefit plan adjustments			
Balance at December 31, 2013	$(374)	$137	$ (237)
2014 Activity			
Net pension and other postretirement benefit plan activity	93	(35)	58
Amortization of actuarial loss (gain) reclassified to other noninterest expense	2	(1)	1
Amortization of prior service cost (credit) reclassified to other noninterest expense	(4)	2	(2)
Total 2014 activity	91	(34)	57
Balance at June 30, 2014	(283)	103	(180)
Balance at December 31, 2014	(820)	300	(520)
2015 Activity			
Net pension and other postretirement benefit plan activity	36	(13)	23
Amortization of actuarial loss (gain) reclassified to other noninterest expense	18	(7)	11
Amortization of prior service cost (credit) reclassified to other noninterest expense	(4)	2	(2)
Total 2015 Activity	50	(18)	32
Balance at June 30, 2015	$(770)	$282	$ (488)
Other			
Balance at December 31, 2013	$ (20)	$ 17	$ (3)
2014 Activity			
PNC's portion of BlackRock's OCI	7	(2)	5
Net investment hedge derivatives (b)	(33)	12	(21)
Foreign currency translation adjustments	33		33
Total 2014 activity	7	10	17
Balance at June 30, 2014	(13)	27	14
Balance at December 31, 2014	(59)	11	(48)
2015 Activity			
PNC's portion of BlackRock's OCI	(34)	12	(22)
Net investment hedge derivatives (b)	(11)	4	(7)
Foreign currency translation adjustments (c)	9		9
Total 2015 activity	(36)	16	(20)
Balance at June 30, 2015	$ (95)	$ 27	$ (68)

(a) Cash flow hedge derivatives are interest rate contract derivatives designated as hedging instruments under GAAP.
(b) Net investment hedge derivatives are foreign exchange contracts designated as hedging instruments under GAAP.
(c) The earnings of PNC's Luxembourg-UK lending business have been indefinitely reinvested: therefore, no U.S. deferred income tax has been recorded on the foreign currency translation of the investment.

Table 108: Accumulated Other Comprehensive Income (Loss) Components

	June 30, 2015		December 31, 2014	
In millions	Pretax	After-tax	Pretax	After-tax
Net unrealized gains (losses) on non-OTTI securities	$ 731	$ 463	$1,022	$ 647
Net unrealized gains (losses) on OTTI securities	122	78	115	74
Net unrealized gains (losses) on cash flow hedge derivatives	621	394	552	350
Pension and other postretirement benefit plan adjustments	(770)	(488)	(820)	(520)
Other	(95)	(68)	(59)	(48)
Accumulated other comprehensive income (loss)	$ 609	$ 379	$ 810	$ 503

NOTE 14 INCOME TAXES

Table 109: Net Operating Loss Carryforwards and Tax Credit Carryforwards

In millions	June 30 2015	December 31 2014
Net Operating Loss Carryforwards:		
Federal	$ 947	$ 997
State	$2,486	$ 2,594
Tax Credit Carryforwards:		
Federal	$ 35	$ 35
State	$ 7	$ 7

The federal net operating loss carryforwards expire in 2032. The state net operating loss carryforwards will expire from 2015 to 2035. The majority of the tax credit carryforwards expire in 2032. All federal and most state net operating loss and credit carryforwards are from acquired entities and utilization is subject to various statutory limitations. It is anticipated that the company will be able to fully utilize its carryforwards for federal tax purposes, but a valuation allowance of $64 million has been recorded against certain state tax carryforwards as of June 30, 2015. If select uncertain tax positions were successfully challenged by a state, the state net operating losses listed above could be reduced by $60 million.

The Internal Revenue Service (IRS) is currently examining PNC's 2011 through 2013 returns. National City's consolidated federal income tax returns through 2008 have been audited by the IRS. Certain adjustments remain under review by the IRS Appeals Division for years 2004 through 2008.

The Company had unrecognized tax benefits of $80 million at June 30, 2015 and $77 million at December 31, 2014. At June 30, 2015, $66 million of unrecognized tax benefits, if recognized, would favorably impact the effective income tax rate.

It is reasonably possible that the balance of unrecognized tax benefits could increase or decrease in the next twelve months due to completion of tax authorities' exams or the expiration of statutes of limitations. Management estimates that the balance of unrecognized tax benefits could decrease by $53 million within the next twelve months.

During the six months ended June 30, 2015, we recognized $102 million of amortization, $111 million of tax credits, and $37 million of other tax benefits associated with qualified investments in low income housing tax credits within Income taxes. The amounts for the second quarter of 2015 were $51 million, $56 million and $18 million, respectively.

NOTE 15 LEGAL PROCEEDINGS

We establish accruals for legal proceedings, including litigation and regulatory and governmental investigations and inquiries, when information related to the loss contingencies represented by those matters indicates both that a loss is probable and that the amount of loss can be reasonably estimated. Any such accruals are adjusted thereafter as appropriate to reflect changed circumstances. When we are able to do so, we also determine estimates of possible losses or ranges of possible losses, whether in excess of any related accrued liability or where there is no accrued liability, for disclosed legal proceedings ("Disclosed Matters," which are those matters disclosed in this Note 15 as well as those matters disclosed in Note 21 Legal Proceedings in Part II, Item 8 of our 2014 Form 10-K and in Note 15 Legal Proceedings in Part I, Item 1 of our first quarter 2015 Form 10-Q (such prior disclosure collectively referred to as "Prior Disclosure")). For Disclosed Matters where we are able to estimate such possible losses or ranges of possible losses, as of June 30, 2015, we estimate that it is reasonably possible that we could incur losses in an aggregate amount of up to approximately $725 million. The estimates included in this amount are based on our analysis of currently available information and are subject to significant judgment and a variety of assumptions and uncertainties. As new information is obtained we may change our estimates. Due to the inherent subjectivity of the assessments and unpredictability of outcomes of legal proceedings, any amounts accrued or included in this aggregate amount may not represent the ultimate loss to us from the legal proceedings in question. Thus, our exposure and ultimate losses may be higher, and possibly significantly so, than the amounts accrued or this aggregate amount.

In our experience, legal proceedings are inherently unpredictable. One or more of the following factors frequently contribute to this inherent unpredictability: the proceeding is in its early stages; the damages sought are unspecified, unsupported or uncertain; it is unclear whether a case brought as a class action will be allowed to proceed on that basis or, if permitted to proceed as a class action, how the class will be defined; the other party is seeking relief other than or in addition to compensatory damages (including, in the case of regulatory and governmental investigations and inquiries, the possibility of fines and penalties); the matter presents meaningful legal uncertainties, including novel issues of law; we have not engaged in meaningful settlement discussions; discovery has not started or is not complete; there are significant facts in dispute; the possible outcomes may not be amenable to the use of statistical or quantitative analytical tools; predicting possible outcomes depends on making assumptions about future decisions of courts or regulatory bodies or the behavior of other parties; and there are a large number of parties named as defendants (including where it is uncertain how damages or liability, if any, will be shared among multiple defendants). Generally, the less progress that has been made in the proceedings or the broader the range of potential results, the harder it is for us to estimate losses or ranges of losses that it is reasonably possible we could incur.

As a result of these types of factors, we are unable, at this time, to estimate the losses that it is reasonably possible that we could incur or ranges of such losses with respect to some of the matters disclosed, and the aggregate estimated amount provided above does not include an estimate for every Disclosed Matter. Therefore, as the estimated aggregate amount disclosed above does not include all of the Disclosed Matters, the amount disclosed above does not represent our maximum reasonably possible loss exposure for all of the Disclosed Matters. The estimated aggregate amount also does not reflect any of our exposure to matters not so disclosed, as discussed below under "Other."

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

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

The following updates our disclosure of legal proceedings from that provided in Prior Disclosure.

CBNV Mortgage Litigation

Between 2001 and 2003, on behalf of either individual plaintiffs or proposed classes of plaintiffs, several separate lawsuits were filed in state and federal courts against Community Bank of Northern Virginia (CBNV), a PNC Bank predecessor, and other defendants asserting claims arising from second mortgage loans made to the plaintiffs. The state lawsuits were removed to federal court and, with the lawsuits that had been filed in federal court, were consolidated for pre-trial proceedings in a multidistrict litigation (MDL) proceeding in the United States District Court for the Western District of Pennsylvania under the caption *In re: Community Bank of Northern Virginia Lending Practices Litigation* (No. 03-0425 (W.D. Pa.), MDL No. 1674).

MDL Proceedings in Pennsylvania. In July 2015, the United States Court of Appeals for the Third Circuit affirmed the grant of class certification by the Pennsylvania district court.

North Carolina Proceedings. In January 2008, the Pennsylvania district court issued an order sending back to the General Court of Justice, Superior Court Division, for Wake County, North Carolina the claims of two proposed class members, asserted in a case originally filed in 2001 and captioned *Bumpers, et al. v. Community Bank of Northern Virginia* (01-CVS-011342). The plaintiffs in *Bumpers* made similar allegations to those included in the amended complaint in the MDL proceedings. Following the remand to North Carolina state court, the plaintiffs in *Bumpers* sought to represent a class of North Carolina borrowers in state court proceedings in North Carolina. The plaintiffs claimed that this class consisted of approximately 650 borrowers. The district court in Pennsylvania handling the MDL proceedings enjoined class proceedings in *Bumpers* in March 2008. In April 2008, the North Carolina Superior Court granted the *Bumpers* plaintiffs' motion for summary judgment on their individual claims and awarded them approximately $11,000 each plus interest. CBNV appealed the grant of the motion for summary judgment. In September 2011, the North Carolina Court of Appeals affirmed in part and reversed in part the granting of the plaintiffs' motion for summary judgment. The court affirmed the judgment on the plaintiffs' claim that they paid a loan discount fee but were not provided a loan discount. It reversed the judgment on the plaintiffs' claim that they were overcharged for settlement services and remanded that claim for trial. The court also held that, in light of the Pennsylvania district court's injunction against class proceedings having been vacated in September 2010, the trial court may on remand consider the issue of class certification. In August 2012, the North Carolina Supreme Court granted our petition for discretionary review of the decision of the North Carolina Court of Appeals. The appeal was argued in January 2013. In August 2013, the North Carolina Supreme Court reversed the decision of the Court of Appeals and remanded the case to the Superior Court for further proceedings. In September 2013, after the other plaintiff voluntarily dismissed his case, the remaining plaintiff filed a motion for leave to amend his complaint in the trial court. The plaintiff's remaining claims, as reflected in the proposed amended complaint, related exclusively to loan discount fees. In June 2015 the court denied the plaintiff's motion to amend his complaint. The plaintiff then moved for an order allowing dismissal of his remaining claims, which was granted, thus ending the North Carolina proceedings.

Lender Placed Insurance Litigation

In May 2015, the parties reached an agreement to settle on a nationwide settlement class basis *Montoya, et al. v. PNC Bank, N.A., et al*, (Case No. 1:14-cv-20474-JEM), pending in the United States District Court for the Southern District of Florida against, among others, PNC Bank. The agreement is subject to, among other things, notice to the class members and final approval by the court. In June 2015, the plaintiffs filed a motion for preliminary approval of the settlement. Notice to the class members will be provided following preliminary approval, if granted. In connection with the settlement agreement, the plaintiffs also filed a fourth amended complaint, which, among other things, adds claims

regarding wind and flood insurance. The proposed settlement provides for certification of a class of borrowers who were charged by PNC under a hazard, flood, flood gap or wind only lender placed insurance policy for residential property during the period January 1, 2008 through the date of preliminary approval of the settlement. The overall cost of the settlement is not expected to be material to PNC.

Patent Infringement Litigation

In separate decisions issued in April and May 2015, the Patent and Trademark Office (PTO) invalidated all claims with respect to the patents that were still at issue in *Intellectual Ventures I LLC and Intellectual Ventures II LLC vs. PNC Financial Services Group, Inc., and PNC Bank, NA*, (Case No. 2:13-cv-00740-AJS)("*IV 1*"), pending in the United States District Court for the Western District of Pennsylvania against PNC and PNC Bank. In July 2015, in an appeal arising out of proceedings against a different defendant relating to some of the same patents, the United States Court of Appeals for the Federal Circuit affirmed a district court decision invalidating two of those same patents. As a result, all of the patents still at issue in *IV 1* have been invalidated, and accordingly PNC should have no liability in this matter.

In April 2015, the PTO, in a proceeding brought by another defendant, upheld the patentability of one of the patents at issue in *Intellectual Ventures I LLC and Intellectual Ventures II LLC v. PNC Bank Financial Services Group, Inc., PNC Bank NA, and PNC Merchant Services Company, LP*, (Case No. 2:14-cv-00832-AKS)("*IV 2*"), pending in the same court as *IV 1*. Three patents of the four other patents at issue in *IV 2* remain under review by the PTO while PTO review has been denied as to the fourth patent.

Other Regulatory and Governmental Inquiries

PNC is the subject of investigations, audits and other forms of regulatory and governmental inquiry covering a broad range of issues in our banking, securities and other financial services businesses, in some cases as part of reviews of specified activities at multiple industry participants. Over the last few years, we have experienced an increase in regulatory and governmental investigations, audits and other inquiries. Areas of current regulatory or governmental inquiry with respect to PNC include consumer protection, fair lending, mortgage origination and servicing, mortgage and non mortgage-related insurance and reinsurance, municipal finance activities, conduct by broker-dealers, automobile lending practices, and participation in government insurance or guarantee programs, some of which are described below and in Prior Disclosure. These inquiries, including those described below and in Prior Disclosure, may lead to administrative, civil or criminal proceedings, and possibly result in remedies including fines, penalties, restitution, or alterations in our business practices, and in additional expenses and collateral costs.

Our practice is to cooperate fully with regulatory and governmental investigations, audits and other inquiries, including those described below and in Prior Disclosure.

Mortgage Servicing Consent Orders

In June 2015, the Office of the Comptroller of the Currency issued an order finding that PNC Bank had satisfied all of its obligations under the OCC's 2013 amended consent order and terminating PNC Bank's 2011 consent order and 2013 amended consent order relating to its residential mortgage servicing and foreclosure processes. The OCC retained jurisdiction over the distribution of remaining funds contributed by PNC Bank under its 2013 amended consent order. PNC's consent order with the Board of Governors of the Federal Reserve System, as amended, relating to the same subject matter remains open and does not foreclose the potential for civil money penalties from the Federal Reserve. The range of potential penalties communicated to PNC from the Federal Reserve in connection with these consent orders is not material and we do not otherwise expect any additional financial charges from the Federal Reserve consent orders to be material.

Other

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

See Note 16 Commitments and Guarantees for additional information regarding the Visa indemnification and our other obligations to provide indemnification, including to current and former officers, directors, employees and agents of PNC and companies we have acquired.

NOTE 16 COMMITMENTS AND GUARANTEES

Commitments

In the normal course of business, we have various commitments outstanding, certain of which are not included on our Consolidated Balance Sheet. The following table presents our outstanding commitments to extend credit along with significant other commitments as of June 30, 2015 and December 31, 2014, respectively.

Table 110: Commitments to Extend Credit and Other Commitments

In millions	June 30 2015	December 31 2014
Commitments to extend credit		
Total commercial lending	$ 97,334	$ 98,742
Home equity lines of credit	17,570	17,839
Credit card	18,999	17,833
Other	4,339	4,178
Total commitments to extend credit	138,242	138,592
Net outstanding standby letters of credit (a)	9,509	9,991
Reinsurance agreements	2,118	4,297
Standby bond purchase agreements (b)	959	1,095
Other commitments (c)	964	962
Total commitments to extend credit and other commitments	$151,792	$ 154,937

(a) Net outstanding standby letters of credit include $5.2 billion which support remarketing programs at both June 30, 2015 and December 31, 2014, respectively.
(b) We enter into standby bond purchase agreements to support municipal bond obligations.
(c) Includes $579 million and $441 million related to investments in qualified affordable housing projects at June 30, 2015 and December 31, 2014, respectively.

Commitments to Extend Credit

Commitments to extend credit, or net unfunded loan commitments, represent arrangements to lend funds or provide liquidity subject to specified contractual conditions. These commitments generally have fixed expiration dates, may require payment of a fee, and contain termination clauses in the event the customer's credit quality deteriorates. Based on our historical experience, some commitments expire unfunded, and therefore cash requirements are substantially less than the total commitment.

Net Outstanding Standby Letters of Credit

We issue standby letters of credit and share in the risk of standby letters of credit issued by other financial institutions, in each case to support obligations of our customers to third parties, such as insurance requirements and the facilitation of transactions involving capital markets product execution. Internal credit ratings related to our net outstanding standby letters of credit were as follows:

Table 111: Internal Credit Ratings Related to Net Outstanding Standby Letters of Credit

	June 30 2015	December 31 2014
Internal credit ratings (as a percentage of portfolio):		
Pass (a)	94%	95%
Below pass (b)	6%	5%

(a) Indicates that expected risk of loss is currently low.
(b) Indicates a higher degree of risk of default.

If the customer fails to meet its financial or performance obligation to the third party under the terms of the contract or there is a need to support a remarketing program, then upon a draw by a beneficiary, subject to the terms of the letter of credit, we would be obligated to make payment to them. The standby letters of credit outstanding on June 30, 2015 had terms ranging from less than 1 year to 8 years.

As of June 30, 2015, assets of $1.0 billion secured certain specifically identified standby letters of credit. In addition, a portion of the remaining standby letters of credit issued on behalf of specific customers is also secured by collateral or guarantees that secure the customers' other obligations to us. The carrying amount of the liability for our obligations related to standby letters of credit and participations in standby letters of credit was $187 million at June 30, 2015 and is included in Other liabilities on our Consolidated Balance Sheet.

Reinsurance Agreements

We have a wholly-owned captive insurance subsidiary which provides reinsurance for accidental death & dismemberment, credit life, accident & health and lender placed hazard, all of which are in run-off. Aggregate maximum exposure up to the specified limits for all reinsurance contracts is as follows:

Table 112: Reinsurance Agreements Exposure (a)

In millions	June 30 2015	December 31 2014
Accidental Death & Dismemberment	$1,705	$ 1,774
Credit Life, Accident & Health	413	467
Lender Placed Hazard (b) (c)		2,056
Maximum Exposure (d)	$2,118	$ 4,297
Maximum Exposure to Quota Share Agreements with 100% Reinsurance	$ 412	$ 466

(a) Reinsurance agreements exposure balances represent estimates based on availability of financial information from insurance carriers.
(b) Through the purchase of catastrophe reinsurance connected to the Lender Placed Hazard Exposure, should a catastrophic event occur, PNC will benefit from this reinsurance. No credit for the catastrophe reinsurance protection is applied to the aggregate exposure figure.
(c) Program was placed into run-off for coverage issued or renewed on or after June 1, 2014 with policy terms one year or less.
(d) The Borrower and Lender Paid Mortgage Insurance program was placed into run-off. Most of these policies carry no liability to PNC, and due to immateriality this program is no longer included in the maximum exposure amount.

A rollforward of the reinsurance reserves for probable losses for the first six months of 2015 and 2014 follows:

Table 113: Reinsurance Reserves – Rollforward

In millions	2015	2014
January 1	$13	$ 32
Paid Losses	(6)	(12)
Net Provision	4	6
Changes to Agreements		(10)
June 30	$11	$ 16

The reinsurance reserves are declining as the programs are in run-off. There were no other changes to existing agreements nor did we enter into any new relationships.

There is a reasonable possibility that losses could be more than or less than the amount reserved due to ongoing uncertainty in various economic, social and other factors that could impact the frequency and severity of claims covered by these reinsurance agreements. At June 30, 2015, the reasonably possible loss above our accrual was not material.

Indemnifications

We are a party to numerous acquisition or divestiture agreements under which we have purchased or sold, or agreed to purchase or sell, various types of assets. These agreements can cover the purchase or sale of entire businesses, loan portfolios, branch banks, partial interests in companies, or other types of assets.

These agreements generally include indemnification provisions under which we indemnify the third parties to these agreements against a variety of risks to the indemnified parties as a result of the transaction in question. When PNC is the seller, the indemnification provisions will generally also provide the buyer with protection relating to the quality of the assets we are selling and the extent of any liabilities being assumed by the buyer. Due to the nature of these indemnification provisions, we cannot quantify the total potential exposure to us resulting from them.

We provide indemnification in connection with securities offering transactions in which we are involved. When we are the issuer of the securities, we provide indemnification to the underwriters or placement agents analogous to the indemnification provided to the purchasers of businesses from us, as described above. When we are an underwriter or placement agent, we provide a limited indemnification to the issuer related to our actions in connection with the offering and, if there are other underwriters, indemnification to the other underwriters intended to result in an appropriate sharing of the risk of participating in the offering. Due to the nature of these indemnification provisions, we cannot quantify the total potential exposure to us resulting from them.

In the ordinary course of business, we enter into certain types of agreements that include provisions for indemnifying third parties. We also enter into certain types of agreements, including leases, assignments of leases, and subleases, in which we agree to indemnify third parties for acts by our agents, assignees and/or sublessees, and employees. We also enter into contracts for the delivery of technology service in which we indemnify the other party against claims of patent and copyright infringement by third parties. Due to the nature of these indemnification provisions, we cannot calculate our aggregate potential exposure under them.

In the ordinary course of business, we enter into contracts with third parties under which the third parties provide services on behalf of PNC. In many of these contracts, we agree to indemnify the third party service provider under certain circumstances. The terms of the indemnity vary from contract to contract and the amount of the indemnification liability, if any, cannot be determined.

We are a general or limited partner in certain asset management and investment limited partnerships, many of which contain indemnification provisions that would require us to make payments in excess of our remaining unfunded commitments. While in certain of these partnerships the maximum liability to us is limited to the sum of our unfunded commitments and partnership distributions received by us, in the others the indemnification liability is unlimited. As a result, we cannot determine our aggregate potential exposure for these indemnifications.

In some cases, indemnification obligations of the types described above arise under arrangements entered into by predecessor companies for which we become responsible as a result of the acquisition.

Pursuant to their bylaws, PNC and its subsidiaries provide indemnification to directors, officers and, in some cases, employees and agents against certain liabilities incurred as a result of their service on behalf of or at the request of PNC and its subsidiaries. PNC and its subsidiaries also advance on behalf of covered individuals costs incurred in connection with certain claims or proceedings, subject to written undertakings by each such individual to repay all amounts advanced if it is ultimately determined that the individual is not entitled to indemnification. We generally are responsible for similar indemnifications and advancement obligations that companies we acquire had to their officers, directors and sometimes employees and agents at the time of acquisition. We advanced such costs on behalf of several such individuals with respect to pending litigation or investigations during 2015. It is not possible for us to determine the aggregate potential exposure resulting from the obligation to provide this indemnity or to advance such costs.

Visa Indemnification

Our payment services business issues and acquires credit and debit card transactions through Visa U.S.A. Inc. card association or its affiliates (Visa). For additional information on our Visa indemnification and the related interchange litigation see Note 21 Legal Proceedings and Note 22 Commitments and Guarantees in our 2014 Form 10-K.

Recourse and Repurchase Obligations

As discussed in Note 2 Loan Sale and Servicing Activities and Variable Interest Entities, PNC has sold commercial mortgage, residential mortgage and home equity loans/lines of credit directly or indirectly through securitization and loan sale transactions in which we have continuing involvement. One form of continuing involvement includes certain recourse and loan repurchase obligations associated with the transferred assets.

Commercial Mortgage Loan Recourse Obligations

We originate and service certain multi-family commercial mortgage loans which are sold to FNMA under FNMA's Delegated Underwriting and Servicing (DUS) program. We participated in a similar program with the FHLMC.

Under these programs, we generally assume up to a one-third pari passu risk of loss on unpaid principal balances through a loss share arrangement. At June 30, 2015 and December 31, 2014, the unpaid principal balance outstanding of loans sold as a participant in these programs was $12.9 billion and $12.3 billion, respectively. The potential maximum exposure under the loss share arrangements was $3.9 billion at June 30, 2015 and $3.7 billion at December 31, 2014.

If payment is required under these programs, we would not have a contractual interest in the collateral underlying the mortgage loans on which losses occurred, although the value of the collateral is taken into account in determining our share of such losses. Our exposure and activity associated with these recourse obligations are reported in the Corporate & Institutional Banking segment.

We maintain a reserve for estimated losses based upon our exposure. The reserve for losses under these programs totaled $35 million at both June 30, 2015 and June 30, 2014, and was included in Other liabilities on our Consolidated Balance Sheet. An analysis of the changes in this liability during 2015 and 2014 follows:

Table 114: Analysis of Commercial Mortgage Recourse Obligations

In millions	2015	2014
January 1	$35	$33
Reserve adjustments, net		2
June 30	$35	$35

Residential Mortgage Loan and Home Equity Loan/ Line of Credit Repurchase Obligations

While residential mortgage loans are sold on a non-recourse basis, we assume certain loan repurchase obligations associated with mortgage loans we have sold to investors. These loan repurchase obligations primarily relate to situations where PNC is alleged to have breached certain origination covenants and representations and warranties made to purchasers of the loans in the respective purchase and sale agreements. Repurchase obligation activity associated with residential mortgages is reported in the Residential Mortgage Banking segment.

PNC's repurchase obligations also include certain brokered home equity loans/lines of credit that were sold to a limited number of private investors in the financial services industry by National City prior to our acquisition of National City. PNC is no longer engaged in the brokered home equity lending business, and our exposure under these loan repurchase obligations is limited to repurchases of loans sold in these transactions. Repurchase activity associated with brokered home equity loans/lines of credit is reported in the Non-Strategic Assets Portfolio segment.

Indemnification and repurchase liabilities are initially recognized when loans are sold to investors and are subsequently evaluated by management. Initial recognition and subsequent adjustments to the indemnification and repurchase liability for the sold residential mortgage portfolio are recognized in Residential mortgage revenue on the Consolidated Income Statement. Since PNC is no longer engaged in the brokered home equity lending business, only subsequent adjustments are recognized to the home equity loans/lines indemnification and repurchase liability. These adjustments are recognized in Other noninterest income on the Consolidated Income Statement.

Management's subsequent evaluation of these indemnification and repurchase liabilities is based upon trends in indemnification and repurchase requests, actual loss experience, risks in the underlying serviced loan portfolios, and current economic conditions. As part of its evaluation, management considers estimated loss projections over the life of the subject loan portfolio. At June 30, 2015 and June 30, 2014, the total indemnification and repurchase liability for estimated losses on indemnification and repurchase claims totaled $125 million and $126 million, respectively, and was included in Other liabilities on the Consolidated Balance Sheet. An analysis of the changes in this liability during 2015 and 2014 follows:

Table 115: Analysis of Indemnification and Repurchase Liability for Asserted Claims and Unasserted Claims

	2015			2014		
In millions	Residential Mortgages (a)	Home Equity Loans/ Lines (b)	Total	Residential Mortgages (a)	Home Equity Loans/ Lines (b)	Total
January 1	$ 107	$ 29	$136	$ 131	$ 22	$153
Reserve adjustments, net	2		2	(17)	12	(5)
Losses – loan repurchases and private investor settlements	(12)	(1)	(13)	(13)	(9)	(22)
June 30	$ 97	$ 28	$125	$ 101	$ 25	$126

(a) The unpaid principal balance of loans associated with our exposure to repurchase obligations totaled $66.5 billion and $69.8 billion at June 30, 2015 and June 30, 2014, respectively.

(b) Repurchase obligation was associated with sold loan portfolios of $2.3 billion and $2.7 billion at June 30, 2015 and June 30, 2014, respectively. PNC is no longer engaged in the brokered home equity lending business, which was acquired with National City.

Management believes the indemnification and repurchase liabilities appropriately reflect the estimated probable losses on indemnification and repurchase claims for all loans sold and outstanding as of June 30, 2015. In making these estimates, we consider the losses that we expect to incur over the life of the sold loans. While management seeks to obtain all relevant information in estimating the indemnification and repurchase liability, the estimation process is inherently uncertain and imprecise and, accordingly, it is reasonably possible that future indemnification and repurchase losses could be more or less than our established liability. Factors that could affect our estimate include the volume of valid claims driven by investor strategies and behavior, our ability to successfully negotiate claims with investors, housing prices and other economic conditions. At June 30, 2015, we estimate that it is reasonably possible that we could incur additional losses in excess of our accrued indemnification and repurchase liability of up to approximately $81 million for our portfolio of residential mortgage loans sold. At June 30, 2015, the reasonably possible loss above our accrual for our portfolio of home equity loans/lines of credit sold was not material. This estimate of potential additional losses in excess of our liability is based on assumed higher repurchase claims and lower claim rescissions than our current assumptions.

Resale and Repurchase Agreements

We enter into repurchase and resale agreements where we transfer investment securities to/from a third party with the agreement to repurchase/resell those investment securities at a future date for a specified price. These agreements are entered into primarily to provide short-term financing for securities inventory positions, acquire securities to cover short positions and accommodate customers' investing and financing needs. Repurchase and resale agreements are treated as collateralized financing transactions for accounting purposes and are generally carried at the amounts at which the securities will be subsequently reacquired or resold, including accrued interest. Our policy is to take possession of securities purchased under agreements to resell. We monitor the market value of securities to be repurchased and resold and additional collateral may be obtained where considered appropriate to protect against credit exposure.

Repurchase and resale agreements are typically entered into with counterparties under industry standard master netting agreements which provide for the right to setoff amounts owed to one another with respect to multiple repurchase and resale agreements under such master netting agreement (referred to as netting arrangements) and liquidate the purchased or borrowed securities in the event of counterparty default. In order for an arrangement to be eligible for netting under GAAP, we must obtain the requisite assurance that the offsetting rights included in the master netting agreement would be legally enforceable in the event of bankruptcy, insolvency, or a similar proceeding of such third party. Enforceability is evidenced by obtaining a legal opinion that supports, with sufficient confidence, the enforceability of the master netting agreement in bankruptcy.

Table 116 shows the amounts owed under resale and repurchase agreements and the securities collateral associated with those agreements where a legal opinion supporting the enforceability of the offsetting rights has been obtained. We do not present resale and repurchase agreements entered into with the same counterparty under a legally enforceable master netting agreement on a net basis on our Consolidated Balance Sheet or within Table 116. The amounts reported in Table 116 exclude the fair value adjustment on the structured resale agreements of $7 million at both June 30, 2015 and December 31, 2014, respectively, that we have elected to account for at fair value. Refer to Note 7 Fair Value for additional information regarding the structured resale agreements at fair value.

Refer to Note 11 Financial Derivatives for additional information related to offsetting of financial derivatives.

Table 116: Resale and Repurchase Agreements Offsetting

In millions	Gross Resale Agreements	Amounts Offset on the Consolidated Balance Sheet	Net Resale Agreements (a)	Securities Collateral Held Under Master Netting Agreements (b)	Net Amounts (c)
Resale Agreements					
June 30, 2015	$ 1,548		$ 1,548	$ 1,474	$ 74
December 31, 2014	$ 1,646		$ 1,646	$ 1,569	$ 77

In millions	Gross Repurchase Agreements	Amounts Offset on the Consolidated Balance Sheet	Net Repurchase Agreements (d)	Securities Collateral Pledged Under Master Netting Agreements (b)	Net Amounts (e)
Repurchase Agreements					
June 30, 2015	$ 2,132		$ 2,132	$ 1,332	$ 800
December 31, 2014	$ 3,406		$ 3,406	$ 2,580	$ 826

(a) Represents the resale agreement amount included in Federal funds sold and resale agreements on our Consolidated Balance Sheet and the related accrued interest income in the amount of less than $1 million at June 30, 2015 and $1 million at December 31, 2014, respectively, which is included in Other Assets on the Consolidated Balance Sheet.

(b) Represents the fair value of securities collateral purchased or sold, up to the amount owed under the agreement, for agreements supported by a legally enforceable master netting agreement.

(c) Represents certain long term resale agreements which are fully collateralized but do not have the benefits of a netting opinion and, therefore, might be subject to a stay in insolvency proceedings and therefore are not eligible under ASC 210-20 for netting.

(d) Represents the repurchase agreement amount included in Federal funds purchased and repurchase agreements on our Consolidated Balance Sheet and the related accrued interest expense in the amount of less than $1 million at both June 30, 2015 and December 31, 2014, which is included in Other Liabilities on the Consolidated Balance Sheet.

(e) Represents overnight repurchase agreements entered into with municipalities, pension plans, and certain trusts and insurance companies which are fully collateralized but do not have the benefits of a netting opinion and, therefore, might be subject to a stay in insolvency proceedings and therefore are not eligible under ASC 210-20 for netting. There were no long term repurchase agreements as of June 30, 2015 and December 31, 2014.

Table 117 summarizes our gross repurchase agreements as of June 30, 2015 by type of collateral pledged. All repurchase agreements have remaining contractual maturities that are classified as overnight or continuous as of June 30, 2015. Overnight repurchase agreements have a one-day maturity while continuous repurchase agreements have no fixed maturity date and are cancellable by either party at any time.

Table 117: Repurchase Agreements By Type of Collateral Pledged

June 30, 2015- In millions	Overnight or Continuous
Gross Repurchase Agreements	
U.S. Treasury and government agency securities	$ 48
Residential mortgage-backed agency securities	1,994
Commercial mortgage-backed agency securities	90
Total	$ 2,132

NOTE 17 SEGMENT REPORTING

We have six reportable business segments:

- Retail Banking
- Corporate & Institutional Banking
- Asset Management Group
- Residential Mortgage Banking
- BlackRock
- Non-Strategic Assets Portfolio

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

Financial results are presented, to the extent practicable, as if each business operated on a stand-alone basis. Additionally, we have aggregated the results for corporate support functions within “Other” for financial reporting purposes.

Net interest income in business segment results reflects PNC's internal funds transfer pricing methodology. Assets receive a funding charge and liabilities and capital receive a funding credit based on a transfer pricing methodology that incorporates product repricing characteristics, tenor and other factors. In the first quarter of 2015, enhancements were made to PNC's funds transfer pricing methodology primarily for costs related to the new regulatory short-term liquidity standards. The enhancements incorporate an additional charge assigned to assets, including for unfunded loan commitments. Conversely, a higher transfer pricing credit has been assigned to those deposits that are accorded higher value under Liquidity Coverage Ratio (LCR) rules for liquidity purposes. Please see the Supervision and Regulation section in Item 1 and the Liquidity Risk Management section in Item 7 of our 2014 Form 10-K for more information about the LCR. These adjustments apply to business segment results, primarily favorably impacting Retail Banking and adversely impacting Corporate & Institutional Banking, prospectively beginning with the first quarter of 2015. Prior periods have not been adjusted due to the impracticability of estimating the impact of the change for prior periods.

A portion of capital is intended to cover unexpected losses and is assigned to our business segments using our risk-based economic capital model, including consideration of the goodwill at those business segments, as well as the diversification of risk among the business segments, ultimately reflecting PNC's portfolio risk adjusted capital allocation.

We have allocated the allowances for loan and lease losses and for unfunded loan commitments and letters of credit based on the loan exposures within each business segment's portfolio. Key reserve assumptions and estimation processes react to and are influenced by observed changes in loan portfolio performance experience, the financial strength of the borrower, and economic conditions. Key reserve assumptions are periodically updated.

Our allocation of the costs incurred by operations and other shared support areas not directly aligned with the businesses is primarily based on the use of services.

Total business segment financial results differ from total consolidated net income. The impact of these differences is reflected in the "Other" category in the business segment tables. "Other" includes residual activities that do not meet the criteria for disclosure as a separate reportable business, such as gains or losses related to BlackRock transactions, integration costs, asset and liability management activities including net securities gains or losses, other-than-temporary impairment of investment securities and certain trading activities, exited businesses, private equity investments, intercompany eliminations, most corporate overhead, tax adjustments that are not allocated to business segments, and differences between business segment performance reporting and financial statement reporting (GAAP), including the presentation of net income attributable to noncontrolling interests as the segments' results exclude their portion of net income attributable to noncontrolling interests. Assets, revenue and earnings attributable to foreign activities were not material in the periods presented for comparative purposes.

Business Segment Products and Services

Retail Banking provides deposit, lending, brokerage, investment management and cash management services to consumer and small business customers within our primary geographic markets. Our customers are serviced through our branch network, ATMs, call centers, online banking and mobile channels. The branch network is located primarily in Pennsylvania, Ohio, New Jersey, Michigan, Illinois, Maryland, Indiana, North Carolina, Florida, Kentucky, Washington, D.C., Delaware, Virginia, Alabama, Missouri, Georgia, Wisconsin and South Carolina.

Corporate & Institutional Banking provides lending, treasury management, and capital markets-related products and services to mid-sized and large corporations, government and not-for-profit entities. Lending products include secured and unsecured loans, letters of credit and equipment leases. Treasury management services include cash and investment management, receivables management, disbursement services, funds transfer services, information reporting and global trade services. Capital markets-related products and services include foreign exchange, derivatives, securities, loan syndications, mergers and acquisitions advisory, equity capital markets advisory and related services. We also provide commercial loan servicing and real estate advisory and technology solutions for the commercial real estate finance industry. Products and services are generally provided within our primary geographic markets, with certain products and services offered nationally and internationally.

Asset Management Group includes personal wealth management for high net worth and ultra high net worth clients and institutional asset management. Wealth management products and services include investment and retirement planning, customized investment management, private banking, tailored credit solutions, and trust management and administration for individuals and their families. Hawthorn provides multi-generational family planning including wealth strategy, investment management, private banking, tax and estate planning guidance, performance reporting and personal administration services to ultra high net worth families. Institutional asset management provides investment management, custody administration and retirement administration services. The business also offers PNC proprietary mutual funds. Institutional clients include corporations, unions, municipalities, non-profits, foundations and endowments, primarily located in our geographic footprint.

Residential Mortgage Banking directly originates first lien residential mortgage loans on a nationwide basis with a significant presence within the retail banking footprint. Mortgage loans represent loans collateralized by one-to-four family residential real estate. These loans are typically underwritten to government agency and/or third-party standards, and either sold, servicing retained, or held on PNC's balance sheet. Loan sales are primarily to secondary mortgage conduits of FNMA, FHLMC, Federal Home Loan Banks and third-party investors, or are securitized and issued under the GNMA program. The mortgage servicing operation performs all functions related to servicing mortgage loans, primarily those in first lien position, for various investors and for loans owned by PNC.

BlackRock is a leading publicly traded investment management firm providing a broad range of investment and risk management services to institutional and retail clients worldwide. Using a diverse platform of active and index investment strategies across asset classes, BlackRock develops investment outcomes and asset allocation solutions for clients. Product offerings include single- and multi-asset class portfolios investing in equities, fixed income, alternatives and money market instruments. BlackRock also offers an investment and risk management technology platform, risk analytics and advisory services and solutions to a broad base of institutional investors.

We hold an equity investment in BlackRock, which is a key component of our diversified revenue strategy. BlackRock is a publicly traded company, and additional information regarding its business is available in its filings with the Securities and Exchange Commission (SEC). At June 30, 2015, our economic interest in BlackRock was 22%.

PNC received cash dividends from BlackRock of $160 million and $142 million during the first six months of 2015 and 2014, respectively.

Non-Strategic Assets Portfolio includes a consumer portfolio of mainly residential mortgage and brokered home equity loans and lines of credit, and a small commercial/commercial real estate loan and lease portfolio. We obtained a significant portion of these non-strategic assets through acquisitions of other companies.

Table 118: Results Of Businesses

Three months ended June 30 In millions	Retail Banking	Corporate & Institutional Banking	Asset Management Group	Residential Mortgage Banking	BlackRock	Non-Strategic Assets Portfolio	Other (a)	Consolidated (a)
2015								
Income Statement								
Net interest income	$ 1,045	$ 837	$ 71	$ 30		$ 100	$ (31)	$ 2,052
Noninterest income	590	492	243	176	$ 175	9	129	1,814
Total revenue	1,635	1,329	314	206	175	109	98	3,866
Provision for credit losses (benefit)	45	20	1	(2)		(5)	(13)	46
Depreciation and amortization	42	37	12	4			106	201
Other noninterest expense	1,168	510	203	174		26	84	2,165
Income (loss) before income taxes and noncontrolling interests	380	762	98	30	175	88	(79)	1,454
Income taxes (benefit)	139	254	36	11	40	32	(102)	410
Net income	$ 241	$ 508	$ 62	$ 19	$ 135	$ 56	$ 23	$ 1,044
Inter-segment revenue	$ 1	$ 11	$ 3	$ 4	$ 4	$ (2)	$ (21)	
Average Assets (a)	$73,369	$132,239	$ 8,005	$ 7,136	$ 6,760	$6,914	$118,217	$ 352,640
2014								
Income Statement								
Net interest income	$ 973	$ 889	$ 72	$ 37		$ 137	$ 21	$ 2,129
Noninterest income	541	427	207	190	$ 172	10	134	1,681
Total revenue	1,514	1,316	279	227	172	147	155	3,810
Provision for credit losses (benefit)	4	103	(6)	1		(39)	9	72
Depreciation and amortization	44	32	11	3			95	185
Other noninterest expense	1,111	472	191	166		30	173	2,143
Income (loss) before income taxes and noncontrolling interests	355	709	83	57	172	156	(122)	1,410
Income taxes (benefit)	130	239	30	21	42	57	(161)	358
Net income	$ 225	$ 470	$ 53	$ 36	$ 130	$ 99	$ 39	$ 1,052
Inter-segment revenue	$ 1	$ 7	$ 3	$ 8	$ 4	$ (5)	$ (18)	
Average Assets (a)	$75,203	$122,025	$ 7,685	$ 7,486	$ 6,400	$8,577	$ 95,144	$ 322,520

Six months ended June 30 In millions	Retail Banking	Corporate & Institutional Banking	Asset Management Group	Residential Mortgage Banking	BlackRock	Non-Strategic Assets Portfolio	Other	Consolidated
2015								
Income Statement								
Net interest income	$ 2,082	$ 1,660	$ 144	$ 60		$ 212	$ (34)	$ 4,124
Noninterest income	1,078	921	451	353	$ 351	18	301	3,473
Total revenue	3,160	2,581	595	413	351	230	267	7,597
Provision for credit losses (benefit)	94	37	13			(36)	(8)	100
Depreciation and amortization	85	73	23	7			206	394
Other noninterest expense	2,283	988	402	332		50	266	4,321
Income (loss) before income taxes and noncontrolling interests	698	1,483	157	74	351	216	(197)	2,782
Income taxes (benefit)	255	493	58	27	82	79	(260)	734
Net income	$ 443	$ 990	$ 99	$ 47	$ 269	$ 137	$ 63	$ 2,048
Inter-segment revenue	$ 1	$ 13	$ 5	$ 9	$ 8	$ (4)	$ (32)	
Average Assets (a)	$73,691	$131,711	$ 7,974	$ 7,190	$ 6,760	$7,094	$115,941	$ 350,361
2014								
Income Statement								
Net interest income	$ 1,953	$ 1,791	$ 143	$ 77		$ 279	$ 81	$ 4,324
Noninterest income	1,055	791	406	356	$ 332	16	307	3,263
Total revenue	3,008	2,582	549	433	332	295	388	7,587
Provision for credit losses (benefit)	149	90	6			(91)	12	166
Depreciation and amortization	88	63	21	6			188	366
Other noninterest expense	2,167	929	380	376		56	318	4,226
Income (loss) before income taxes and noncontrolling interests	604	1,500	142	51	332	330	(130)	2,829
Income taxes (benefit)	221	507	52	19	79	121	(282)	717
Net income	$ 383	$ 993	$ 90	$ 32	$ 253	$ 209	$ 152	$ 2,112
Inter-segment revenue	$ 2	$ 5	$ 6	$ 12	$ 8	$ (8)	$ (25)	
Average Assets (a)	$75,559	$119,992	$ 7,642	$ 8,128	$ 6,400	$8,732	$ 94,596	$ 321,049

(a) Period-end balances for BlackRock.

NOTE 18 SUBSEQUENT EVENTS

On July 21, 2015, PNC Bank issued:

- $750 million of senior notes with a maturity date of July 20, 2018. Interest is payable semi-annually at a fixed rate of 1.850% on January 20 and July 20 of each year, beginning on January 20, 2016, and
- $750 million of senior notes with a maturity date of July 21, 2020. Interest is payable semi-annually at a fixed rate of 2.600% on January 21 and July 21 of each year, beginning on January 21, 2016.

STATISTICAL INFORMATION (UNAUDITED)

The PNC Financial Services Group, Inc.

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

	Six months ended June 30					
	2015			2014		
Taxable-equivalent basis Dollars in millions	Average Balances	Interest Income/ Expense	Average Yields/ Rates	Average Balances	Interest Income/ Expense	Average Yields/ Rates
Assets						
Interest-earning assets:						
Investment securities						
Securities available for sale						
Residential mortgage-backed (d)						
Agency	$ 19,924	$ 254	2.55%	$ 19,959	$ 262	2.63%
Non-agency	4,568	105	4.61	5,290	134	5.05
Commercial mortgage-backed (d)	6,273	98	3.11	5,435	96	3.54
Asset-backed	5,184	55	2.10	5,496	52	1.87
U.S. Treasury and government agencies	5,174	31	1.20	4,528	28	1.25
State and municipal	1,971	45	4.60	2,376	54	4.56
Other debt	1,786	29	3.27	2,265	27	2.38
Corporate stocks and other	435		.10	386		.11
Total securities available for sale	45,315	617	2.72	45,735	653	2.86
Securities held to maturity						
Residential mortgage-backed	7,618	118	3.09	5,966	106	3.56
Commercial mortgage-backed	2,050	40	3.90	2,674	52	3.90
Asset-backed	749	5	1.52	997	8	1.53
U.S. Treasury and government agencies	251	5	3.79	241	5	3.79
State and municipal	2,011	55	5.51	1,395	38	5.52
Other	316	5	3.00	334	5	2.94
Total securities held to maturity	12,995	228	3.51	11,607	214	3.69
Total investment securities	58,310	845	2.90	57,342	867	3.02
Loans						
Commercial	98,117	1,474	2.99	90,698	1,535	3.37
Commercial real estate	24,370	443	3.61	22,217	460	4.12
Equipment lease financing	7,547	130	3.46	7,517	136	3.62
Consumer	60,855	1,259	4.17	62,781	1,311	4.21
Residential real estate	14,383	352	4.89	14,701	366	4.98
Total loans	205,272	3,658	3.56	197,914	3,808	3.85
Interest-earning deposits with banks	31,392	39	.25	13,410	17	.25
Loans held for sale	2,169	46	4.26	2,005	47	4.75
Federal funds sold and resale agreements	1,808	2	.22	1,299	2	.40
Other	5,259	132	5.03	5,111	118	4.62
Total interest-earning assets/interest income	304,210	4,722	3.10	277,081	4,859	3.51
Noninterest-earning assets:						
Allowance for loan and lease losses	(3,313)			(3,551)		
Cash and due from banks	4,010			3,832		
Other	45,454			43,687		
Total assets	$350,361			$321,049		
Liabilities and Equity						
Interest-bearing liabilities:						
Interest-bearing deposits						
Money market	$ 80,930	102	.25	$ 74,148	65	.18
Demand	46,207	12	.05	42,977	10	.05
Savings	13,416	11	.16	11,694	6	.09
Retail certificates of deposit	18,437	63	.69	20,274	75	.75
Time deposits in foreign offices and other time	2,246	2	.18	2,119	2	.17
Total interest-bearing deposits	161,236	190	.24	151,212	158	.21
Borrowed funds						
Federal funds purchased and repurchase agreements	2,916	2	.13	3,794	2	.09
Federal Home Loan Bank borrowings	21,391	49	.46	13,649	34	.50
Bank notes and senior debt	15,883	102	1.27	13,409	101	1.50
Subordinated debt	8,852	116	2.62	8,307	108	2.59
Commercial paper	4,309	7	.34	4,923	7	.28
Other	3,406	34	1.97	2,665	32	2.40
Total borrowed funds	56,757	310	1.09	46,747	284	1.21
Total interest-bearing liabilities/interest expense	217,993	500	.45	197,959	442	.45
Noninterest-bearing liabilities and equity:						
Noninterest-bearing deposits	74,245			67,951		
Allowance for unfunded loan commitments and letters of credit	246			235		
Accrued expenses and other liabilities	11,935			10,078		
Equity	45,942			44,826		
Total liabilities and equity	$350,361			$321,049		
Interest rate spread			2.65			3.06
Impact of noninterest-bearing sources			.13			.13
Net interest income/margin		$ 4,222	2.78%		$ 4,417	3.19%

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

(b) Loan fees for the six months ended June 30, 2015 and June 30, 2014 were $50 million and $92 million, respectively. Loan fees for the three months ended June 30, 2015, March 31, 2015 and June 30, 2014 were $23 million, $27 million and $33 million, respectively.

Second Quarter 2015			First Quarter 2015			Second Quarter 2014		
Average Balances	Interest Income/ Expense	Average Yields/ Rates	Average Balances	Interest Income/ Expense	Average Yields/ Rates	Average Balances	Interest Income/ Expense	Average Yields/ Rates
$20,550	$ 125	2.43%	$ 19,290	$ 129	2.67%	$ 19,207	$ 125	2.62%
4,480	52	4.70	4,657	53	4.51	5,204	68	5.19
6,286	48	3.03	6,260	50	3.19	5,295	48	3.59
5,228	28	2.12	5,140	27	2.08	5,400	27	1.96
5,204	15	1.12	5,142	16	1.27	4,883	15	1.20
1,973	23	4.76	1,969	22	4.45	2,104	22	4.27
1,796	18	4.01	1,777	11	2.53	2,028	12	2.35
414		.10	457		.10	362		.11
45,931	309	2.69	44,692	308	2.75	44,483	317	2.84
8,196	61	2.95	7,035	57	3.26	5,977	53	3.55
2,005	18	3.63	2,097	22	4.16	2,560	24	3.76
743	2	1.53	755	3	1.52	990	4	1.54
252	3	3.81	249	2	3.77	242	3	3.80
2,004	27	5.49	2,018	28	5.52	1,732	23	5.47
311	3	3.12	320	2	2.89	331	2	2.87
13,511	114	3.37	12,474	114	3.67	11,832	109	3.69
59,442	423	2.85	57,166	422	2.95	56,315	426	3.02
98,364	746	3.00	97,866	728	2.98	91,866	751	3.24
24,812	215	3.44	23,924	228	3.80	22,775	232	4.04
7,556	65	3.45	7,539	65	3.47	7,564	68	3.61
60,240	621	4.13	61,476	638	4.21	62,472	649	4.16
14,416	177	4.91	14,350	175	4.88	14,556	177	4.86
205,388	1,824	3.54	205,155	1,834	3.59	199,233	1,877	3.75
32,368	20	.25	30,405	19	.25	14,650	10	.27
2,092	23	4.33	2,246	23	4.20	2,060	24	4.79
1,959	1	.22	1,655	1	.22	1,184	1	.49
5,470	63	4.65	5,046	69	5.43	4,927	65	5.26
306,719	2,354	3.06	301,673	2,368	3.15	278,369	2,403	3.44
(3,309)			(3,317)			(3,512)		
3,954			4,067			3,776		
45,276			45,634			43,887		
$352,640			$ 348,057			$ 322,520		
$81,857	55	.27	$ 79,994	47	.24	$ 74,261	33	.18
46,281	5	.05	46,131	7	.06	43,316	5	.05
13,775	6	.17	13,053	5	.15	11,976	4	.10
18,334	31	.68	18,541	32	.71	20,012	37	.74
2,300	1	.16	2,192	1	.19	2,168	1	.17
162,547	98	.24	159,911	92	.23	151,733	80	.21
2,718	1	.14	3,116	1	.12	3,343	1	.07
22,001	25	.46	20,774	24	.45	14,193	17	.50
16,408	50	1.19	15,351	52	1.36	13,490	51	1.51
8,861	58	2.61	8,851	58	2.64	8,570	57	2.65
3,640	3	.35	4,986	4	.34	4,917	4	.29
3,537	18	1.95	3,274	16	1.99	2,591	17	2.60
57,165	155	1.07	56,352	155	1.10	47,104	147	1.24
219,712	253	.46	216,263	247	.46	198,837	227	.45
75,299			73,178			68,219		
234			260			228		
11,540			12,326			10,035		
45,855			46,030			45,201		
$352,640			$ 348,057			$ 322,520		
		2.60			2.69			2.99
		.13			.13			.13
	$ 2,101	2.73%		$ 2,121	2.82%		$ 2,176	3.12%

(c) Interest income includes the effects of taxable-equivalent adjustments using a statutory federal income tax rate of 35% to increase tax-exempt interest income to a taxable-equivalent basis. The taxable-equivalent adjustments to interest income for the six months ended June 30, 2015 and June 30, 2014 were $98 million and $93 million, respectively. The taxable-equivalent adjustments to interest income for the three months ended June 30, 2015, March 31, 2015 and June 30, 2014 were $49 million, $49 million and $47 million, respectively.

(d) In the third quarter of 2014, these line items were corrected for all periods then presented due to a misclassification of Government National Mortgage Association (GNMA) securities collateralized by project loans, which were previously reported as residential mortgage-backed agency securities and have been reclassified to commercial mortgage-backed securities, and these lines are now also corrected for the six months ended June 30, 2014.

Transitional Basel III and Pro forma Fully Phased-In Basel III Common Equity Tier 1 Capital Ratios – 2014 Periods

Dollars in millions	2014 Transitional Basel III		Pro forma Fully Phased-In Basel III (a) (b)	
	December 31 2014	June 30 2014	December 31 2014	June 30 2014
Common stock, related surplus and retained earnings, net of treasury stock	$ 40,103	$ 39,380	$ 40,103	$ 39,380
Less regulatory capital adjustments:				
Goodwill and disallowed intangibles, net of deferred tax liabilities	(8,939)	(8,923)	(9,276)	(9,262)
Basel III total threshold deductions	(212)	(216)	(1,081)	(1,075)
Accumulated other comprehensive income (c)	40	115	201	576
All other adjustments	(63)	(5)	(121)	(74)
Estimated Basel III Common equity Tier 1 capital	$ 30,929	$ 30,351	$ 29,826	$ 29,545
Estimated Basel I risk-weighted assets calculated in accordance with transition rules (d)	$ 284,018	$ 277,126	N/A	N/A
Estimated Basel III standardized approach risk-weighted assets (e)	N/A	N/A	$ 298,786	$295,217
Estimated Basel III advanced approaches risk-weighted assets (f)	N/A	N/A	$ 285,870	$290,063
Estimated Basel III Common equity Tier 1 capital ratio	10.9%	11.0%	10.0%	10.0%
Risk weight and associated rules utilized	Basel I (with 2014 transition adjustments)		Standardized	

(a) PNC utilizes the pro forma fully phased-in Basel III capital ratios to assess its capital position (without the benefit of phase-ins), including comparison to similar estimates made by other financial institutions.
(b) Basel III capital ratios and estimates may be impacted by additional regulatory guidance and, in the case of those ratios calculated using the advanced approaches, the ongoing evolution, validation and regulatory approval of PNC's models integral to the calculation of advanced approaches risk-weighted assets.
(c) Represents net adjustments related to accumulated other comprehensive income for securities currently and previously held as available for sale, as well as pension and other postretirement plans.
(d) Includes credit and market risk-weighted assets.
(e) Basel III standardized approach risk-weighted assets were estimated based on the Basel III standardized approach rules and include credit and market risk-weighted assets.
(f) Basel III advanced approaches risk-weighted assets were estimated based on the Basel III advanced approaches rules, and include credit, market and operational risk-weighted assets.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See the information set forth in Note 15 Legal Proceedings in the Notes To Consolidated Financial Statements under Part I, Item 1 of this Report, which is incorporated by reference in response to this item.

ITEM 1A. RISK FACTORS

There are no material changes from any of the risk factors previously disclosed in PNC's 2014 Form 10-K in response to Part I, Item 1A.

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

Details of our repurchases of PNC common stock during the second quarter of 2015 are included in the following table:

2015 period In thousands, except per share data	Total shares purchased (a)	Average price paid per share	Total shares purchased as part of publicly announced programs (b)	Maximum number of shares that may yet be purchased under the programs (b)
April 1 – 30	2,770	$92.13	2,730	97,270
May 1 – 31	1,739	$94.02	1,739	95,531
June 1 – 30	1,404	$97.29	1,399	94,132
Total	5,913	$93.91		

(a) Includes PNC common stock purchased in connection with our various employee benefit plans generally related to forfeitures of unvested restricted stock awards and shares used to cover employee payroll tax withholding requirements. Note 13 Employee Benefit Plans and Note 14 Stock Based Compensation Plans in the Notes To Consolidated Financial Statements in Item 8 of our 2014 Annual Report on Form 10-K include additional information regarding our employee benefit and equity compensation plans that use PNC common stock.

(b) On March 11, 2015, we announced that our Board of Directors had approved the establishment of a new stock repurchase program authorization in the amount of 100 million shares of PNC common stock, effective April 1, 2015. Repurchases are made in open market or privately negotiated transactions and the timing and exact amount of common stock repurchases will depend on a number of factors including, among others, market and general economic conditions, economic capital and regulatory capital considerations, alternative uses of capital, the potential impact on our credit ratings, and contractual and regulatory limitations, including the results of the supervisory assessment of capital adequacy and capital planning processes undertaken by the Federal Reserve as part of the CCAR process.
Our 2015 capital plan, submitted as part of the CCAR process and accepted by the Federal Reserve, included share repurchase programs of up to $2.875 billion for the five quarter period beginning with the second quarter of 2015. This amount does not include share repurchases in connection with various employee benefit plans referenced in note (a). In the second quarter of 2015, in accordance with PNC's 2015 capital plan and under the share repurchase authorization in effect during that period, we repurchased 5.9 million shares of common stock on the open market, with an average price of $93.93 per share and an aggregate repurchase price of $.6 billion. See the Capital portion of the Consolidated Balance Sheet Review in Part I, Item 2 of this Report for more information on the share repurchase programs under the new share repurchase authorization referenced above for the period April 1, 2015 through June 30, 2016 included in the 2015 capital plan accepted by the Federal Reserve.

ITEM 6. EXHIBITS

The following exhibit index lists Exhibits filed, or in the case of Exhibits 32.1 and 32.2 furnished, with this Quarterly Report on Form 10-Q:

EXHIBIT INDEX

4.21.2	Amendment No. 1 to Issuing and Paying Agency Agreement, dated May 22, 2015, between PNC Bank, National Association and PNC Bank, National Association, relating to the $30 billion Global Bank Note Program for the Issue of Senior and Subordinated Bank Notes
4.29	Form of PNC Bank, National Association Global Bank Note for Fixed Rate Global Subordinated Bank Note issued after May 22, 2015 with Maturity of five years or more from Date of Issuance (incorporated herein by reference to Exhibit 4.21.2)
4.30	Form of PNC Bank, National Association Global Bank Note for Floating Rate Global Subordinated Bank Note issued after May 22, 2015 with Maturity of five years or more from Date of Issuance (incorporated herein by reference to Exhibit 4.21.2)
10.47.2	Amendment No. 1 to Distribution Agreement, dated May 22, 2015, between PNC Bank, National Association and the Dealers named therein, relating to the $30 billion Global Bank Note Program for the Issue of Senior and Subordinated Bank Notes
10.50	2015 Forms of Performance Restricted Share Unit Award Agreements
10.51	2015 Forms of Incentive Performance Unit Award Agreements
10.52	2015 Forms of Restricted Share Unit Award Agreements
12.1	Computation of Ratio of Earnings to Fixed Charges
12.2	Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350
32.2	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350
101	Interactive Data File (XBRL)

You can obtain copies of these Exhibits electronically at the SEC's website at www.sec.gov or by mail from the Public Reference Section of the SEC at 100 F Street, N.E., Washington, DC 20549 at prescribed rates. The Exhibits are also available as part of this Form 10-Q on PNC's corporate website at www.pnc.com/secfilings. Shareholders and bondholders may also obtain copies of Exhibits, without charge, by contacting Shareholder Relations at 800-843-2206 or via e-mail at investor.relations@pnc.com. The interactive data file (XBRL) exhibit is only available electronically.

CORPORATE INFORMATION

The PNC Financial Services Group, Inc.

Corporate Headquarters

The PNC Financial Services Group, Inc.
One PNC Plaza, 249 Fifth Avenue
Pittsburgh, Pennsylvania 15222-2707
412-762-2000

Stock Listing

The common stock of The PNC Financial Services Group, Inc. is listed on the New York Stock Exchange under the symbol "PNC".

Internet Information

The PNC Financial Services Group, Inc.'s financial reports and information about its products and services are available on the internet at www.pnc.com. We provide information for investors on our corporate website under "About Us – Investor Relations," such as Investor Events, SEC Filings, Financial Information (including Quarterly Earnings, Annual Reports, Proxy Statements and Regulatory Disclosures), Financial Press Releases, Message from the Chairman and Corporate Governance. Under "Investor Relations," we will from time to time post information that we believe may be important or useful to investors. We use our Twitter account, @pncnews, as an additional way of disseminating public information from time to time to investors. We generally post the following on our corporate website shortly before or promptly following its first use or release: financially-related press releases (including earnings releases), various SEC filings, including annual, quarterly and current reports, presentation materials associated with earnings and other investor conference calls or events, and access to live and taped audio from earnings and other investor conference calls or events. In some cases, we may post the presentation materials for other investor conference calls or events several days prior to the call or event. For earnings and other conference calls or events, we generally include in our posted materials a cautionary statement regarding forward-looking and adjusted information and we provide GAAP reconciliations when we refer to adjusted information and results. Where applicable, we provide GAAP reconciliations for such additional information in materials for that event or in materials for other prior investor presentations or in our annual, quarterly or current reports. When warranted, we will also use our website to expedite public access to time-critical information regarding PNC in advance of distribution of a press release or a filing with the SEC disclosing the same information.

PNC was also required to provide additional public disclosure regarding estimated income, losses and pro forma regulatory capital ratios in March 2015 under a supervisory hypothetical severely adverse economic scenario and a similar public disclosure in July 2015 under a PNC-developed hypothetical severely adverse economic scenario, as well as information concerning its capital stress testing processes, pursuant to the stress testing regulations adopted by the Federal Reserve and the OCC. PNC is also required to make certain additional regulatory capital-related public disclosures about PNC's capital structure, risk exposures, risk assessment processes, risk-weighted assets and overall capital adequacy, including market risk-related disclosures, under the regulatory capital rules adopted by the Federal banking agencies. Under these regulations, PNC may satisfy these requirements through postings on its website, and PNC has done so and expects to continue to do so without also providing disclosure of this information through filings with the SEC. We also post on our website communications to our shareholders, such as the letter to shareholders that accompanies the Form 10-K mailed to shareholders, and may not file them as exhibits to filings with the SEC when not expressly required.

You can also find the SEC reports and corporate governance information described in the sections below in the Investor Relations section of our website.

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

Financial Information

We are subject to the informational requirements of the Securities Exchange Act of 1934 (Exchange Act) and, in accordance with the Exchange Act, we file annual, quarterly and current reports, proxy statements, and other information with the SEC. Our SEC File Number is 001-09718. You can obtain copies of these and other filings, including exhibits, electronically at the SEC's internet website at www.sec.gov or on PNC's corporate internet website at www.pnc.com/secfilings. Shareholders and bond holders may also obtain copies of these filings without charge by contacting Shareholder Services at 800-982-7652 or via the online contact form at www.computershare.com/contactus for copies without exhibits, and by contacting Shareholder Relations at 800-843-2206 or via email at investor.relations@pnc.com for copies of exhibits, including financial statement and schedule exhibits where applicable. The interactive data file (XBRL) exhibit is only available electronically.

Corporate Governance at PNC

Information about our Board of Directors and its committees and corporate governance at PNC is available on PNC's corporate website at www.pnc.com/corporategovernance. Our PNC Code of Business Conduct and Ethics is available on our corporate website at www.pnc.com/corporategovernance. In addition, any future amendments to, or waivers from, a

provision of the PNC Code of Business Conduct and Ethics that applies to our directors or executive officers (including our principal executive officer, principal financial officer, and principal accounting officer or controller) will be posted at this internet address.

Shareholders who would like to request printed copies of the PNC Code of Business Conduct and Ethics or our Corporate Governance Guidelines or the charters of our Board's Audit, Nominating and Governance, Personnel and Compensation, or Risk Committees (all of which are posted on the PNC corporate website) may do so by sending their requests to PNC's Corporate Secretary at corporate headquarters at the above address. Copies will be provided without charge to shareholders.

Inquiries

For financial services call 888-PNC-2265.

Individual shareholders should contact Shareholder Services at 800-982-7652.

Analysts and institutional investors should contact William H. Callihan, Senior Vice President, Director of Investor Relations, at 412-762-8257 or via email at investor.relations@pnc.com.

News media representatives and others seeking general information should contact Fred Solomon, Senior Vice President, Corporate Communications, at 412-762-4550 or via email at corporate.communications@pnc.com.

Common Stock Prices/Dividends Declared

The table below sets forth by quarter the range of high and low sale and quarter-end closing prices for The PNC Financial Services Group, Inc. common stock and the cash dividends declared per common share.

	High	Low	Close	Cash Dividends Declared (a)
2015 Quarter				
First	$96.71	$81.84	$93.24	$ .48
Second	99.61	90.42	95.65	.51
Total				$ .99
2014 Quarter				
First	$87.80	$76.06	$87.00	$ .44
Second	89.85	79.80	89.05	.48
Third	90.00	80.43	85.58	.48
Fourth	93.45	76.69	91.23	.48
Total				$ 1.88

(a) Our Board approved a third quarter 2015 cash dividend of $.51 per common share, which was payable on August 5, 2015.

Dividend Policy

Holders of PNC common stock are entitled to receive dividends when declared by the Board of Directors out of funds legally available for this purpose. Our Board of Directors may not pay or set apart dividends on the common stock until dividends for all past dividend periods on any series of outstanding preferred stock have been paid or declared and set apart for payment. The Board presently intends to continue the policy of paying quarterly cash dividends. The amount of any future dividends will depend on economic and market conditions, our financial condition and operating results, and other factors, including contractual restrictions and applicable government regulations and policies (such as those relating to the ability of bank and non-bank subsidiaries to pay dividends to the parent company and regulatory capital limitations). The amount of our dividend is also currently subject to the results of the supervisory assessment of capital adequacy and capital planning processes undertaken by the Federal Reserve as part of the 2015 Comprehensive Capital Analysis and Review (CCAR) process as described in the Executive Summary section of the Financial Review of this Report and in Supervision and Regulation section in Item 1 of our 2014 Form 10-K.

Dividend Reinvestment And Stock Purchase Plan

The PNC Financial Services Group, Inc. Dividend Reinvestment and Stock Purchase Plan enables holders of our common and preferred Series B stock to conveniently purchase additional shares of common stock. You can obtain a prospectus and enrollment form by contacting Shareholder Services at 800-982-7652.

Stock Transfer Agent And Registrar

Computershare Trust Company, N.A.
250 Royall Street
Canton, MA 02021
800-982-7652

Registered shareholders may contact the above phone number regarding dividends and other shareholder services.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on August 5, 2015 on its behalf by the undersigned thereunto duly authorized.

The PNC Financial Services Group, Inc.

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

EXHIBIT 4.21.2

EXECUTION VERSION

PNC BANK, NATIONAL ASSOCIATION

AMENDMENT NO. 1
TO THE ISSUING AND PAYING AGENCY AGREEMENT

May 22, 2015

WHEREAS, the parties hereto have previously entered into an Issuing and Paying Agency Agreement, dated January 16, 2014 (the "*Issuing and Paying Agency Agreement*"), whereby PNC Bank, National Association (the "*Bank*") appointed PNC Bank, National Association (the "*Issuing and Paying Agent*") to act, on the terms and conditions specified therein, as issuing and paying agent for the Global Bank Notes and to perform such other responsibilities as are described therein.

WHEREAS, the Bank has previously entered into a Distribution Agreement, dated January 16, 2014 (as amended by the Distribution Agreement Amendment (as defined below), the "*Distribution Agreement*"), with respect to the issue and sale by the Bank through the dealers listed on Schedule I thereto (the "*Dealers*") of its Bank Notes (each, a "*Bank Note*" and collectively, the "*Bank Notes*") in such amounts as may be duly authorized by the Bank.

WHEREAS, Pursuant to resolutions duly adopted by the board of directors of the Bank, dated May 21, 2015, a copy of which the Bank has provided to the Issuing and Paying Agent, the maximum aggregate principal amount of Global Bank Notes which may be issued and outstanding at any one time has been increased to $30,000,000,000.

WHEREAS, on the date hereof, the Bank and the Dealers have agreed to an amendment of the Distribution Agreement (the *"Distribution Agreement Amendment"*), to among other things, memorialize the increase in the maximum aggregate principal amount of Bank Notes that may be issued and outstanding.

WHEREAS, the Bank has determined to revise the forms of Subordinated Bank Notes to reflect certain regulatory guidance.

WHEREAS, the parties hereto wish to amend the terms of the Issuing and Paying Agency Agreement as set forth in this amendment ("*Amendment No. 1*").

NOW, THEREFORE, in consideration of the premises and the representations, warranties and agreements contained herein, and for other good and

valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Amendment to the Terms of the Issuing and Paying Agency Agreement.

(a) Definitions. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Issuing and Paying Agency Agreement.

i. Modifications to the Issuing and Paying Agency Agreement. References to the "Offering Circular" shall be deemed to refer to Offering Circular as defined in the Distribution Agreement.

ii. The fourth paragraph of Section 1 is replaced in its entirety with the following:

> "The aggregate principal amount of the Global Bank Notes which may be issued and outstanding under this Agreement at any one time is $30,000,000,000; provided, that such maximum aggregate principal amount may be increased at any time pursuant to a resolution duly adopted by the board of directors of the Bank, which resolution shall be promptly provided to the Issuing and Paying Agent."

iii. Exhibit B-3, the form of Fixed Rate Global Subordinated Bank Note, is hereby replaced in its entirety with Exhibit B-3.1 hereto.

iv. Exhibit B-4, the form of Floating Rate Global Subordinated Bank Note, is hereby replaced in its entirety with Exhibit B-4.1 hereto.

(b) Interpretation. Upon the execution and delivery of this Amendment No. 1, the Issuing and Paying Agency Agreement shall be modified and amended in accordance with this Amendment No. 1, and all the terms and conditions of both shall be read together as though they constitute one instrument, except that, in case of conflict, the provisions of this Amendment No. 1 will control. For the avoidance of doubt, references in the Issuing and Paying Agency Agreement to this "Agreement" shall refer to the Issuing and Paying Agency Agreement, as amended by this Amendment No. 1.

(c) Ratification. The Issuing and Paying Agency Agreement, as modified and amended by this Amendment No. 1, is hereby ratified and confirmed in all respects and shall bind each party hereto.

SECTION 2. Notices.

(d) All communications by or on behalf of the Bank relating to the issuance, transfer, exchange or payment of Bank Notes or interest thereon shall be directed to the

offices of the Issuing and Paying Agent located at 116 Allegheny Center Mall P8-YB35-02-8, Pittsburgh, Pennsylvania 15122, Attention: Securities Settlement, or to such other offices as the Issuing and Paying Agent shall specify in writing to the Bank. The Bank will send all Global Bank Notes to be completed and delivered by the Issuing and Paying Agent to such offices or such other offices as the Issuing and Paying Agent shall specify in writing to the Bank.

(e) All other notices and communications hereunder shall be in writing and shall be addressed as follows:

(i) If to the Bank:

PNC Bank, National Association
Three PNC Plaza
225 Fifth Avenue
6th Floor
Pittsburgh, Pennsylvania 15222
Attention: Lisa Kovac
Telephone: 412-762-8400
Fax: 412-762-1728
Email: lisa.kovac@pnc.com

(ii) If to the Issuing and Paying Agent:

PNC Bank, National Association
116 Allegheny Center Mall
P8-YB35-02-8
Pittsburgh, Pennsylvania 15212
Attention: Security Settlements

SECTION 3. Governing Law.

This Amendment No. 1 shall be governed by, construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania applicable to agreements made and to be performed in such Commonwealth, without regard to conflicts of laws principles.

SECTION 4. Counterparts.

This Amendment No. 1 may be executed by the parties hereto in any number of counterparts, and by each of the parties hereto in separate counterparts, and each such counterpart, when so executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be executed on their behalf by their officers thereunto duly authorized, all as of the day and year first above written.

PNC BANK, NATIONAL ASSOCIATION,
as the Bank

By: /s/ Randall C. King
Name: Randall C. King
Title: Executive Vice President

PNC BANK, NATIONAL ASSOCIATION,
as the Issuing and Paying Agent

By: /s/ Lisa M. Kovac
Name: Lisa M. Kovac
Title: Senior Vice President

[*Signature Page to Amendment No. 1 to the Issuing and Paying Agency Agreement*]

EXHIBIT B-3.1

(Form of Fixed Rate Global Subordinated Bank Note)

THIS SUBORDINATED NOTE IS AN OBLIGATION SOLELY OF PNC BANK, NATIONAL ASSOCIATION (THE “BANK”) AND WILL NOT BE AN OBLIGATION OF, OR OTHERWISE GUARANTEED BY, ANY OTHER BANK OR THE PNC FINANCIAL SERVICES GROUP, INC. OR ANY AFFILIATE THEREOF OTHER THAN THE BANK.

THIS OBLIGATION IS NOT A DEPOSIT AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION. THIS OBLIGATION IS SUBORDINATED TO CLAIMS OF DEPOSITORS AND GENERAL CREDITORS, IS UNSECURED, AND IS INELIGIBLE AS COLLATERAL FOR A LOAN BY THE BANK.

UNLESS THIS SUBORDINATED NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (55 WATER STREET, NEW YORK, NEW YORK) (THE “DEPOSITARY”) TO THE BANK OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SUBORDINATED NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCHAS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

THIS SUBORDINATED NOTE IS ISSUABLE ONLY IN FULLY REGISTERED FORM IN MINIMUM DENOMINATIONS OF $250,000 AND INTEGRAL MULTIPLES OF $1,000 IN EXCESS THEREOF. EACH OWNER OF A BENEFICIAL INTEREST IN THIS SUBORDINATED NOTE MUST BE AN INVESTOR WHO IS AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(A) UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND IS REQUIRED TO HOLD A BENEFICIAL INTEREST IN A $250,000 PRINCIPAL AMOUNT OR ANY INTEGRAL MULTIPLE OF $1,000 IN EXCESS THEREOF OF THIS SUBORDINATED NOTE AT ALL TIMES.

No. FXR-
CUSIP NO.:

REGISTERED

GLOBAL SUBORDINATED BANK NOTE
(Fixed Rate)

ORIGINAL ISSUE DATE:

PRINCIPAL AMOUNT:

INTEREST RATE: %

MATURITY DATE[1]:

INTEREST PAYMENT DATE(S):
☐ At Maturity only
☐ and of each year
☐ Other:

INITIAL INTEREST PAYMENT DATE:

REGULAR RECORD DATES (if other than the fifteenth calendar day (whether or not a Business Day) next preceding the applicable Interest Payment Date):

INITIAL REDEMPTION DATE:

INITIAL REDEMPTION PERCENTAGE:

ANNUAL REDEMPTION PERCENTAGE REDUCTION:

HOLDER'S OPTIONAL REPAYMENT DATE(S)[2]:

DAY COUNT CONVENTION
☐ 30/360
☐ OTHER:

ADDENDUM ATTACHED:
☐ Yes
☐ No

ORIGINAL ISSUE DISCOUNT:
☐ Yes
☐ No

DEFAULT RATE: %

Total Amount of OID:
Yield to Maturity:
Initial Accrual Period:

OTHER PROVISIONS:

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1 *The Maturity Date will be five years or more from the Original Issue Date.*

2 *No repayment will be made without the prior written approval of theOffice of the Comptroller of the Currency (the "OCC") if such approval is then required under applicable law, regulations or regulatory guidelines (including, without limitation, the applicable capital regulations and guidelines of the OCC).*

PNC Bank, National Association (the "Bank"), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of United States Dollars on the Maturity Date specified above (except to the extent redeemed or repaid prior to the Maturity Date) and to pay interest in arrears thereon from and including the Original Issue Date specified above or from and including the most recent interest payment date on which interest on this Subordinated Note (or any predecessor Subordinated Note) has been paid or duly provided for on the Interest Payment Date or Dates specified above (each, an "Interest Payment Date"), and at maturity or upon earlier redemption or repayment, if applicable, commencing on the Initial Interest Payment Date specified above at the Interest Rate per annum specified above, until the principal hereof is paid or made available for payment, and (to the extent that the payment of such interest shall be legally enforceable) at the Default Rate per annum specified above on any overdue principal and premium, if any, and on any overdue installment of interest. If no Default Rate is specified above, the Default Rate shall be the Interest Rate on this Subordinated Note specified above. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will be paid to the person in whose name this Subordinated Note (or any predecessor Subordinated Note) is registered at the close of business on the Regular Record Date, which unless otherwise specified above shall be the fifteenth calendar day (whether or not a Business Day (as defined below)) next preceding the applicable Interest Payment Date (a "Regular Record Date"); *provided*, *however*, that interest payable at maturity or upon earlier redemption or repayment, if applicable, will be payable to the person to whom principal shall be payable. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the holder as of the close of business on such Regular Record Date, and will instead be payable to the person in whose name this Subordinated Note (or any predecessor Subordinated Note) is registered at the close of business on a special record date for the payment of such defaulted interest (the "Special Record Date") determined by the Issuing and Paying Agent (as defined below), notice of which shall be given to the holders of Subordinated Notes not less than 10 calendar days prior to such Special Record Date.

Payment of principal of, premium, if any, and interest on, this Subordinated Note will be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. The Bank will at all times appoint and maintain an issuing and paying agent (which may be the Bank) (the "Issuing and Paying Agent," which term shall include any successor Issuing and Paying Agent), authorized by the Bank to pay principal of, premium, if any, and interest on, this Subordinated Note on behalf of the Bank pursuant to an issuing and paying agency agreement (the "Issuing and Paying Agency Agreement") and having an office or agency (the "Issuing and Paying Agent Office") in New York City or in the city in which the Bank is headquartered (the "Place of Payment"), where this Subordinated Note may be presented or surrendered for payment and where notices, designations or requests in

respect of payments with respect to this Subordinated Note may be served. The Bank has initially appointed PNC Bank, National Association as the Issuing and Paying Agent, with the Issuing and Paying Agent Office currently located at 116 Allegheny Center Mall, P8-YB35-02-8, Pittsburgh, Pennsylvania 15212, Attention: Security Settlements. The Bank may resign as or remove the Issuing and Paying Agent pursuant to the terms of the Issuing and Paying Agency Agreement and may appoint a successor Issuing and Paying Agent.

Payment of principal of, premium, if any, and interest on, this Subordinated Note due at maturity or upon earlier redemption or repayment, if applicable, will be made in immediately available funds upon presentation and surrender of this Subordinated Note to the Issuing and Paying Agent at the Issuing and Paying Agent Office; provided that this Subordinated Note is presented to the Issuing and Paying Agent in time for the Issuing and Paying Agent to make such payment in accordance with its normal procedures. Payments of interest on this Subordinated Note (other than at maturity or upon earlier redemption or repayment) will be made by wire transfer to such account as has been appropriately designated to the Issuing and Paying Agent by the person entitled to such payments.

Reference herein to “this Subordinated Note”, “hereof”, “herein” and comparable terms shall include an Addendum hereto if an Addendum is specified above.

Reference is hereby made to the further provisions of this Subordinated Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Bank has caused this Subordinated Note to be duly executed.

PNC BANK, NATIONAL ASSOCIATION

By: _____
Authorized Signatory

Dated:

ISSUING AND PAYING AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Subordinated Notes referred to in the Issuing and Paying Agency Agreement.

PNC BANK, NATIONAL ASSOCIATION,
as the Issuing and Paying Agent

By: _____
Authorized Signatory

[Reverse]

This Subordinated Note is one of a duly authorized issue of Subordinated Bank Notes of the Bank due five years or more from date of issue (the “Subordinated Notes”).

Payments of interest hereon will include interest accrued to but excluding the relevant Interest Payment Date or Maturity Date or date of earlier redemption or repayment, as the case may be. Unless otherwise specified on the face hereof, interest on this Subordinated Note will be computed on the basis of a 360-day year of twelve 30-day months.

Any provision contained herein with respect to the calculation of the rate of interest applicable to this Subordinated Note, its Interest Payment Dates or any other matter relating hereto may be modified as specified in an Addendum relating hereto if so specified on the face hereof.

If any Interest Payment Date, Maturity Date or date of earlier redemption or repayment of this Subordinated Note falls on a day which is not a Business Day, the related payment of principal of, premium, if any, and any interest on, this Subordinated Note will be made on the next succeeding Business Day with the same force and effect as if made on the date such payment was due, and no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date, Maturity Date or date of earlier redemption or repayment, as the case may be. “Business Day” means, unless otherwise specified on the face hereof, any day that is not a Saturday or Sunday and that in New York City and in Pittsburgh, Pennsylvania is not a day on which banking institutions are authorized or required by law, regulation or executive order to close.

The indebtedness of the Bank evidenced by this Subordinated Note, including principal, premium, if any, and interest, is unsecured and subordinate and junior in right of payment to the Bank’s obligations to its depositors (including uninsured depositors), its obligations under bankers’ acceptances and letters of credit, its obligations to secured and unsecured creditors (including obligations to holders of senior notes and general creditors and any obligations to any Federal Reserve Bank, the Federal Deposit Insurance Corporation (the “FDIC”), any Federal Home Loan Bank and any rights acquired by the FDIC as a result of loans made by the FDIC to the Bank or the purchase or guarantee of any of its assets by the FDIC, pursuant to the provisions of 12 U.S.C. Section 1823(c), (d) or (e)), its obligations with respect to claims under its other obligations, including its obligations under any interest rate swap agreement, interest rate cap agreement, interest rate floor agreement, interest rate futures or option contracts, or other financial agreement or arrangement designed to protect against fluctuations in interest rates or foreign exchange currencies, and any guarantees, endorsements (other than by endorsement of negotiable instruments for collection in the ordinary course of business) or other similar obligations in respect of such obligations, in each case whether such obligations are outstanding at this date or are hereafter incurred, other than any obligations which by their express terms rank on a parity with, or junior to, the Subordinated Notes. In

addition, the Subordinated Notes may be fully subordinated to interests held by the U.S. government in the event the Bank or The PNC Financial Services Group, Inc., its parent company, enters into any receivership, insolvency, liquidation, or similar proceeding.

In case of any insolvency, receivership, conservatorship, reorganization, readjustment of debt, marshalling of assets and liabilities or similar proceedings or any liquidation or winding-up of or relating to the Bank, whether voluntary or involuntary, all such obligations (except obligations which rank on a parity with, or junior to, the Subordinated Notes) shall be entitled to be paid in full before any payment shall be made on account of the principal of, premium, if any, or interest on this Subordinated Note. In the event of any such proceeding, after payment in full of all sums owing with respect to such prior obligations, the holder of this Subordinated Note, together with any obligations of the Bank ranking on a parity with this Subordinated Note, shall be entitled to be paid from the remaining assets of the Bank, the unpaid principal, premium, if any, and interest on this Subordinated Note and such other obligations, as applicable, before any payment or other distribution, whether in cash, property or otherwise, shall be made on account of any capital stock or any obligations of the Bank ranking junior to this Subordinated Note.

The Bank is subject to examination, regulation and supervision by the Office of the Comptroller of the Currency ("OCC"). The deposits of the Bank are insured, up to the applicable limits, by the FDIC. As a result, the Bank is also subject to regulation by the FDIC. Notwithstanding any other provisions of this Subordinated Note, including specifically those relating to subordination, events of default and covenants of the Bank, it is expressly understood and agreed that, in the event the Bank is considered "undercapitalized" as defined under applicable law, and fails to satisfactorily implement a required capital restoration plan, the Bank may be subject to restrictions and requirements applicable to "significantly undercapitalized" institutions, as defined in applicable law, or if the Bank is considered "significantly undercapitalized," the OCC has the legal authority to require the Bank to sell shares in the Bank, enter into a merger or consolidation, or be acquired by a depository institution or a depository institution holding company. This authority supersedes and voids any default that may have occurred resulting from such OCC action. In addition, if the Bank is considered "critically undercapitalized" as defined under applicable law, the Bank will be prohibited from making principal or interest payments on this Subordinated Note without prior OCC approval.

If the Bank is placed in receivership by the OCC, any receiver or conservator of the Bank appointed by the OCC (including the FDIC) may, in the performance of its legal duties, transfer or direct the transfer of the obligations of this Subordinated Note to any entity selected by the receiver or conservator. Any entity selected in this manner shall expressly assume the obligation to pay the unpaid principal, and interest and premium, if any, on this Subordinated Note and perform all covenants and conditions in a timely manner. The completion of such transfer and assumption shall serve to supersede and void any default, acceleration or subordination which may have occurred, or which may

occur due or related to such transaction, plan, transfer or assumption, pursuant to the provisions of this Subordinated Note, and shall serve to return the holder to the same position, other than for substitution of the original obligor, it would have occupied had no default, acceleration or subordination occurred. Notwithstanding the foregoing, however, any interest and principal previously due, other than by reason of acceleration, and not paid, shall be deemed to be immediately due and payable as of the date of such transfer and assumption, together with the interest from its original due date at the rate provided for herein, unless the holder of this Subordinated Note has made an agreement to the contrary.

This Subordinated Note will not be subject to any sinking fund. If so provided on the face of this Subordinated Note and subject to the prior approval, if then required, of the OCC, this Subordinated Note may be redeemed by the Bank either in whole or in part on and after the Initial Redemption Date, if any, specified on the face hereof. If no Initial Redemption Date is specified on the face hereof, this Subordinated Note may not be redeemed prior to the Maturity Date. On and after the Initial Redemption Date, if any, and subject to the prior approval, if then required, of the OCC, this Subordinated Note may be redeemed in increments of $1,000 (provided that any remaining principal amount hereof shall be at least $250,000 and no owner of a beneficial interest in this Subordinated Note shall hold a beneficial interest of less than $250,000 principal amount) at the option of the Bank at the applicable Redemption Price (as defined below), together with unpaid interest accrued hereon at the applicable rate borne by this Subordinated Note to the date of redemption (each such date, a “Redemption Date”), on written notice given not more than 60 nor less than 30 calendar days prior to the Redemption Date to the registered holder hereof. Whenever less than all the Subordinated Notes at any time outstanding are to be redeemed, the terms of the Subordinated Notes to be so redeemed shall be selected by the Bank. If less than all the Subordinated Notes with identical terms at any time outstanding are to be redeemed, the Subordinated Notes to be so redeemed shall be selected by the Issuing and Paying Agent pro rata, by lot or in any usual manner approved by it or required by the Depositary. In the event of redemption of this Subordinated Note in part only, a new Subordinated Note for the unredeemed portion hereof shall be issued in the name of the holder hereof upon the surrender hereof. The Issuing and Paying Agent is not required to register the transfer of or exchange of any Subordinated Note that has been called for redemption in whole or in part, except the unredeemed portion of the Subordinated Notes being redeemed in part, during a period beginning at the opening of business 15 calendar days before the day of mailing of a notice of such redemption and ending at the close of business on the day of such mailing.

The “Redemption Price” in an optional redemption described in the preceding paragraph shall initially be the Initial Redemption Percentage specified on the face hereof of the principal amount of this Subordinated Note to be redeemed and shall decline at each anniversary of the Initial Redemption Date specified on the face hereof by the Annual Redemption Percentage Reduction, if any, specified on the face hereof, of the principal amount to be redeemed until the Redemption Price is 100% of such principal amount.

In addition, the Bank may redeem this Subordinated Note in whole but not in part at any time at a redemption price equal to the principal amount of the Note or, in the case of a Discount Note, equal to the amortized face amount as determined as of the date of redemption, together with unpaid interest accrued hereon at the applicable rate borne by this Subordinated Note to but excluding the date fixed for redemption ("Capital Treatment Event Redemption Date"), at any time within 90 days of a Capital Treatment Event. As used herein, "Capital Treatment Event" means the reasonable determination by the Bank that, as a result of any amendment to, or change in, including any announced proposed change in, the laws or regulations of the United States or any political subdivision thereof or therein; or any official or administrative pronouncement or action or judicial decision interpreting such laws or regulations; which amendment or change is effective or which proposed change, pronouncement, action or decision is announced on or after the date hereof, there is more than an insubstantial risk that the Bank will not be entitled to treat an amount equal to the principal amount of this Subordinated Note as tier 2 capital, or the equivalent thereof, for purposes of the capital adequacy guidelines as in effect and applicable to the Bank on the Original Issue Date. In the event of a redemption for a Capital Treatment Event, the Bank will give irrevocable notice of its intention to redeem this Subordinated Note not more than 60 nor less than 30 days prior to the Capital Treatment Event Redemption Date.

From and after any Redemption Date or Capital Treatment Event Redemption Date, if monies for the redemption of this Subordinated Note have been made available for redemption on the applicable redemption date, this Subordinated Note will cease to bear interest, if applicable, and the only right of the holders of the Subordinated Notes shall be to receive payment of the principal amount or, in the case of a Discount Note, the amortized face amount, together with unpaid interest accrued hereon at the applicable rate borne by this Subordinated Note to the Capital Treatment Event Redemption Date.

This Subordinated Note may be subject to repayment at the option of the holder hereof in accordance with the terms hereof either in whole or in part on any Holder's Optional Repayment Date(s), if any, specified on the face hereof; provided that no repayment shall occur earlier than five years after the Original Issue Date and this Subordinated Note will not be repayable prior to Maturity without the prior approval of the OCC if then required under applicable law, regulations or regulatory guidelines (including, without limitation, the applicable capital regulations and guidelines of the OCC). If no Holder's Optional Repayment Date is specified on the face hereof, this Subordinated Note will not be repayable at the option of the holder hereof prior to the Maturity Date. On any Holder's Optional Repayment Date, if any, this Subordinated Note will be repayable in whole or in part in increments of $1,000 (provided that any remaining principal amount hereof will be at least $250,000 and no owner of a beneficial interest in this Subordinated Note will hold a beneficial interest of less than $250,000

principal amount) at the option of the holder hereof at a repayment price equal to 100% of the principal amount to be repaid, together with accrued and unpaid interest hereon payable to the date of repayment. For this Subordinated Note to be repaid in whole or in part at the option of the holder hereof on a Holder's Optional Repayment Date, this Subordinated Note must be delivered, with the form entitled "Option to Elect Repayment" attached hereto duly completed, to the Issuing and Paying Agent at its offices currently located at 116 Allegheny Center Mall, P8-YB35-02-8, Pittsburgh, Pennsylvania 15212, Attention: Security Settlements, or at such other address which the Bank shall from time to time notify the holders of the Subordinated Notes, not more than 60 nor less than 30 calendar days prior to such Holder's Optional Repayment Date. In the event of repayment of this Subordinated Note in part only, a new Subordinated Note for the unrepaid portion hereof shall be issued in the name of the holder hereof upon the surrender hereof. Exercise of such repayment option by the holder hereof shall be irrevocable.

In case any Subordinated Note shall at any time become mutilated, destroyed, lost or stolen, and such Subordinated Note or evidence of the loss, theft or destruction thereof satisfactory to the Bank and the Issuing and Paying Agent and such other documents or proof as may be required by the Bank and the Issuing and Paying Agent shall be delivered to the Issuing and Paying Agent, the Bank shall issue and the Issuing and Paying Agent shall authenticate a new Subordinated Note, of like tenor and principal amount, having a serial number not contemporaneously outstanding, in exchange and substitution for the mutilated Subordinated Note or in lieu of the Subordinated Note destroyed, lost or stolen but, in the case of any destroyed, lost or stolen Subordinated Note, only upon receipt of evidence satisfactory to the Bank and the Issuing and Paying Agent that such Subordinated Note was destroyed, stolen or lost, and, if required, upon receipt of indemnity satisfactory to the Bank and the Issuing and Paying Agent. Upon the issuance of any substituted Subordinated Note, the Bank and the Issuing and Paying Agent may require the payment of a sum sufficient to cover all expenses and reasonable charges connected with the preparation and delivery of a new Subordinated Note. If any Subordinated Note which has matured or has been redeemed or repaid or is about to mature or to be redeemed or repaid shall become mutilated, destroyed, lost or stolen, the Bank may, instead of issuing a substitute Subordinated Note, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Subordinated Note) upon compliance by the holder with the provisions of this paragraph.

No recourse shall be had for the payment of principal of, premium, if any, or interest on, this Subordinated Note for any claim based hereon, or otherwise in respect hereof, against any shareholder, employee, agent, officer or director, as such, past, present or future, of the Bank or of any successor corporation, either directly or through the Bank or any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

An “Event of Default” with respect to this Subordinated Note will occur only upon: (i) the entry by a court having jurisdiction in the premises or an administrative or governmental agency or body of (a) a decree or order for relief in respect of the Bank in an involuntary case or proceeding under any applicable United States federal or state bankruptcy, insolvency, reorganization or other similar law or (b) a decree or order appointing a conservator, receiver, liquidator, assignee, trustee, sequestrator or any other similar official of the Bank, or of substantially all of the property of the Bank, or ordering the winding up or liquidation of the affairs of the Bank, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days or (ii) the commencement by the Bank of a voluntary case or proceeding under any applicable United States federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated as bankrupt or insolvent, or the consent by the Bank to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable United States federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding, or the filing by the Bank of a petition or answer or consent seeking reorganization or relief under any applicable United States federal or state bankruptcy, insolvency, reorganization or similar law, or the consent by the Bank to the filing of such petition or to the appointment of or taking possession by a custodian, conservator, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Bank or of substantially all of the property of the Bank, or the making by the Bank of an assignment for the benefit of creditors, or the taking of corporate action by the Bank in furtherance of any such action. If an Event of Default shall occur and be continuing, the holder of this Subordinated Note may declare the principal amount of, and accrued interest and premium, if any, on, this Subordinated Note due and payable immediately by written notice to the Bank. Upon such declaration and notice, such principal amount, accrued interest and premium, if any, shall become immediately due and payable. Any Event of Default with respect to this Subordinated Note may be waived by the holder hereof.

Payment of principal on this Subordinated Note may be accelerated only in the case of an Event of Default. There is no right of acceleration in the case of a default in the payment of principal of, premium, if any, or interest on, this Subordinated Note or in the performance of any other obligation of the Bank under this Subordinated Note or under any other security issued by the Bank. Consistent with the requirements for the capital conservation buffer under the OCC’s regulatory capital guidelines (see 12 C.F.R. § 3.11), the Bank may be prohibited from making a distribution under this Subordinated Note, or creating an obligation to make such a distribution, if such distribution, in the aggregate, would exceed the maximum payout amount (as defined under applicable law or regulation), unless the Bank receives prior OCC approval.

Notwithstanding anything to the contrary in this Subordinated Note, to the extent then required under or pursuant to applicable laws or regulations (including,

without limitation, applicable capital regulations) then in effect, no repayment pursuant to an acceleration of maturity may be made on this Subordinated Note without the prior approval of any bank supervisory authority having jurisdiction over the Bank and requiring such approval. In the event of the appointment of a receiver, liquidator or conservator for the Bank, the FDIC as conservator or receiver has broad powers with respect to contracts, including the Subordinated Notes, in spite of any acceleration provision.

The Issuing and Paying Agency Agreement provides that the Bank will promptly notify, and provide copies of any such notice to, the Issuing and Paying Agent, and the Issuing and Paying Agent will promptly mail by first-class mail, postage prepaid, copies of such notice to the holders of the Subordinated Notes, upon the occurrence of an Event of Default or of the curing or waiver of an Event of Default.

Nothing contained herein shall prevent any consolidation or merger of the Bank with any other corporation, banking association or other legal entity (collectively, the "corporation") or successive consolidations or mergers in which the Bank or its successor or successors shall be a party or parties, or shall prevent any sale, conveyance, transfer or lease of the property of the Bank as an entirety or substantially as an entirety to any other corporation authorized to acquire and operate the same; *provided*, *however* (and the Bank hereby covenants and agrees) that any such consolidation, merger, sale or conveyance shall be upon the condition that: (i) immediately after such consolidation, merger, sale or conveyance the corporation (whether the Bank or such other corporation) formed by or surviving any such consolidation or merger, or the corporation to which such sale or conveyance shall have been made, shall not be in default in the performance or observance of any of the terms, covenants and conditions of this Subordinated Note to be observed or performed by the Bank; and (ii) the corporation (if other than the Bank) formed by or surviving any such consolidation or merger, or the corporation to which such sale or conveyance shall have been made, shall be organized under the laws of the United States of America or any state thereof or the District of Columbia and shall expressly assume the due and punctual payment of the principal of, premium, if any, and interest on, this Subordinated Note. In case of any such consolidation, merger, sale, conveyance, transfer or lease, and upon the assumption by the successor corporation of the due and punctual performance of all of the covenants in this Subordinated Note to be performed or observed by the Bank, such successor corporation shall succeed to and be substituted for the Bank with the same effect as if it had been named in this Subordinated Note as the Bank and thereafter the predecessor corporation shall be relieved of all obligations and covenants in this Subordinated Note and may be liquidated and dissolved.

Any action by the holder of this Subordinated Note shall bind all future holders of this Subordinated Note, and of any Subordinated Note issued in exchange or substitution herefor or in place hereof, in respect of anything done or permitted by the Bank or by the Issuing and Paying Agent in pursuance of such action.

The Issuing and Paying Agent shall maintain at its offices a register (the register maintained in such office or any other office or agency of the Issuing and Paying Agent in Pittsburgh, Pennsylvania, herein referred to as the "Subordinated Note Register") in which, subject to such reasonable regulations as it may prescribe, the Issuing and Paying Agent shall provide for the registration of the Subordinated Notes and of transfers of the Subordinated Notes.

The transfer of this Subordinated Note is registerable in the Subordinated Note Register, upon surrender of this Subordinated Note for registration of transfer at the office or agency of the Issuing and Paying Agent in the Place of Payment, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Bank and the Issuing and Paying Agent duly executed by, the holder hereof or his attorney duly authorized in writing, and thereupon one or more new Subordinated Notes of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

No provision of this Subordinated Note shall alter or impair the obligation of the Bank, which is absolute and unconditional, to pay principal of, premium, if any, and interest on, this Subordinated Note in U.S. dollars at the times, places and rate herein prescribed in accordance with its terms.

The Bank may, from time to time, without the consent of any holder, issue additional Subordinated Notes so as to form a single tranche with this Subordinated Note. Any such additional Subordinated Notes will be "fungible" with this Subordinated Note for U.S. Federal income tax purposes. As used herein, "tranche" means all Subordinated Notes that have the same maturity date, interest payment basis, interest payment dates, if any, and other terms, except for the original issue date, issue price and initial interest payment date, if applicable.

In the event of the failure by the Bank to make payment of principal of, premium, if any, or interest on this Subordinated Note (and, in the case of payment of interest, such failure to pay shall have continued for 2 days), the Bank will, upon written demand of the holder of this Subordinated Note, pay to the holder of this Subordinated Note the whole amount then due and payable (without acceleration) on this Subordinated Note for principal, premium, if any, and interest, with interest on the overdue principal of, premium, if any, and interest on, this Subordinated Note to the extent provided for herein. If the Bank fails to pay such amount upon such demand, the holder of this Subordinated Note may, among other things, institute a judicial proceeding for the collection of such amount.

No service charge shall be made to a holder of this Subordinated Note for any transfer or exchange of this Subordinated Note, but the Bank may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

Beneficial interests represented by this Subordinated Note are exchangeable for definitive Subordinated Notes in registered form, of like tenor and of an equal aggregate principal amount, only if (x) The Depository Trust Company, as depositary (the "Depositary") notifies the Bank that it is unwilling or unable to continue as Depositary for this Subordinated Note or if at any time the Depositary ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, and a successor depositary is not appointed by the Bank within 90 days, or (y) the Bank in its sole discretion determines not to have such beneficial interests represented by this Subordinated Note. Any Subordinated Note representing such beneficial interests that is exchangeable pursuant to the preceding sentence shall be exchangeable in whole for definitive Subordinated Notes in registered form, of like tenor and of an equal aggregate principal amount, in minimum denominations of $250,000 and integral multiples of $1,000 in excess thereof. Such definitive Subordinated Notes shall be registered in the name or names of such person or persons as the Depositary shall instruct the Issuing and Paying Agent.

This Subordinated Note may be amended, modified or supplemented by the Bank and the Issuing and Paying Agency Agreement may be amended, modified or supplemented by the Bank and the Issuing and Paying Agent, (a) for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained herein or therein, (b) to make any further modifications of the terms of the Issuing and Paying Agency Agreement necessary or desirable to allow for the issuance of any additional Subordinated Notes (which modifications shall not be materially adverse to Holders of Subordinated Notes that are then outstanding); (c) to conform any provision of this Subordinated Note to the description thereof contained in the Offering Circular and any Pricing Supplement related to the offering of this Subordinated Note, or (d) in any manner that the Bank and, in the case of the Issuing and Paying Agency Agreement, the Issuing and Paying Agent may deem necessary or desirable and which the Bank determines, as evidenced by an opinion of counsel delivered to the Issuing and Paying Agent, will not materially adversely affect the interests of the Holders of the then outstanding Subordinated Notes, to all of which each Holder of Subordinated Notes shall, by acceptance thereof, be deemed to have consented. In addition, with the written consent of the Holders of at least 66-2/3% of the principal amount of the Subordinated Notes to be affected thereby, the Bank and the Issuing and Paying Agent may from time to time and at any time enter into agreements modifying, amending or supplementing in any other respect the Issuing and Paying Agency Agreement or the provisions of this Subordinated Note for the purpose of adding any provisions to or changing in any manner or eliminating any provisions of the Issuing and Paying Agency Agreement or of modifying in any manner the rights of the Holders of this Subordinated Note; provided, however, that no such modification, amendment or supplement may, without the consent of the Holder of each Subordinated Note then outstanding and affected thereby, (i) change the stated maturity date with respect to this Subordinated Note or reduce or cancel the amount payable at maturity, (ii) reduce the amount payable or modify the payment date for any interest with respect to this Subordinated Note or vary the method of

calculating the rate of interest with respect to this Subordinated Note, (iii) reduce any minimum interest rate and/or maximum interest rate (as such terms are defined in the Offering Circular, any applicable Global Subordinated Bank Note or any Pricing Supplement) with respect to this Subordinated Note, (iv) modify the currency in which payments under this Subordinated Note appertaining hereto are to be made, (v) reduce the percentage in principal amount of outstanding Subordinated Notes the consent of the Holders of which is necessary to modify or amend the Issuing and Paying Agency Agreement, or (vi) materially modify the redemption provisions relating to the redemption price or redemption date with respect to this Subordinated Note. Any instrument given by or on behalf of any Holder of this Subordinated Note in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent Holders of this Subordinated Note. Any modifications, amendments or waivers to the Issuing and Paying Agency Agreement or the provisions of this Subordinated Note will be conclusive and binding on all Holders this Subordinated Note, whether or not notation of such modifications, amendments or waivers is made upon this Subordinated Note. It will not be necessary for the consent of the Holders of this Subordinated Note to approve the particular form of any proposed amendment, but it shall be sufficient if such consent shall approve the substance thereof. Subordinated Notes authenticated and delivered after the execution of any modification, amendment or supplement to the Issuing and Paying Agency Agreement may bear a notation as to any matter provided for in that modification, amendment or supplement. New Subordinated Notes modified as to conform, in the opinion of the Bank and that of the Issuing and Paying Agent, as applicable, to any modification contained in any amendment may be prepared by the Bank, authenticated by the Issuing and Paying Agent, and delivered in exchange for the Subordinated Notes then outstanding. If the Bank and the Issuing and Paying Agent effect any modification, amendment or supplement to the provisions of this Subordinated Note, the Bank will have no obligation to make a similar modification, amendment or supplement to any other Subordinated Note, irrespective of the Series to which the other Subordinated Note may belong. Neither the Bank nor any affiliate of the Bank may, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Issuing and Paying Agency Agreement or any Subordinated Notes unless such consideration is offered to all Holders whose Subordinated Notes would be subject to such consent, waiver or amendment and is paid to all Holders that so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement.

Prior to due presentment of this Subordinated Note for registration of transfer, the Bank, the Issuing and Paying Agent or any agent of the Bank or the Issuing and Paying Agent may treat the holder in whose name this Subordinated Note is registered as the owner hereof for all purposes, whether or not this Subordinated Note be overdue, and neither the Bank, the Issuing and Paying Agent nor any such agent shall be affected by notice to the contrary except as required by applicable law.

All notices to the Bank under this Subordinated Note shall be in writing and addressed to the Bank at Three PNC Plaza, Three PNC Plaza, 225 Fifth Avenue, 6th Floor, Pittsburgh, Pennsylvania 15222, Attention: Lisa Kovac, or to such other address of the Bank as the Bank may notify the holder of this Subordinated Note.

This Subordinated Note shall be governed by, and construed in accordance with, the laws of the State of Pennsylvania (without regard to conflicts of laws principles) and all applicable federal laws and regulations.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Subordinated Note, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	—	as tenants in common
TEN ENT	—	as tenants by the entireties
JT TEN	—	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to Minors Act

_____
(State)

Additional abbreviations may also be used
though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Please print or typewrite name and address,
including postal zip code, of assignee)

the within Subordinated Note and all rights thereunder, and hereby irrevocably constitutes and appoints

to transfer said Subordinated Note on the books of the Issuing and Paying Agent, with full power of substitution in the premises.

Dated:

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within Subordinated Note in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably request(s) and instruct(s) the Bank to repay this Subordinated Note (or portion hereof specified below) pursuant to its terms at a price equal to 100% of the principal amount hereof to be repaid, together with accrued and unpaid interest hereon, payable to the date of repayment, to the undersigned, at

_____

(Please print or typewrite name and address of the undersigned)

For this Subordinated Note to be repaid, the undersigned must give to the Issuing and Paying Agent at its offices currently located at 116 Allegheny Center Mall, P8-YB35-02-8, Pittsburgh, Pennsylvania 15212, Attention: Securities Settlement, or at such other place or places of which the Bank shall from time to time notify the holder of this Subordinated Note, not more than 60 days nor less than 30 days prior to the date of repayment, with this "Option to Elect Repayment" form duly completed.

If less than the entire principal amount of this Subordinated Note is to be repaid, specify the portion hereof (which shall be increments of $1,000) which the holder elects to have repaid and specify the denomination or denominations (which shall be $250,000 or an integral multiple of $1,000 in excess thereof) of the Subordinated Notes to be issued to the holder for the portion of this Subordinated Note not being repaid (in the absence of any such specification, one such Subordinated Note will be issued for the portion not being repaid):

$

Dated:

_____

NOTICE: The signature on this "Option to Elect Repayment" form must correspond with the name, as written upon the face of the within Subordinated Note in every particular, without alteration or enlargement or any change whatsoever.

_____

Signature Guarantee

EXHIBIT B-4.1

(Form of Floating Rate Global Subordinated Bank Note)

THIS SUBORDINATED NOTE IS AN OBLIGATION SOLELY OF PNC BANK, NATIONAL ASSOCIATION (THE “BANK”) AND WILL NOT BE AN OBLIGATION OF, OR OTHERWISE GUARANTEED BY, ANY OTHER BANK OR THE PNC FINANCIAL SERVICES GROUP, INC. OR ANY AFFILIATE THEREOF OTHER THAN THE BANK.

THIS OBLIGATION IS NOT A DEPOSIT AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION. THIS OBLIGATION IS SUBORDINATED TO CLAIMS OF DEPOSITORS AND GENERAL CREDITORS, IS UNSECURED, AND IS INELIGIBLE AS COLLATERAL FOR A LOAN BY THE BANK.

UNLESS THIS SUBORDINATED NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (55 WATER STREET, NEW YORK, NEW YORK) (THE “DEPOSITARY”) TO THE BANK OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SUBORDINATED NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCHAS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

THIS SUBORDINATED NOTE IS ISSUABLE ONLY IN FULLY REGISTERED FORM IN MINIMUM DENOMINATIONS OF $250,000 AND INTEGRAL MULTIPLES OF $1,000 IN EXCESS THEREOF. EACH OWNER OF A BENEFICIAL INTEREST IN THIS SUBORDINATED NOTE MUST BE AN INVESTOR WHO IS AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(A) UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND IS REQUIRED TO HOLD A BENEFICIAL INTEREST IN A $250,000 PRINCIPAL AMOUNT OR ANY INTEGRAL MULTIPLE OF $1,000 IN EXCESS THEREOF OF THIS SUBORDINATED NOTE AT ALL TIMES.

No. FLR- REGISTERED

CUSIP NO.:

GLOBAL SUBORDINATED BANK NOTE
(Floating Rate)

ORIGINAL ISSUE DATE:

PRINCIPAL AMOUNT:

INITIAL INTEREST RATE: %

MATURITY DATE[3]:

INTEREST RATE BASIS OR BASES:

INDEX MATURITY:

IF LIBOR:
Designated LIBOR Currency:

REGULAR RECORD DATES (if other than the fifteenth calendar day (whether or not a Business Day) next preceding the applicable Interest Payment Date):

IF FED FUNDS:
- ☐ Federal Funds (Effective) Rate
- ☐ Federal Funds Open Rate
- ☐ Federal Funds Target Rate

INDEX CURRENCY:

SPREAD (PLUS OR MINUS) AND/OR SPREAD MULTIPLIER:

MAXIMUM INTEREST RATE:

MINIMUM INTEREST RATE:

INTEREST PAYMENT DATES:

INTEREST PAYMENT PERIOD:

INITIAL INTEREST PAYMENT DATE:

INITIAL INTEREST RESET DATE:

INTEREST RESET PERIOD:

3 *The Maturity Date will be five years or more from the Original Issue Date.*

INTEREST RESET DATES:

INITIAL REDEMPTION DATE:

INITIAL REDEMPTION PERCENTAGE:

INTEREST CALCULATION:

☐ Regular Floating Rate Subordinated Note

☐ Floating Rate/Fixed Rate Subordinated Note

Fixed Rate Commencement Date:
Fixed Interest Rate:

☐ Fixed Rate/Floating Rate Subordinated Note
Fixed Interest Rate:
Initial Interest Reset Date:

☐ Step-Up Note:
Step-Up Rate Commencement Date:

Step-Up Rate Adjustment:

ADDENDUM ATTACHED:

☐ Yes
☐ No

OTHER PROVISIONS:

CALCULATION AGENT (if other than PNC Bank, National Association):

ANNUAL REDEMPTION PERCENTAGE REDUCTION:

HOLDER'S OPTIONAL REPAYMENT DATE(S)[4]:

DAY COUNT CONVENTION

☐ 30/360 for the period from and including to but excluding .

☐ Actual/360 for the period from and including to but excluding .

☐ Actual/Actual for the period from and including to but excluding .

ORIGINAL ISSUE DISCOUNT:

☐ Yes
☐ No

Total Amount of OID:
Yield to Maturity:
Initial Accrual Period:

DEFAULT RATE: %

[4] *No repayment will be made without the prior written approval of the Office of the Comptroller of the Currency (the "OCC") if such approval is then required under applicable law, regulations or regulatory guidelines (including, without limitation, the applicable capital regulations and guidelines of the OCC).*

PNC Bank, National Association (the "Bank"), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of United States Dollars on the Maturity Date specified above (except to the extent redeemed or repaid prior to the Maturity Date) and to pay interest in arrears thereon from and including the Original Issue Date specified above or from and including the most recent interest payment date on which interest on this Subordinated Note (or any predecessor Subordinated Note) has been paid or duly provided for on the Interest Payment Date or Dates specified above (each, an "Interest Payment Date"), and at maturity or upon earlier redemption or repayment, if applicable, commencing on the Initial Interest Payment Date specified above, at a rate per annum equal to the Initial Interest Rate specified above until the Initial Interest Reset Date specified above and thereafter at a rate per annum determined in accordance with the provisions hereof and any Addendum relating hereto depending upon the Interest Rate Basis or Bases, if any, and such other terms specified above, until the principal hereof is paid or made available for payment, and (to the extent that the payment of such interest shall be legally enforceable) at the Default Rate per annum specified above on any overdue principal and premium, if any, and on any overdue installment of interest. If no Default Rate is specified above, the Default Rate shall be the Interest Rate on this Subordinated Note specified above. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will be paid to the person in whose name this Subordinated Note (or any predecessor Subordinated Note) is registered at the close of business on the Regular Record Date, which unless otherwise specified above shall be the fifteenth calendar day (whether or not a Business Day (as defined below)) next preceding the applicable Interest Payment Date (a "Regular Record Date"); *provided*, *however*, that interest payable at maturity or upon earlier redemption or repayment, if applicable, will be payable to the person to whom principal shall be payable. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the holder as of the close of business on such Regular Record Date, and will instead be payable to the person in whose name this Subordinated Note (or any predecessor Subordinated Note) is registered at the close of business on a special record date for the payment of such defaulted interest (the "Special Record Date") determined by the Issuing and Paying Agent (as defined below), notice of which shall be given to the holders of Subordinated Notes not less than 10 calendar days prior to such Special Record Date.

Payment of principal of, premium, if any, and interest on, this Subordinated Note will be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. The Bank will at all times appoint and maintain an issuing and paying agent (which may be the Bank) (the "Issuing and Paying Agent", which term shall include any successor Issuing and Paying Agent), authorized by the Bank to pay principal of, premium, if any, and interest on, this Subordinated Note on behalf of the Bank pursuant to an issuing and paying agency agreement (the "Issuing and Paying Agency Agreement") and having an office or agency (the "Issuing and Paying Agent Office") in New York City or in the city in which the Bank is headquartered (the "Place of Payment"), where this Subordinated Note may be

presented or surrendered for payment and where notices, designations or requests in respect of payments with respect to this Subordinated Note may be served. The Bank has initially appointed PNC Bank, National Association as the Issuing and Paying Agent, with the Issuing and Paying Agent Office currently located at 116 Allegheny Center Mall, P8-YB35-02-8, Pittsburgh, Pennsylvania 15212, Attention: Security Settlements. The Bank may resign as or remove the Issuing and Paying Agent pursuant to the terms of the Issuing and Paying Agency Agreement and may appoint a successor Issuing and Paying Agent.

Payment of principal of, premium, if any, and interest on, this Subordinated Note due at maturity or upon earlier redemption or repayment, if applicable, will be made in immediately available funds upon presentation and surrender of this Subordinated Note to the Issuing and Paying Agent at the Issuing and Paying Agent Office; *provided* that this Subordinated Note is presented to the Issuing and Paying Agent in time for the Issuing and Paying Agent to make such payment in accordance with its normal procedures. Payments of interest on this Subordinated Note (other than at maturity or upon earlier redemption or repayment) will be made by wire transfer to such account as has been appropriately designated to the Issuing and Paying Agent by the person entitled to such payments.

Reference herein to “this Subordinated Note”, “hereof”, “herein” and comparable terms shall include an Addendum hereto if an Addendum is specified above.

Reference is hereby made to the further provisions of this Subordinated Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Bank has caused this Subordinated Note to be duly executed.

PNC BANK, NATIONAL ASSOCIATION

By: _____
Authorized Signatory

Dated:

ISSUING AND PAYING AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Subordinated Notes referred to in the Issuing and Paying Agency Agreement.

PNC BANK, NATIONAL ASSOCIATION
as the Issuing and Paying Agent

By: _____
Authorized Signatory

[Reverse]

This Subordinated Note is one of a duly authorized issue of Subordinated Bank Notes of the Bank due five years or more from date of issue (the "Subordinated Notes").

If any Interest Payment Date (other than an Interest Payment Date at the Maturity Date or date of earlier redemption or repayment of this Subordinated Note) would otherwise fall on a day that is not a Business Day, such Interest Payment Date shall be postponed to the next succeeding day that is a Business Day, except that if an Interest Rate Basis is LIBOR, as specified on the face hereof, and such next Business Day falls in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding day that is a Business Day. Except as provided above, interest payments will be made on the Interest Payment Dates shown on the face hereof. If the Maturity Date or date of earlier redemption or repayment of this Subordinated Note falls on a day which is not a Business Day, the related payment of principal of, premium, if any, and interest on, this Subordinated Note will be made on the next succeeding Business Day with the same force and effect as if made on the date such payment was due, and no interest shall accrue on the amount so payable for the period from and after such Maturity Date or date of earlier redemption or repayment, as the case may be.

The indebtedness of the Bank evidenced by this Subordinated Note, including principal, premium, if any, and interest, is unsecured and subordinate and junior in right of payment to the Bank's obligations to its depositors (including uninsured depositors), its obligations under bankers' acceptances and letters of credit, its obligations to secured and unsecured creditors (including obligations to holders of senior notes and general creditors and any obligations to any Federal Reserve Bank, the Federal Deposit Insurance Corporation (the "FDIC"), any Federal Home Loan Bank and any rights acquired by the FDIC as a result of loans made by the FDIC to the Bank or the purchase or guarantee of any of its assets by the FDIC, pursuant to the provisions of 12 U.S.C. Section 1823(c), (d) or (e)), its obligations with respect to claims under its other obligations, including its obligations under any interest rate swap agreement, interest rate cap agreement, interest rate floor agreement, interest rate futures or option contracts, or other financial agreement or arrangement designed to protect against fluctuations in interest rates or foreign exchange currencies, and any guarantees, endorsements (other than by endorsement of negotiable instruments for collection in the ordinary course of business) or other similar obligations in respect of such obligations, in each case whether such obligations are outstanding at this date or are hereafter incurred, other than any obligations which by their express terms rank on a parity with, or junior to, the Subordinated Notes. In addition, the Subordinated Notes may be fully subordinated to interests held by the U.S. government in the event the Bank or The PNC Financial Services Group, Inc., its parent company, enters into any receivership, insolvency, liquidation, or similar proceeding.

In case of any insolvency, receivership, conservatorship, reorganization, readjustment of debt, marshalling of assets and liabilities or similar proceedings or any

liquidation or winding-up of or relating to the Bank, whether voluntary or involuntary, all such obligations (except obligations which rank on a parity with, or junior to, the Subordinated Notes) shall be entitled to be paid in full before any payment shall be made on account of the principal of, premium, if any, or interest on this Subordinated Note. In the event of any such proceeding, after payment in full of all sums owing with respect to such prior obligations, the holder of this Subordinated Note, together with any obligations of the Bank ranking on a parity with this Subordinated Note, shall be entitled to be paid from the remaining assets of the Bank, the unpaid principal, premium, if any, and interest on this Subordinated Note and such other obligations, as applicable, before any payment or other distribution, whether in cash, property or otherwise, shall be made on account of any capital stock or any obligations of the Bank ranking junior to this Subordinated Note.

The Bank is subject to examination, regulation and supervision by the Office of the Comptroller of the Currency ("OCC"). The deposits of the Bank are insured, up to the applicable limits, by the FDIC. As a result, the Bank is also subject to regulation by the FDIC. Notwithstanding any other provisions of this Subordinated Note, including specifically those relating to subordination, events of default and covenants of the Bank, it is expressly understood and agreed that, in the event the Bank is considered "undercapitalized" as defined under applicable law, and fails to satisfactorily implement a required capital restoration plan, the Bank may be subject to restrictions and requirements applicable to "significantly undercapitalized" institutions, as defined in applicable law, or if the Bank is considered "significantly undercapitalized," the OCC has the legal authority to require the Bank to sell shares in the Bank, enter into a merger or consolidation, or be acquired by a depository institution or a depository institution holding company. This authority supersedes and voids any default that may have occurred resulting from such OCC action. In addition, if the Bank is considered "critically undercapitalized" as defined under applicable law, the Bank will be prohibited from making principal or interest payments on this Subordinated Note without prior OCC approval.

If the Bank is placed in receivership by the OCC, any receiver or conservator of the Bank appointed by the OCC (including the FDIC) may, in the performance of its legal duties, transfer or direct the transfer of the obligations of this Subordinated Note to any entity selected by the receiver or conservator. Any entity selected in this manner shall expressly assume the obligation to pay the unpaid principal, and interest and premium, if any, on this Subordinated Note and perform all covenants and conditions in a timely manner. The completion of such transfer and assumption shall serve to supersede and void any default, acceleration or subordination which may have occurred, or which may occur due or related to such transaction, plan, transfer or assumption, pursuant to the provisions of this Subordinated Note, and shall serve to return the holder to the same position, other than for substitution of the original obligor, it would have occupied had no default, acceleration or subordination occurred. Notwithstanding the foregoing, however, any interest and principal previously due, other than by reason of acceleration, and not paid, shall be deemed to be immediately due and payable as of the date of such transfer and assumption, together with the interest from its original due date at the rate provided for herein, unless the holder of this Subordinated Note has made an agreement to the contrary.

This Subordinated Note will not be subject to any sinking fund. If so provided on the face of this Subordinated Note and subject to the prior approval, if then required, of the OCC, this Subordinated Note may be redeemed by the Bank either in whole or in part on and after the Initial Redemption Date, if any, specified on the face hereof. If no Initial Redemption Date is specified on the face hereof, this Subordinated Note may not be redeemed prior to the Maturity Date. On and after the Initial Redemption Date, if any, and subject to the prior approval, if then required, of the OCC, this Subordinated Note may be redeemed in increments of $1,000 (provided that any remaining principal amount hereof shall be at least $250,000 and no owner of a beneficial interest in this Subordinated Note shall hold a beneficial interest of less than $250,000 principal amount) at the option of the Bank at the applicable Redemption Price (as defined below), together with unpaid interest accrued hereon at the applicable rate borne by this Subordinated Note to the date of redemption (each such date, a "Redemption Date"), on written notice given not more than 60 nor less than 30 calendar days prior to the Redemption Date to the registered holder hereof. Whenever less than all the Subordinated Notes at any time outstanding are to be redeemed, the terms of the Subordinated Notes to be so redeemed shall be selected by the Bank. If less than all the Subordinated Notes with identical terms at any time outstanding are to be redeemed, the Subordinated Notes to be so redeemed shall be selected by the Issuing and Paying Agent pro rata, by lot or in any usual manner approved by it or required by the Depositary. In the event of redemption of this Subordinated Note in part only, a new Subordinated Note for the unredeemed portion hereof shall be issued in the name of the holder hereof upon the surrender hereof. The Issuing and Paying Agent is not required to register the transfer of or exchange of any Subordinated Note that has been called for redemption in whole or in part, except the unredeemed portion of the Subordinated Notes being redeemed in part, during a period beginning at the opening of business 15 calendar days before the day of mailing of a notice of such redemption and ending at the close of business on the day of such mailing.

The "Redemption Price" in an optional redemption described in the preceding paragraph shall initially be the Initial Redemption Percentage specified on the face hereof of the principal amount of this Subordinated Note to be redeemed and shall decline at each anniversary of the Initial Redemption Date specified on the face hereof by the Annual Redemption Percentage Reduction, if any, specified on the face hereof, of the principal amount to be redeemed until the Redemption Price is 100% of such principal amount.

In addition, the Bank may redeem this Subordinated Note in whole but not in part at any time at a redemption price equal to the principal amount of the Note or, in the case of a Discount Note, equal to the amortized face amount as determined as of the date of redemption, together with unpaid interest accrued hereon at the applicable rate borne by

this Subordinated Note to but excluding the date fixed for redemption ("Capital Treatment Event Redemption Date"), at any time within 90 days of a Capital Treatment Event. As used herein, "Capital Treatment Event" means the reasonable determination by the Bank that, as a result of any amendment to, or change in, including any announced proposed change in, the laws or regulations of the United States or any political subdivision thereof or therein; or any official or administrative pronouncement or action or judicial decision interpreting such laws or regulations; which amendment or change is effective or which proposed change, pronouncement, action or decision is announced on or after the date hereof, there is more than an insubstantial risk that the Bank will not be entitled to treat an amount equal to the principal amount of this Subordinated Note as Tier 2 capital, or the equivalent thereof, for purposes of the capital adequacy guidelines as in effect and applicable to the Bank on the Original Issue Date. In the event of a redemption for a Capital Treatment Event, the Bank will give irrevocable notice of its intention to redeem this Subordinated Note not more than 60 nor less than 30 days prior to the Capital Treatment Event Redemption Date.

From and after any Redemption Date or Capital Treatment Event Redemption Date, if monies for the redemption of this Subordinated Note have been made available for redemption on the applicable redemption date, this Subordinated Note will cease to bear interest, if applicable, and the only right of the holders of the Subordinated Notes shall be to receive payment of the principal amount or, in the case of a Discount Note, the amortized face amount, together with unpaid interest accrued hereon at the applicable rate borne by this Subordinated Note to the Capital Treatment Event Redemption Date.

This Subordinated Note may be subject to repayment at the option of the holder hereof in accordance with the terms hereof either in whole or in part on any Holder's Optional Repayment Date(s), if any, specified on the face hereof; provided that no repayment shall occur earlier than five years after the Original Issue Date and this Subordinated Note will not be repayable prior to Maturity without the prior approval of the OCC if then required under applicable law, regulations or regulatory guidelines (including, without limitation, the applicable capital regulations and guidelines of the OCC). If no Holder's Optional Repayment Date is specified on the face hereof, this Subordinated Note will not be repayable at the option of the holder hereof prior to the Maturity Date. On any Holder's Optional Repayment Date, if any, this Subordinated Note will be repayable in whole or in part in increments of $1,000 (provided that any remaining principal amount hereof will be at least $250,000 and no owner of a beneficial interest in this Subordinated Note will hold a beneficial interest of less than $250,000 principal amount) at the option of the holder hereof at a repayment price equal to 100% of the principal amount to be repaid, together with accrued and unpaid interest hereon payable to the date of repayment. For this Subordinated Note to be repaid in whole or in part at the option of the holder hereof on a Holder's Optional Repayment Date, this Subordinated Note must be delivered, with the form entitled "Option to Elect Repayment" attached hereto duly completed, to the Issuing and Paying Agent at its offices currently located at 116 Allegheny Center Mall, P8-YB35-02-8, Pittsburgh,

Pennsylvania 15212, Attention: Security Settlements, or at such other address which the Bank shall from time to time notify the holders of the Subordinated Notes, not more than 60 nor less than 30 calendar days prior to such Holder's Optional Repayment Date. In the event of repayment of this Subordinated Note in part only, a new Subordinated Note for the unrepaid portion hereof shall be issued in the name of the holder hereof upon the surrender hereof. Exercise of such repayment option by the holder hereof shall be irrevocable.

The interest rate borne by this Subordinated Note shall be determined as follows:

1. If this Subordinated Note is designated as a Regular Floating Rate Subordinated Note on the face hereof or if no designation is made for Interest Calculation on the face hereof, then, except as described below or in an Addendum hereto, this Subordinated Note shall bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases shown on the face hereof (i) plus or minus the applicable Spread, if any, and/or (ii) multiplied by the applicable Spread Multiplier, if any, specified and applied in the manner described on the face hereof. Commencing on the Initial Interest Reset Date, the rate at which interest on this Subordinated Note is payable shall be reset as of each Interest Reset Date specified on the face hereof; *provided*, *however*, that the interest rate in effect for the period from the Original Issue Date to but excluding the Initial Interest Reset Date will be the Initial Interest Rate.

2. If this Subordinated Note is designated as a Fixed Rate/Floating Rate Subordinated Note on the face hereof, then, except as described below or in an Addendum hereto, this Subordinated Note shall bear interest at the Fixed Interest Rate specified on the face hereof. Commencing on the Initial Interest Reset Date, the rate at which interest on this Subordinated Note is payable shall be reset as of each Interest Reset Date specified on the face hereof; *provided*, *however*, that (i) the interest rate in effect for the period from the Original Issue Date to but excluding the Initial Interest Reset Date will be the Fixed Interest Rate; and (ii) the interest rate in effect commencing on, and including, the Initial Interest Reset Date to but excluding the Stated Maturity Date or date of earlier redemption or repayment shall be at the rate determined by reference to the applicable Interest Rate Basis or Bases shown on the face hereof (i) plus or minus the applicable Spread, if any, and/or (ii) multiplied by the applicable Spread Multiplier, if any, specified and applied in the manner described on the face hereof.

3. If this Subordinated Note is designated as a Floating Rate/Fixed Rate Subordinated Note on the face hereof, then, except as described below or in an Addendum hereto, this Subordinated Note shall bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases shown on the face hereof (i) plus or minus the applicable Spread, if any, and/or (ii)

multiplied by the applicable Spread Multiplier, if any, specified and applied in the manner described on the face hereof. Commencing on the Initial Interest Reset Date, the rate at which interest on this Subordinated Note is payable shall be reset as of each Interest Reset Date specified on the face hereof; *provided*, *however*, that (i) the interest rate in effect for the period from the Original Issue Date to but excluding the Initial Interest Reset Date will be the Initial Interest Rate; and (ii) the interest rate in effect commencing on, and including, the Fixed Rate Commencement Date to but excluding the Stated Maturity Date or date of earlier redemption or repayment shall be the Fixed Interest Rate, if such a rate is specified on the face hereof, or if no such Fixed Interest Rate is so specified, the interest rate in effect hereon on the Business Day immediately preceding the Fixed Rate Commencement Date.

4. If this Subordinated Note is designated as a Step-Up Note on the face hereof, then, unless as otherwise described below or in an Addendum hereto, this Subordinated Note will bear interest at a fixed rate of interest in effect for the period from the Original Issue Date until the Initial Interest Reset Date, as specified on the face hereof. Commencing on the Initial Interest Reset Date, the rate at which interest on this Step-up Note is payable shall be increased as of each Interest Reset Date to a higher, predetermined rate as specified on the face hereof or in an Addendum hereto.

Notwithstanding the foregoing, if this Subordinated Note is designated on the face hereof as having an Addendum attached, this Subordinated Note shall bear interest in accordance with the terms described in such Addendum.

Except as set forth above or specified on the face hereof or in an Addendum hereto, the interest rate in effect on each day shall be (i) if such day is an Interest Reset Date, the interest rate determined as of the Interest Determination Date (as defined below) immediately preceding such Interest Reset Date or (ii) if such day is not an Interest Reset Date, the interest rate determined as of the Interest Determination Date immediately preceding the most recent Interest Reset Date. If any Interest Reset Date would otherwise be a day that is not a Business Day, such Interest Reset Date shall be postponed to the next succeeding day that is a Business Day, except that if LIBOR is an applicable Interest Rate Basis and if such Business Day falls in the next succeeding calendar month, such Interest Reset Date will be the immediately preceding Business Day.

Unless otherwise specified on the face hereof, any interest payable on this Subordinated Note on any Interest Payment Date will equal the amount of interest accrued from and including the next preceding Interest Payment Date in respect of which interest has been paid (or from and including the Original Issue Date specified on the face hereof, if no interest has been paid), to but excluding the related Interest Payment Date or Maturity Date or date of earlier redemption or repayment, as the case may be.

Unless otherwise specified on the face hereof, any accrued interest hereon shall be an amount calculated by multiplying the face amount hereof by an accrued interest factor. Such accrued interest factor is computed by adding the interest factor calculated for each day in the period for which interest is being calculated. Unless otherwise specified on the face hereof, the interest factor for each such date will be computed by dividing the interest rate applicable to such day by 360 if the Federal Funds Rate or LIBOR is an applicable Interest Rate Basis. Unless otherwise specified on the face hereof, the interest factor for this Subordinated Note, if the interest rate is calculated with reference to two or more Interest Rate Bases, will be calculated in each period in the same manner as if only the applicable Interest Rate Bases specified on the face hereof applied.

The interest rate applicable to each day in an Interest Reset Period commencing on the related Interest Reset Date will be determined by the Calculation Agent as of the applicable Interest Determination Date and will be calculated by the Calculation Agent on or prior to the Calculation Date (as defined below), except with respect to LIBOR, which will be calculated on such Interest Determination Date. The "Interest Determination Date" with respect to the Federal Funds Rate will be the second Business Day immediately preceding the applicable Interest Reset Date; and the "Interest Determination Date" with respect to LIBOR shall be the second London Banking Day (as defined below) immediately preceding the applicable Interest Reset Date, unless the Designated LIBOR Currency is British pounds sterling, in which case the "Interest Determination Date" will be the applicable Interest Reset Date. If the interest rate of this Subordinated Note is determined with reference to two or more Interest Rate Bases specified on the face hereof, the "Interest Determination Date" pertaining to this Subordinated Note shall be the latest Business Day which is at least two Business Days prior to the applicable Interest Reset Date on which each Interest Rate Basis is determinable. Each Interest Rate Basis shall be determined as of such date, and the applicable interest rate shall take effect on the related Interest Reset Date.

Unless otherwise specified on the face hereof, the "Calculation Date" pertaining to any Interest Determination Date will be the earlier of (i) the tenth calendar day after such Interest Determination Date or, if such day is not a Business Day, the next succeeding Business Day and (ii) the Business Day immediately preceding the applicable Interest Payment Date or Maturity Date or date of earlier redemption or repayment, as the case may be. All calculations on this Subordinated Note shall be made by the Calculation Agent specified on the face hereof or such successor thereto as is duly appointed by the Bank. The determination of any interest rate by the Calculation Agent will be final and binding absent manifest error.

All percentages resulting from any calculation on this Subordinated Note will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upward (*e.g.*, 5.876545% (or 0.05876545) would be rounded to 5.87655% (or 0.0587655) and 5.876544% (or 0.05876544) would be rounded to 5.87654% (or 0.0587654)), and all dollar amounts used

in or resulting from such calculation will be rounded, in the case of United States dollars, to the nearest cent or, in the case of a foreign currency, to the smallest denominational unit (with one-half cent being rounded upwards).

As used herein, "Business Day" means, unless otherwise specified on the face hereof, any day that is not a Saturday or Sunday and that in New York City and in Pittsburgh, Pennsylvania is not a day on which banking institutions are authorized or required by law, regulation or executive order to close and, if an Interest Rate Basis shown on the face hereof is LIBOR, is also a London Banking Day. As used herein, unless otherwise specified on the face hereof, "London Banking Day" means any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

Federal Funds Rate. If an Interest Rate Basis for this Subordinated Note is the Federal Funds Rate, as specified on the face hereof, the Federal Funds Rate shall be determined as of the applicable Interest Determination Date (a "Federal Funds Rate Interest Determination Date") in accordance with the following provisions:

(i) If "Federal Funds (Effective) Rate" is the specified Federal Funds Rate on the face hereof, the Federal Funds Rate as of the applicable Federal Funds Rate Interest Determination Date will be the Federal Funds Rate on such date for United States dollar federal funds as published in H.15(519) opposite the caption "Federal Funds (Effective)", as such rate is displayed on the FEDL01 Index Page of Bloomberg L.P. ("Bloomberg") or, if such rate is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate with respect to such Federal Funds Rate Interest Determination Date for United States dollar federal funds as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "Federal Funds (Effective)." If such rate does not appear on the FEDL01 Index Page on Bloomberg or is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the Federal Funds Rate with respect to such Federal Funds Rate Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight United States dollar federal funds arranged by three leading brokers of United States dollar federal funds transactions in New York City (which may include the Dealers or their affiliates) selected by the Calculation Agent, prior to 9:00 A.M., New York City time, on the Business Day following such Federal Funds Rate Interest Determination Date; *provided*, *however*, that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date without giving effect to any resetting of the Federal Funds Rate on such Federal Funds Rate Interest Determination Date. As used herein, "H.15(519)" means the weekly statistical release designated as such, or any successor publication, published by the Federal Reserve Board.

(ii) If “Federal Funds Open Rate” is the specified Federal Funds Rate on the face hereof, the Federal Funds Rate as of the applicable Federal Funds Rate Interest Determination Date will be the Federal Funds Rate on such date displayed on the FEDSOPEN Index page on Bloomberg, which is the Fed Funds Opening Rate as reported by Garban Intercapital on Bloomberg, or, if such rate does not appear on FEDSOPEN Index page on Bloomberg by 3:00 P.M., New York City time, on the Calculation Date, the rate with respect to such Federal Funds Rate Interest Determination Date will be the rate on such date displayed under the heading “Federal Funds” for the relevant Index Maturity and opposite the caption “Open” as such rate is displayed on Reuters on page 5 (or any other page as may replace such page on such service) (“Reuters Page 5”). If such rate is not displayed on FEDSOPEN Index page on Bloomberg or does not appear on Reuters Page 5 or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the Federal Funds Rate on such Federal Funds Rate Interest Determination Date shall be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight United States dollar federal funds arranged by three leading brokers of United States dollar federal funds transactions in New York City (which may include the Dealers or their affiliates) selected by the Calculation Agent prior to 9:00 A.M., New York City time, on the business day following on such Federal Funds Rate Interest Determination Date; provided, however, that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date without giving effect to any resetting of the Federal Funds Rate on such Federal Funds Rate Interest Determination Date.

(iii) If “Federal Funds Target Rate” is the specified Federal Funds Rate on the face hereof, the Federal Funds Rate as of the applicable Federal Funds Rate Interest Determination Date shall be the rate on such date as displayed on the FDTR Index page on Bloomberg. If such rate does not appear on the FDTR Index page on Bloomberg by 3:00 P.M., New York City time, on the Calculation Date, the Federal Funds Rate for such Federal Funds Rate Interest Determination Date will be the rate for that day appearing on Reuters Page USFFTARGET= (or any other page as may replace such page on such service) (“Reuters Page USFFTARGET=”). If such rate does not appear on the FDTR Index page on Bloomberg or is not displayed on Reuters Page USFFTARGET= by 3:00 P.M., New York City time, on the related Calculation Date, then the Federal Funds Rate on such Federal Funds Rate Interest Determination Date shall be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight United States dollar federal funds arranged by three leading brokers of United States dollar federal funds transactions in New York City (which may include the Dealers or their affiliates) selected by the Calculation Agent prior to 9:00 A.M., New York City time, on such Federal Funds Rate Interest Determination Date; provided, however, that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date without giving effect to any resetting of the Federal Funds Rate on such Federal Funds Rate Interest Determination Date.

LIBOR. If an Interest Rate Basis for this Subordinated Note is LIBOR, as specified on the face hereof, LIBOR shall be determined by the Calculation Agent as of the applicable Interest Determination Date (a "LIBOR Interest Determination Date") in accordance with the following provisions:

(i) With regard to any Interest Determination Date, LIBOR will be the rate for deposits in the Designated LIBOR Currency having the Index Maturity specified on the face hereof as such rate is displayed on Reuters on page LIBOR01 (or any other page as may replace such page on such service for the purpose of displaying the London interbank rates of major banks for the Designated LIBOR Currency ("Reuters Page LIBOR01") as of 11:00 A.M., London time, on such LIBOR Interest Determination Date. If no such rate appears, LIBOR on such LIBOR Interest Determination Date shall be determined in accordance with the provisions described in clause (ii) below.

(ii) With respect to a LIBOR Interest Determination Date on which no rate is displayed on Reuters Index Page LIBOR01 as specified in clause (i) above, the Calculation Agent shall request the principal London offices of each of four major reference banks in the London interbank market, as selected by the Calculation Agent, to provide the Calculation Agent with its offered quotation for deposits in the Designated LIBOR Currency for the period of the Index Maturity, commencing on the related Interest Reset Date, to prime banks in the London interbank market at approximately 11:00 A.M., London time, on such LIBOR Interest Determination Date and in a principal amount that is representative for a single transaction in the Designated LIBOR Currency in such market at such time. If at least two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean calculated by the Calculation Agent of such quotations. If fewer than two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean calculated by the Calculation Agent of the rates quoted at approximately 11:00 A.M., in the applicable Principal Financial Center, on such LIBOR Interest Determination Date by three major banks (which may include the Dealers or their Affiliates) in such Principal Financial Center selected by the Calculation Agent for loans in the Designated LIBOR Currency to leading European banks, having the Index Maturity and in a principal amount that is representative for a single transaction in the Designated LIBOR Currency in such market at such time; *provided*, *however*, that if the banks so selected by the Calculation Agent are not quoting as mentioned in this sentence, LIBOR determined as of such LIBOR Interest Determination Date will be LIBOR in effect on such LIBOR Interest Determination Date.

"Designated LIBOR Currency" means U.S. dollars unless a different currency is specified on the face hereof as to which LIBOR shall be calculated.

"Principal Financial Center" means (i) New York City for U.S. dollars, or if not U.S. dollars, the capital city of the country issuing the specified currency or (ii) the capital city of the country to which the Designated LIBOR Currency, if applicable, relates, except, in each case, that with respect to U.S. dollars, Australian dollars, Canadian dollars, euros, New Zealand dollars, South African rand and Swiss francs, the "Principal Financial Center" shall be New York City, Sydney, Toronto, The City of London (solely in the case of the Designated LIBOR Currency), Wellington, Johannesburg and Zurich, respectively.

Any provision contained herein, including the determination of an Interest Rate Basis, the specification of an Interest Rate Basis, calculation of the interest rate applicable to this Subordinated Note, its Interest Payment Dates or any other matter relating hereto may be modified as specified in an Addendum relating hereto if so specified on the face hereof.

Notwithstanding the foregoing, the interest rate hereon shall not be greater than the Maximum Interest Rate, if any, or less than the Minimum Interest Rate, if any, specified on the face hereof. In addition to any Maximum Interest Rate applicable hereto pursuant to the above provisions, the interest rate on this Subordinated Note will in no event be higher than the maximum rate permitted by Pennsylvania law, as the same may be modified by United States law of general application. The Calculation Agent shall calculate the interest rate hereon in accordance with the foregoing on or before each Calculation Date. Unless otherwise specified on the face hereof, PNC Bank, National Association will be the Calculation Agent.

At the request of the holder hereof, the Calculation Agent shall provide to the holder hereof the interest rate hereon then in effect and, if determined, the interest rate which shall become effective as of the next Interest Reset Date.

In case any Subordinated Note shall at any time become mutilated, destroyed, lost or stolen, and such Subordinated Note or evidence of the loss, theft or destruction thereof satisfactory to the Bank and the Issuing and Paying Agent and such other documents or proof as may be required by the Bank and the Issuing and Paying Agent shall be delivered to the Issuing and Paying Agent, the Bank shall issue and the Issuing and Paying Agent shall authenticate a new Subordinated Note, of like tenor and principal amount, having a serial number not contemporaneously outstanding, in exchange and substitution for the mutilated Subordinated Note or in lieu of the Subordinated Note destroyed, lost or stolen but, in the case of any destroyed, lost or stolen Subordinated Note, only upon receipt of evidence satisfactory to the Bank and the Issuing and Paying Agent that such Subordinated Note was destroyed, stolen or lost, and, if required, upon receipt of indemnity satisfactory to the Bank and the Issuing and Paying Agent. Upon the issuance of any substituted Subordinated Note, the Bank and the Issuing and Paying Agent may require the payment of a sum sufficient to cover all expenses and reasonable charges connected with the preparation and delivery of a new Subordinated Note. If any

Subordinated Note which has matured or has been redeemed or repaid or is about to mature or to be redeemed or repaid shall become mutilated, destroyed, lost or stolen, the Bank may, instead of issuing a substitute Subordinated Note, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Subordinated Note) upon compliance by the holder with the provisions of this paragraph.

No recourse shall be had for the payment of principal of, premium, if any, or interest on, this Subordinated Note for any claim based hereon, or otherwise in respect hereof, against any shareholder, employee, agent, officer or director, as such, past, present or future, of the Bank or of any successor corporation, either directly or through the Bank or any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

An “Event of Default” with respect to this Subordinated Note will occur only upon: (i) the entry by a court having jurisdiction in the premises or an administrative or governmental agency or body of (a) a decree or order for relief in respect of the Bank in an involuntary case or proceeding under any applicable United States federal or state bankruptcy, insolvency, reorganization or other similar law or (b) a decree or order appointing a conservator, receiver, liquidator, assignee, trustee, sequestrator or any other similar official of the Bank, or of substantially all of the property of the Bank, or ordering the winding up or liquidation of the affairs of the Bank, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days or (ii) the commencement by the Bank of a voluntary case or proceeding under any applicable United States federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated as bankrupt or insolvent, or the consent by the Bank to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable United States federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding, or the filing by the Bank of a petition or answer or consent seeking reorganization or relief under any applicable United States federal or state bankruptcy, insolvency, reorganization or similar law, or the consent by the Bank to the filing of such petition or to the appointment of or taking possession by a custodian, conservator, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Bank or of substantially all of the property of the Bank, or the making by the Bank of an assignment for the benefit of creditors, or the taking of corporate action by the Bank in furtherance of any such action. If an Event of Default shall occur and be continuing, the holder of this Subordinated Note may declare the principal amount of, and accrued interest and premium, if any, on, this Subordinated Note due and payable immediately by written notice to the Bank. Upon such declaration and notice, such principal amount, accrued interest and premium, if any, shall become immediately due and payable. Any Event of Default with respect to this Subordinated Note may be waived by the holder hereof.

Payment of principal on this Subordinated Note may be accelerated only in the case of an Event of Default. There is no right of acceleration in the case of a default in the payment of principal of, premium, if any, or interest on, this Subordinated Note or in the performance of any other obligation of the Bank under this Subordinated Note or under any other security issued by the Bank. Consistent with the requirements for the capital conservation buffer under the OCC's regulatory capital guidelines (see 12 C.F.R. § 3.11), the Bank may be prohibited from making a distribution under this Subordinated Note, or creating an obligation to make such a distribution, if such distribution, in the aggregate, would exceed the maximum payout amount (as defined under applicable law or regulation), unless the Bank receives prior OCC approval.

Notwithstanding anything to the contrary in this Subordinated Note, to the extent then required under or pursuant to applicable laws or regulations (including, without limitation, applicable capital regulations) then in effect, no repayment pursuant to an acceleration of maturity may be made on this Subordinated Note without the prior approval of any bank supervisory authority having jurisdiction over the Bank and requiring such approval. In the event of the appointment of a receiver, liquidator or conservator for the Bank, the FDIC as conservator or receiver has broad powers with respect to contracts, including the Subordinated Notes, in spite of any acceleration provision.

The Issuing and Paying Agency Agreement provides that the Bank will promptly notify, and provide copies of any such notice to, the Issuing and Paying Agent, and the Issuing and Paying Agent will promptly mail by first-class mail, postage prepaid, copies of such notice to the holders of the Subordinated Notes, upon the occurrence of an Event of Default or of the curing or waiver of an Event of Default.

Nothing contained herein shall prevent any consolidation or merger of the Bank with any other corporation, banking association or other legal entity (collectively, the "corporation") or successive consolidations or mergers in which the Bank or its successor or successors shall be a party or parties, or shall prevent any sale, conveyance, transfer or lease of the property of the Bank as an entirety or substantially as an entirety to any other corporation authorized to acquire and operate the same; *provided*, *however* (and the Bank hereby covenants and agrees) that any such consolidation, merger, sale or conveyance shall be upon the condition that: (i) immediately after such consolidation, merger, sale or conveyance the corporation (whether the Bank or such other corporation) formed by or surviving any such consolidation or merger, or the corporation to which such sale or conveyance shall have been made, shall not be in default in the performance or observance of any of the terms, covenants and conditions of this Subordinated Note to be observed or performed by the Bank; and (ii) the corporation (if other than the Bank) formed by or surviving any such consolidation or merger, or the corporation to which such sale or conveyance shall have been made, shall be organized under the laws of the United States of America or any state thereof or the District of Columbia and shall

expressly assume the due and punctual payment of the principal of, premium, if any, and interest on, this Subordinated Note. In case of any such consolidation, merger, sale, conveyance, transfer or lease, and upon the assumption by the successor corporation of the due and punctual performance of all of the covenants in this Subordinated Note to be performed or observed by the Bank, such successor corporation shall succeed to and be substituted for the Bank with the same effect as if it had been named in this Subordinated Note as the Bank and thereafter the predecessor corporation shall be relieved of all obligations and covenants in this Subordinated Note and may be liquidated and dissolved.

Any action by the holder of this Subordinated Note shall bind all future holders of this Subordinated Note, and of any Subordinated Note issued in exchange or substitution herefor or in place hereof, in respect of anything done or permitted by the Bank or by the Issuing and Paying Agent in pursuance of such action.

The Issuing and Paying Agent shall maintain at its offices a register (the register maintained in such office or any other office or agency of the Issuing and Paying Agent in Pittsburgh, Pennsylvania herein referred to as the "Subordinated Note Register") in which, subject to such reasonable regulations as it may prescribe, the Issuing and Paying Agent shall provide for the registration of the Subordinated Notes and of transfers of the Subordinated Notes.

The transfer of this Subordinated Note is registerable in the Subordinated Note Register, upon surrender of this Subordinated Note for registration of transfer at the office or agency of the Issuing and Paying Agent in the Place of Payment, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Bank and the Issuing and Paying Agent duly executed by, the holder hereof or his attorney duly authorized in writing, and thereupon one or more new Subordinated Notes of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

No provision of this Subordinated Note shall alter or impair the obligation of the Bank, which is absolute and unconditional, to pay principal of, premium, if any, and interest on this Subordinated Note in U.S. dollars at the times, places and rate herein prescribed in accordance with its terms.

The Bank may, from time to time, without the consent of any holder, issue additional Subordinated Notes so as to form a single tranche with this Subordinated Note. Any such additional Subordinated Notes will be "fungible" with this Subordinated Note for U.S. Federal income tax purposes. As used herein, "tranche" means all Subordinated Notes that have the same maturity date, interest payment basis, interest payment dates, if any, and other terms, except for the original issue date, issue price and initial interest payment date, if applicable.

In the event of the failure by the Bank to make payment of principal of, premium, if any, or interest on this Subordinated Note (and, in the case of payment of interest, such

failure to pay shall have continued for 2 days), the Bank will, upon written demand of the holder of this Subordinated Note, pay to the holder of this Subordinated Note the whole amount then due and payable (without acceleration) on this Subordinated Note for principal, premium, if any, and interest, with interest on the overdue principal of, premium, if any, and interest on, this Subordinated Note to the extent provided for herein. If the Bank fails to pay such amount upon such demand, the holder of this Subordinated Note may, among other things, institute a judicial proceeding for the collection of such amount.

No service charge shall be made to a holder of this Subordinated Note for any transfer or exchange of this Subordinated Note, but the Bank may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

Beneficial interests represented by this Subordinated Note are exchangeable for definitive Subordinated Notes in registered form, of like tenor and of an equal aggregate principal amount, only if (x) The Depository Trust Company, as depositary (the "Depositary") notifies the Bank that it is unwilling or unable to continue as Depositary for this Subordinated Note or if at any time the Depositary ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, and a successor depositary is not appointed by the Bank within 90 days, or (y) the Bank in its sole discretion determines not to have such beneficial interests represented by this Subordinated Note. Any Subordinated Note representing such beneficial interests that is exchangeable pursuant to the preceding sentence shall be exchangeable in whole for definitive Subordinated Notes in registered form, of like tenor and of an equal aggregate principal amount, in minimum denominations of $250,000 and integral multiples of $1,000 in excess thereof. Such definitive Subordinated Notes shall be registered in the name or names of such person or persons as the Depositary shall instruct the Issuing and Paying Agent.

Prior to due presentment of this Subordinated Note for registration of transfer, the Bank, the Issuing and Paying Agent or any agent of the Bank or the Issuing and Paying Agent may treat the holder in whose name this Subordinated Note is registered as the owner hereof for all purposes, whether or not this Subordinated Note be overdue, and neither the Bank, the Issuing and Paying Agent nor any such agent shall be affected by notice to the contrary except as required by applicable law.

This Subordinated Note may be amended, modified or supplemented by the Bank and the Issuing and Paying Agency Agreement may be amended, modified or supplemented by the Bank and the Issuing and Paying Agent, (a) for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained herein or therein, (b) to make any further modifications of the terms of the Issuing and Paying Agency Agreement necessary or desirable to allow for the issuance of any additional Subordinated Notes (which modifications shall not be materially adverse

to Holders of Subordinated Notes that are then outstanding); (c) to conform any provision of this Subordinated Note to the description thereof contained in the Offering Circular and any Pricing Supplement related to the offering of this Subordinated Note, or (d) in any manner that the Bank and, in the case of the Issuing and Paying Agency Agreement, the Issuing and Paying Agent may deem necessary or desirable and which the Bank determines, as evidenced by an opinion of counsel delivered to the Issuing and Paying Agent, will not materially adversely affect the interests of the Holders of the then outstanding Subordinated Notes, to all of which each Holder of Subordinated Notes shall, by acceptance thereof, be deemed to have consented. In addition, with the written consent of the Holders of at least 66-2/3% of the principal amount of the Subordinated Notes to be affected thereby, the Bank and the Issuing and Paying Agent may from time to time and at any time enter into agreements modifying, amending or supplementing in any other respect the Issuing and Paying Agency Agreement or the provisions of this Subordinated Note for the purpose of adding any provisions to or changing in any manner or eliminating any provisions of the Issuing and Paying Agency Agreement or of modifying in any manner the rights of the Holders of this Subordinated Note; provided, however, that no such modification, amendment or supplement may, without the consent of the Holder of each Subordinated Note then outstanding and affected thereby, (i) change the stated maturity date with respect to this Subordinated Note or reduce or cancel the amount payable at maturity, (ii) reduce the amount payable or modify the payment date for any interest with respect to this Subordinated Note or vary the method of calculating the rate of interest with respect to this Subordinated Note, (iii) reduce any minimum interest rate and/or maximum interest rate (as such terms are defined in the Offering Circular, any applicable Global Subordinated Bank Note or any Pricing Supplement) with respect to this Subordinated Note, (iv) modify the currency in which payments under this Subordinated Note appertaining hereto are to be made, (v) reduce the percentage in principal amount of outstanding Subordinated Notes the consent of the Holders of which is necessary to modify or amend the Issuing and Paying Agency Agreement, or (vi) materially modify the redemption provisions relating to the redemption price or redemption date with respect to this Subordinated Note. Any instrument given by or on behalf of any Holder of this Subordinated Note in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent Holders of this Subordinated Note. Any modifications, amendments or waivers to the Issuing and Paying Agency Agreement or the provisions of this Subordinated Note will be conclusive and binding on all Holders this Subordinated Note, whether or not notation of such modifications, amendments or waivers is made upon this Subordinated Note. It will not be necessary for the consent of the Holders of this Subordinated Note to approve the particular form of any proposed amendment, but it shall be sufficient if such consent shall approve the substance thereof. Subordinated Notes authenticated and delivered after the execution of any modification, amendment or supplement to the Issuing and Paying Agency Agreement may bear a notation as to any matter provided for in that modification, amendment or supplement. New Subordinated Notes modified as to conform, in the opinion of the Bank and that of the Issuing and Paying Agent, as

applicable, to any modification contained in any amendment may be prepared by the Bank, authenticated by the Issuing and Paying Agent, and delivered in exchange for the Subordinated Notes then outstanding. If the Bank and the Issuing and Paying Agent effect any modification, amendment or supplement to the provisions of this Subordinated Note, the Bank will have no obligation to make a similar modification, amendment or supplement to any other Subordinated Note, irrespective of the Series to which the other Subordinated Note may belong. Neither the Bank nor any affiliate of the Bank may, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Issuing and Paying Agency Agreement or any Subordinated Notes unless such consideration is offered to all Holders whose Subordinated Notes would be subject to such consent, waiver or amendment and is paid to all Holders that so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement.

All notices to the Bank under this Subordinated Note shall be in writing and addressed to the Bank at Three PNC Plaza, Three PNC Plaza, 225 Fifth Avenue, 6th Floor, Pittsburgh, Pennsylvania 15222, Attention: Lisa Kovac, or to such other address of the Bank as the Bank may notify the holder of this Subordinated Note.

This Subordinated Note shall be governed by, and construed in accordance with, the laws of the State of Pennsylvania (without regard to conflicts of laws principles) and all applicable federal laws and regulations.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Subordinated Note, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	—	as tenants in common
TEN ENT	—	as tenants by the entireties
JT TEN	—	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT — _____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to Minors Act

_____
(State)

Additional abbreviations may also be used
though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto _____

_____

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

_____

_____

(Please print or typewrite name and address,
including postal zip code, of assignee)

the within Subordinated Note and all rights thereunder, and hereby irrevocably constitutes and appoints

_____

_____

to transfer said Subordinated Note on the books of the Issuing and Paying Agent, with full power of substitution in the premises.

Dated:

_____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within Subordinated Note in every particular, without alteration or enlargement or any change whatsoever.

_____

Signature Guarantee

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably request(s) and instruct(s) the Bank to repay this Subordinated Note (or portion hereof specified below) pursuant to its terms at a price equal to 100% of the principal amount hereof to be repaid, together with accrued and unpaid interest hereon, payable to the date of repayment, to the undersigned, at

_____ .

(Please print or typewrite name and address of the undersigned)

For this Subordinated Note to be repaid, the undersigned must give to the Issuing and Paying Agent at its offices currently located at 116 Allegheny Center Mall, P8-YB35-02-8, Pittsburgh, Pennsylvania 15212, Attention: Securities Settlement, or at such other place or places of which the Bank shall from time to time notify the holder of this Subordinated Note, not more than 60 days nor less than 30 days prior to the date of repayment, with this "Option to Elect Repayment" form duly completed.

If less than the entire principal amount of this Subordinated Note is to be repaid, specify the portion hereof (which shall be increments of $1,000) which the holder elects to have repaid and specify the denomination or denominations (which shall be $250,000 or an integral multiple of $1,000 in excess thereof) of the Subordinated Notes to be issued to the holder for the portion of this Subordinated Note not being repaid (in the absence of any such specification, one such Subordinated Note will be issued for the portion not being repaid):

$

Dated:

_____

Signature Guarantee

_____

NOTICE: The signature on this "Option to Elect Repayment" form must correspond with the name, as written upon the face of the within Subordinated Note in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT 10.47.2

EXECUTION COPY

PNC BANK, NATIONAL ASSOCIATION

US$30,000,000,000
Global Bank Note Program
for the Issue of Senior and Subordinated Bank Notes
with Maturities of more than nine months from Date of Issue

AMENDMENT NO. 1
TO THE DISTRIBUTION AGREEMENT

May 22, 2015

CITIGROUP GLOBAL MARKETS INC.
388 Greenwich Street
New York, NY 10013

AND EACH OF THE DEALERS LISTED
ON SCHEDULE I HERETO

WHEREAS, the parties hereto have previously entered into a Distribution Agreement, dated January 16, 2014 (the "*Distribution Agreement*"), with respect to the issue and sale by PNC Bank, National Association (the "*Issuing Bank*") to Citigroup Global Markets Inc. and each of the other dealers listed on Schedule I hereto (each referred to as a "*Dealer*" and collectively referred to as the "*Dealers*") of (i) senior unsecured debt obligations, with maturities of more than nine months, not insured by the Federal Deposit Insurance Corporation (the "*Senior Notes*") and (ii) subordinated unsecured debt obligations, with maturities of five years or more from their date of issue, not insured by the Federal Deposit Insurance Corporation (the "*Subordinated Notes*" and, together with the Senior Notes, the "*Bank Notes*").

WHEREAS, the parties hereto wish to amend the terms of the Distribution Agreement as set forth in this amendment ("*Amendment No. 1*").

NOW, THEREFORE, in consideration of the premises and the representations, warranties and agreements contained herein, and for other good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Amendment to the Terms of the Distribution Agreement.

(a) Definitions. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Distribution Agreement.

(b) Modifications to the Distribution Agreement.

i. The second sentence of Section 1(b) of the Distribution Agreement is replaced in its entirety with the following:

> "Bank Notes may be outstanding at any one time in an aggregate maximum principal amount equal to US$30,000,000,000, inclusive of any notes outstanding which have been issued prior to the date of this Offering Circular by the Bank or entities that have been acquired by the Bank."

ii. The first sentence of Section 2(a)(i) of the Distribution Agreement is replaced in its entirety with the following:

> "The Issuing Bank has caused to be prepared an offering circular, dated May 22, 2015, to be used by the Dealers in connection with the Dealers' solicitation of purchasers of or offering of the Bank Notes."

iii. The first sentence of Section 2(a)(iii) of the Distribution Agreement is replaced in its entirety with the following:

> "The Issuing Bank has all corporate power and authority necessary to execute, deliver and perform, and it has duly authorized, executed and delivered, this Agreement, the Issuing and Paying Agency Agreement dated as of January 16, 2014 (as amended on May 22, 2015 and from time to time thereafter, the "*Agency Agreement*"), between the Issuing Bank and PNC Bank, National Association, as issuing and paying agent, and the Interest Calculation Agreement dated as of January 16, 2014 (as amended on May 22, 2015 and from time to time thereafter, the "*Interest Calculation Agreement*"), between the Issuing Bank and PNC Bank, National Association, as the interest calculation agent (in such capacity, the "*Calculation Agent*," which term shall include any successor thereto)."

(c) Interpretation. Upon the execution and delivery of this Amendment No. 1, the Distribution Agreement shall be modified and amended in accordance with this Amendment No. 1, and all the terms and conditions of both shall be read together as though they constitute one instrument, except that, in case of conflict, the provisions of this Amendment No. 1 will control. For the avoidance of doubt, references in the Distribution Agreement to this "*Agreement*" shall refer to the Distribution Agreement, as amended by this Amendment No. 1.

(d) Ratification. The Distribution Agreement, as modified and amended by this Amendment No. 1, is hereby ratified and confirmed in all respects and shall bind each party hereto.

SECTION 2. Representations and Warranties of the Issuing Bank.

(e) The Issuing Bank represents and warrants to each Dealer as of the date hereof, as follows:

i. The Issuing Bank has all corporate power and authority necessary to execute, deliver and perform, and it has duly authorized, executed and delivered this Amendment No. 1; Amendment No. 1 to the Issuing and Paying Agency Agreement dated as of January 16, 2014, between the Issuing Bank and PNC Bank, National Association, as issuing and paying agent; and Amendment No. 1 to the Interest Calculation Agreement dated as of January 16, 2014, between the Issuing Bank and PNC Bank, National Association, as the interest calculation agent. This Amendment No. 1, the Distribution Agreement (as amended on the date hereof), the Agency Agreement (as amended on the date hereof) and the Interest Calculation Agreement (as amended on the date hereof) are valid and legally binding agreements of the Issuing Bank, enforceable against the Issuing Bank in accordance with their respective terms, subject to applicable bankruptcy, liquidation, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to, or affecting, the rights of creditors of national banking associations, including laws relating to conservatorship and receivership of insured depository institutions, and to general equity principles.

ii. Each of the representations and warranties in Section 2(a) of the Distribution Agreement are true and correct as of the date hereof.

SECTION 3. Conditions of Dealers' Obligations.

The continued obligations of the Dealers under the Distribution Agreement shall be subject to the receipt on the date hereof of the opinions and certificates described in Sections 6(a), 6(b), 6(c), 6(d), 6(e), 6(f) and 6(g) of the Distribution Agreement, *provided however*, that the disclosure statement described in Section 6(a)(i)(C) need not be provided.

SECTION 4. Notices.

Unless otherwise provided herein, all notices required under the terms and provisions hereof shall be in writing, either delivered by hand, by mail or by telex, telecopier or telegram, and any such notice shall be effective when received at the address specified below.

If to the Issuing Bank:

PNC Bank, National Association
Three PNC Plaza
225 Fifth Avenue
6th Floor
Pittsburgh, PA 15222
Attention: Lisa Kovac
Facsimile Number: (412) 762-1728
Telephone Number: (412) 762-8400

If to the Parent:

The PNC Financial Services Group, Inc.
Three PNC Plaza
225 Fifth Avenue
6th Floor
Pittsburgh, PA 15222
Attention: Lisa Kovac
Facsimile Number: (412) 762-1728
Telephone Number: (412) 762-8400

If to Citigroup Global Markets Inc.:

Citigroup Global Markets Inc.
388 Greenwich Street
New York, NY 10013
Attention: Transaction Execution Group
Facsimile Number: (646) 291-5209
Telephone Number: (212) 816-1135

If to any other Dealer: at its notice address(es) specified on Schedule I hereto or at such other address as such party may designate from time to time by notice duly given in accordance with the terms of this Section 4.

SECTION 5. Parties.

This Amendment No. 1 shall inure to the benefit of and be binding upon the Dealers and the Issuing Bank and their respective successors. Nothing expressed or mentioned in this Amendment No. 1 is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons, directors and affiliates referred to in Sections 9 and 10 of the Distribution Agreement and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Amendment No. 1 or any provision herein or therein contained.

This Amendment No. 1 and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and their respective successors and said controlling persons, directors and affiliates and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Bank Notes shall be deemed to be a successor by reason merely of such purchase. Notwithstanding the foregoing, the purchasers referred to in Section 4(j) of the Distribution Agreement shall have the rights set forth therein.

SECTION 6. Waiver of Jury Trial.

The Issuing Bank and each of the Dealers hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Amendment No. 1 or the transactions contemplated hereby.

SECTION 7. Governing Law.

This Amendment No. 1 and all the rights and obligations of the parties shall be governed by and construed in accordance with the laws of the State of New York, excluding any choice-of-law principles that would otherwise require the application of the law of any other jurisdiction.

SECTION 8. Counterparts.

This Amendment No. 1 may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Issuing Bank a counterpart hereof, whereupon this instrument along with all counterparts will become a binding agreement between the Issuing Bank and each of the Dealers in accordance with its terms.

Very truly yours,

PNC BANK, NATIONAL ASSOCIATION

by /s/ Randall C. King
Name: Randall C. King
Title: Executive Vice President

[*Signature Page to Amendment No. 1 to the Distribution Agreement*]

CONFIRMED AND ACCEPTED,
as of the date first above written:

CITIGROUP GLOBAL MARKETS INC.

by /s/ Jack D. McSpadden, Jr.
Name: Jack D. McSpadden, Jr.
Title: Managing Director

BARCLAYS CAPITAL INC.

by /s/ Paige Maire
Name: Paige Maire
Title: Managing Director

CREDIT SUISSE SECURITIES (USA) LLC

by /s/ Sharon Harrison
Name: Sharon Harrison
Title: Director

DEUTSCHE BANK SECURITIES INC.

by /s/ Anguel Zaprianov
Name: Anguel Zaprianov
Title: Managing Director

by /s/ Adam Raucher
Name: Adam Raucher
Title: Director

GOLDMAN, SACHS & CO.

by /s/ Adam Greene
Name: Adam Greene
Title: Vice President

[*Signature Page to Amendment No. 1 to the Distribution Agreement*]

JEFFERIES LLC

by /s/ Matthew Casey
Name: Matthew Casey
Title: Managing Director

J.P. MORGAN SECURITIES LLC

by /s/ Stephen L. Sheiner
Name: Stephen L. Sheiner
Title: Executive Director

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

by /s/ Elisabeth N. Grennon
Name: Elisabeth N. Grennon
Title: Managing Director

MORGAN STANLEY & CO. LLC

by /s/ Yurij Slyz
Name: Yurij Slyz
Title: Executive Director

PNC CAPITAL MARKETS LLC

by /s/ Robert W. Thomas
Name: Robert W. Thomas
Title: Managing Director

SANDLER O'NEILL & PARTNERS, L.P.
By: Sandler O' Neill & Partners Corp.,
its general partner

by /s/ Robert A. Kleinert
Name: Robert A. Kleinert
Title: An Officer of the Corporation

[*Signature Page to Amendment No. 1 to the Distribution Agreement*]

U.S. BANCORP INVESTMENTS, INC.

by /s/ Jason Schubert
Name: Jason Schubert
Title: Vice President

WELLS FARGO SECURITIES, LLC

by /s/ Carolyn Hurley
Name: Carolyn Hurley
Title: Director

[*Signature Page to Amendment No. 1 to the Distribution Agreement*]

Contact Information for
Notices to Dealers

Citigroup Global Markets Inc.

388 Greenwich Street
New York, New York 10013
Attention: Transaction Execution Group
Phone: 212-816-1135
Fax: 646-291-5209

Barclays Capital Inc.

745 Seventh Avenue, 5th Floor
New York, New York 10019
Attention: Syndicate Registration
Phone: 888-603-5847
Fax: 636-284-0844

Credit Suisse Securities (USA) LLC

Eleven Madison Avenue
New York, New York 10010-3629
Attention: Short and Medium Term Finance
Phone: 212-325-7198
Fax: 212-743-5825

Deutsche Bank Securities Inc.

60 Wall Street
New York, New York 10005
Attention: Debt Capital Markets Syndicate
Fax: 212-797-2202

with a copy to:

General Counsel
Fax: 212-797-4561

Goldman, Sachs & Co.

200 West Street
New York, New York 10282
Attention: Prospectus Department
Phone: 866-471-2526
Fax: 212-902-9316
E-mail: prospectus-ny@ny.email.gs.com

Jefferies LLC

520 Madison Avenue
New York, New York 10022
Attention: General Counsel
Phone: 212-284-8188
Fax: 646-785-5992

J.P. Morgan Securities LLC

383 Madison Avenue
New York, New York 10179
Attention: Investment Grade Syndicate Desk
Phone: 212-834-4533
Fax: 212-834-6081

Merrill Lynch, Pierce, Fenner & Smith Incorporated

50 Rockefeller Plaza
NY1-050-12-01
New York, NY 10020
Attention: High Grade Debt Capital markets Transaction Management/Legal
Phone: 646-855-0724
Fax: 212-901-7881

Morgan Stanley & Co. LLC

1585 Broadway
New York, New York 10036
Attention: Investment Banking Division
Phone: 212-761-6691
Fax: 212-507-8999

PNC Capital Markets LLC

225 Fifth Avenue, 5th Floor
Pittsburgh, PA 15222
Attention: Jimil B. Wilson
Phone: 412-762-8420
Fax: 412-762-9124

with a copy to:

Jon R. Mooney
One PNC Plaza, 20th Floor
249 Fifth Avenue
Pittsburgh, PA 15222
Phone: 412-645-5012
Fax: 412-7629001

Sandler O'Neill & Partners, L.P.

1251 Avenue of the Americas, 6th Floor
New York, NY 10020
Attention: Syndicate
Phone: 212-466-7800
Fax: 212-466-7991

U.S. Bancorp Investments, Inc.

214 North Tryon Street, 26th Floor
Charlotte, North Carolina 28202
Attention: High Grade Syndicate
Phone: 877-558-2607
Fax: 877-774-3642

Wells Fargo Securities, LLC

550 S. Tryon Street, 5th Floor
Charlotte, North Carolina 28202
Attention: Transaction Management
Phone: 704-410-4792
Fax: 704-410-0326

EXHIBIT 10.50

10.50 - CEG 2015 Performance-Based
Stock-Payable Restricted Share Units

THE PNC FINANCIAL SERVICES GROUP, INC.
2006 INCENTIVE AWARD PLAN

* * *

CORPORATE EXECUTIVE GROUP
2015 PERFORMANCE-BASED STOCK-PAYABLE
RESTRICTED SHARE UNITS
AWARD AGREEMENT

* * *

GRANTEE:	**[Name]**
AWARD GRANT DATE:	**February 13, 2015**
SHARE UNITS:	**[Whole number of share units]**

---

1. Definitions.

Certain terms used in this Corporate Executive Group 2015 Performance-Based Stock-Payable Restricted Share Units Award Agreement **(the "Agreement" or "Award Agreement")** are defined in Section 15 or elsewhere in the Agreement, and such definitions will apply except where the context otherwise indicates.

In the Agreement, **"PNC"** means The PNC Financial Services Group, Inc., **"Corporation"** means PNC and its Consolidated Subsidiaries, and **"Plan"** means The PNC Financial Services Group, Inc. 2006 Incentive Award Plan as amended from time to time.

2. Performance RSUs with Related Dividend Equivalents Award.

Pursuant to the Plan and subject to the terms and conditions of the Award Agreement, PNC grants to the Grantee named above **("Grantee")** a Share-denominated award opportunity of restricted share units **("Performance RSUs")** of the number of share units set forth above, together with the opportunity to receive related dividend equivalents to the extent provided herein **("Dividend Equivalents")**, payable in cash, with respect to those share units **(together, the "Award")**. The Award is subject to acceptance by Grantee in accordance with Section 18 and is subject to the terms and conditions of the Award Agreement, including service, conduct and other conditions, corporate performance, risk performance and other adjustments, and forfeiture provisions, and to the Plan.

3. Terms of Award.

For the purpose of determining service, conduct and other conditions, performance and other adjustments, forfeitures, and other conditions and provisions applicable to each portion of the Performance RSUs and related Dividend Equivalents under the Award Agreement, the Award is divided into four installments or tranches.

This includes the provisions set forth in Section 4 related to Dividend Equivalents and the provisions set forth in Sections 5, 6 and 7 relating to (1) specified service conditions and service-related forfeiture provisions, (2) specified conduct-related and other forfeiture, adjustment and suspension provisions, (3) specified annual corporate performance and other conditions, annual formulaic risk performance conditions (the first risk metric), and annual risk performance reviews, review criteria and conditions (the second risk metric), and (4) performance-related adjustment provisions that subject the award payout size of each tranche that remains outstanding and satisfies the other applicable conditions for vesting of that tranche to three separate annual performance factors related to that tranche's performance year: (a) one formulaic factor for specified corporate performance that may result in an upward or downward payout size adjustment ranging from 125.00% to 75.00%, (b) one formulaic risk performance factor for the first risk metric that cannot result in an upward payout size adjustment but where the factor may be either 100.00% (*i.e.*, no downward payout size adjustment of that tranche for the first risk metric) or 0.00% (*i.e.*, cancellation of that tranche for risk performance with respect to the first risk metric), and (c) another risk performance factor related to risk performance reviews for the second risk metric that cannot result in an upward payout size adjustment but where the risk performance factor may be 100.00% (*i.e.*, no downward payout size adjustment of that tranche for the second risk metric) or may be a risk performance factor of less than 100.00% ranging down to 0.00% (*i.e.*, a downward adjustment of the award payout size of the tranche for that year, up to the potential for full cancellation of a tranche for a risk performance factor for that tranche related to the second risk metric of 0.00%).

The four Performance RSUs and related Dividend Equivalents tranches (each, a **"Tranche"**), together with the performance year that relates to each such Tranche, are set forth below:

- one-fourth of the Share Units (rounded down to the nearest whole unit) are in the first tranche and will relate to 2015 corporate and risk performance **("2015 Tranche" or "First Tranche")**;
- one-third of the remaining Share Units (rounded down to the nearest whole unit) are in the second tranche and will relate to 2016 corporate and risk performance **("2016 Tranche" or "Second Tranche")**;

- one-half of the remaining Share Units (rounded down to the nearest whole unit) are in the third tranche and will relate to 2017 corporate and risk performance **("2017 Tranche" or "Third Tranche")**; and
- the remainder of the Share Units are in the fourth tranche and will relate to 2018 corporate and risk performance **("2018 Tranche" or "Fourth Tranche")**.

Performance RSUs and Dividend Equivalents are not transferable. The Performance RSUs and related Dividend Equivalents are subject to forfeiture and adjustment until vesting and are subject to upward or downward corporate performance adjustment and to downward risk performance and other adjustment from the initial number of share units, or share units to which they relate in the case of Dividend Equivalents, all in accordance with the terms of the Award Agreement.

Performance RSUs that are not forfeited pursuant to the service requirements or conduct or other provisions of Section 5 will be performance-adjusted in accordance with the corporate and risk performance adjustment provisions of Sections 6 and 7. If such performance-adjusted Performance RSUs are not cancelled as a result of the risk performance adjustments and satisfy the service requirements and other conditions for vesting and vest in accordance with the terms of Section 8, then they will be settled and paid out, generally in shares of PNC common stock, all pursuant to and in accordance with the terms of Section 9.

Dividend Equivalents will be accrued and will be subject to the same forfeiture, performance-adjustment, and vesting conditions as the Performance RSUs to which they relate. Outstanding performance-adjusted Dividend Equivalents that vest in accordance with Section 8 will be paid out in cash at the same time that their related outstanding vested Performance RSUs are settled and paid out, all in accordance with the terms of Section 9.

Performance RSUs that are forfeited by Grantee pursuant to and in accordance with the service, conduct or other provisions of Section 5, or that are subject to a full downward risk performance adjustment (that is, for any Tranche, if either of the risk performance metrics results in an annual performance factor for that metric for that Tranche of 0.00% in accordance with the risk performance adjustment provisions of Sections 6 and 7), will be cancelled, together with the Dividend Equivalents that relate to those Performance RSUs, and therefore shall terminate, without payment of any consideration by PNC.

4. Dividend Equivalents.

The Dividend Equivalents portion of a Tranche represents the opportunity to receive a payout in cash of an amount equal to the cash dividends that would have been paid, without interest or reinvestment, between the Award Grant Date and the vesting date for that Tranche on the number of shares of PNC common stock determined as

specified below had such shares been issued and outstanding shares on the Award Grant Date and thereafter through the vesting date for that Tranche. The specified number for purposes of the preceding sentence will be the number equal to the number of outstanding corporate and risk performance-adjusted number of share units that become Payout Share Units (as defined in Section 7) and vest in accordance with Section 8 with respect to the related Performance RSUs in that same Tranche, if any.

Dividend Equivalents are subject to the same service requirements, conduct and other conditions, forfeiture events, corporate and risk performance-based and other payout size adjustments, and vesting conditions as the Performance RSUs to which they relate, all as set forth in Sections 5, 6, 7 and 8. Dividend Equivalents will not vest, be settled and paid unless and until their related Performance RSUs vest, are settled, and are paid out. Outstanding accrued performance-adjusted Dividend Equivalents that so vest and settle will be paid in cash in accordance with Section 9.

5. Forfeiture Provisions: Termination Upon Failure to Meet Applicable Service, Conduct or Other Conditions

5.1 Termination Upon Forfeiture of Units. The Award is subject to the forfeiture provisions set forth in this Section 5. The Award will terminate with respect to any Tranche or Tranches or specified portion thereof, as the case may be, of Performance RSUs and related Dividend Equivalents upon forfeiture and cancellation of such Tranche or Tranches, or specified portion thereof, of Performance RSUs and related Dividend Equivalents pursuant to the terms and conditions of this Section 5, and neither Grantee nor any successors, heirs, assigns or legal representatives of Grantee will thereafter have any further rights or interest in either the Performance RSUs or the related Dividend Equivalents evidenced by the Award Agreement with respect to that Tranche or those Tranches, or specified portion thereof, as applicable.

5.2 Forfeiture Upon Failure to Meet Service Requirements. If, at the time Grantee ceases to be employed by the Corporation, Grantee has failed to meet the service requirements set forth in this Section 5 with respect to one or more Tranches of Performance RSUs and related Dividend Equivalents, then all outstanding Performance RSUs that have so failed to meet such service requirements, together with the Dividend Equivalents related to such Tranche or Tranches of Performance RSUs, will be forfeited by Grantee to PNC and cancelled without payment of any consideration by PNC as of Grantee's Termination Date (as defined in Section 15).

5.3 Service Requirements. Grantee will meet the service requirements with respect to the Performance RSUs and related Dividend Equivalents, or applicable Tranche thereof if so specified, if Grantee meets the conditions of any of the subclauses below. If more than one of the following subclauses is applicable with respect to those Performance RSUs and related Dividend Equivalents, Grantee will have met the service requirements for such Performance RSUs and related Dividend Equivalents upon the first to occur of such conditions.

(i) Grantee continues to be an employee of the Corporation through and including the day immediately preceding the 1st, 2nd, 3rd, or 4th anniversary of the Award Grant Date, as the case may be, with respect to the First, Second, Third, or Fourth Tranche of the Performance RSUs and related Dividend Equivalents, as applicable.

(ii) Grantee ceases to be an employee of the Corporation by reason of Grantee's death.

(iii) Grantee continues to be an employee of the Corporation until Grantee's Termination Date where Grantee's employment was not terminated by the Corporation for Cause (as defined in Section 15.6) and where Grantee's termination of employment as of such date qualifies as a Retirement (as defined in Section 15) **(a "Qualifying Retirement")**.

(iv) Grantee continues to be an employee of the Corporation until Grantee's Termination Date where Grantee's employment was not terminated by the Corporation for Cause and where Grantee's employment was terminated as of such date by the Corporation by reason of Grantee's Disability (as defined in Section 15) **(a "Qualifying Disability Termination")**.

(v) Grantee continues to be an employee of the Corporation until Grantee's Termination Date where Grantee's employment was terminated as of such date by the Corporation and such termination is an Anticipatory Termination (as defined in Section 15) **(a "Qualifying Anticipatory Termination")**.

(vi) Grantee continues to be an employee of the Corporation, including any successor entity (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Corporation, after a Change of Control (as defined in Section 15), and where Grantee's employment with the Corporation is terminated thereafter without Cause (as defined in Section 15.3) or Grantee leaves employment with the Corporation thereafter for Good Reason.

5.4 Forfeiture Upon Termination for Cause or Pursuant to Detrimental Conduct Provisions

(a) Termination for Cause. In the event that Grantee's employment with the Corporation is terminated by the Corporation (i) for Cause (as defined in Section 15.6) prior to the 4th anniversary of the Award Grant Date and prior to a Change of Control, if any, or (ii) for Cause (as defined in Section 15.3) after a Change of Control and prior to the 4th anniversary of the Award Grant Date, then all then outstanding unvested Performance RSUs, together with all accrued Dividend Equivalents related to such then outstanding unvested Performance RSUs, will be forfeited by Grantee to PNC and cancelled without payment of any consideration by PNC as of Grantee's Termination Date.

(b) Detrimental Conduct. At any time prior to the date that such Performance RSUs and related Dividend Equivalents vest in accordance with Section 8 or expire unvested or are cancelled pursuant to other provisions of the Award Agreement, Performance RSUs and related Dividend Equivalents, or specified portion thereof, will be forfeited by Grantee to PNC and cancelled, without payment of any consideration by PNC, on the date and to the extent that PNC determines in its sole discretion to so cancel all or a specified portion of the Performance RSUs and related Dividend Equivalents on the basis of its determination that Grantee has engaged in Detrimental Conduct as set forth in Section 15.13, whether such determination is made during the period of Grantee's employment with the Corporation or after Grantee's Termination Date; *provided, however,* that (i) no determination that Grantee has engaged in Detrimental Conduct may be made on or after the date of Grantee's death (other than with respect to a Tranche, if any, that does not vest immediately upon death), and Detrimental Conduct will not apply to conduct by or activities of successors to the Performance RSUs and related Dividend Equivalents by will or the laws of descent and distribution in the event of Grantee's death; (ii) no determination that Grantee has engaged in Detrimental Conduct may be made between the time PNC enters into an agreement providing for a Change of Control and the time such agreement either terminates or results in a Change of Control, other than where such determination is based on or resulting from Grantee having committed Detrimental Conduct as described in Section 15.13(b) or in Section 15.13(c); and (iii) no determination that Grantee has engaged in Detrimental Conduct may be made after the occurrence of a Change of Control, other than where such determination is based on or resulting from Grantee having committed Detrimental Conduct as described in Section 15.13(b) or in Section 15.13(c).

5.5 Suspension and Forfeiture Related to Judicial Criminal Proceedings. If any criminal charges are brought against Grantee, in an indictment or in other analogous formal charges commencing judicial criminal proceedings, alleging the commission of a felony that relates to or arises out of Grantee's employment or other service relationship with the Corporation, then to the extent that the Performance RSUs and related Dividend Equivalents or any portion thereof are still outstanding and have not yet vested, the Compensation Committee or other PNC Designated Person (each as defined in Section 15) may determine that the vesting of those Performance RSUs and related Dividend Equivalents shall be suspended.

Any such suspension of vesting shall continue until the earliest to occur of the following:

(1) resolution of the criminal proceedings in a manner that results in a conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or any entry by Grantee into a pre-trial disposition with respect to, the commission of a felony that relates to or arises out of Grantee's employment or other service relationship with the Corporation;

(2) resolution of the criminal proceedings in one of the following ways: (i) the charges as they relate to such alleged felony have been dismissed (with or without prejudice); (ii) Grantee has been acquitted of such alleged felony; or (iii) a criminal proceeding relating to such alleged felony has been completed without resolution (for example, as a result of a mistrial) and the relevant time period for recommencing criminal proceedings relating to such alleged felony has expired without any such recommencement; and

(3) Grantee's death.

If the suspension is terminated by the occurrence of an event set forth in clause (1) above, those Performance RSUs, together with all related Dividend Equivalents, to the extent that such Performance RSUs and related Dividend Equivalents or any portion thereof are still outstanding, will, upon such occurrence, be automatically forfeited by Grantee to PNC, will not vest or be eligible to vest, and will be cancelled without payment of any consideration by PNC.

If the suspension is terminated by the occurrence of an event set forth in clause (2) or (3) above, then vesting of those Performance RSUs and related Dividend Equivalents shall proceed in accordance with Sections 5, 6, 7 and 8, as applicable. No interest shall be paid with respect to any suspended payments.

5.6 Clawback, Adjustment or Recoupment. Performance RSUs and related Dividend Equivalents shall be subject to rescission, cancellation or recoupment, in whole or in part, if and to the extent so provided under PNC's Incentive Compensation Adjustment and Clawback Policy, as in effect from time to time with respect to the Award, or any other applicable clawback, adjustment or similar policy in effect on or established after the Award Grant Date and to any clawback or recoupment that may be required by applicable law or regulation.

6. Performance Conditions and Related Annual Performance Factors.

Performance RSUs and related Dividend Equivalents are subject to corporate and risk performance conditions and adjustments, all as set forth in the Award Agreement unless and until amended prospectively by the Compensation Committee.

All determinations made by the Compensation Committee or otherwise by PNC hereunder shall be made in its sole discretion and shall be final, binding and conclusive for all purposes on all parties, including without limitation Grantee.

6.1 Corporate Performance Condition and Related Annual Performance Factor. Each Tranche of the Award will be subject to an Annual Corporate Performance Factor that relates to corporate performance for the performance year applicable to that Tranche as set forth in Section 3 (*e.g.*, for the First Tranche, also referred to as the 2015 Tranche, the applicable corporate performance relates to corporate performance for

calendar year 2015). The Annual Corporate Performance Factor for a Tranche could range from 75.00% to 125.00% based on the corporate performance metric, as described below.

The corporate performance metric for this Award is total shareholder return for the performance year that relates to the given Tranche. For purposes of this measurement, total shareholder return performance **("TSR Performance")** will mean the total shareholder return (*i.e.*, price change plus reinvestment of dividends) on PNC common stock for the applicable calendar year assuming an investment on the first day of the year is held through the last day of the applicable year and using, as the beginning and ending prices for purposes of that calculation, the closing price on the last trading day of the preceding year and on the last trading day of the applicable year, respectively. TSR Performance will be calculated to two places to the right of the decimal, rounded to the nearest one-hundredth with 0.005 being rounded upward to 0.01.

PNC will present information to the Compensation Committee with respect to PNC's level of TSR Performance for a given performance year following the end of that calendar year. The process of certification of the level of PNC's TSR Performance with respect to a given performance year will generally occur in late January or early February after the applicable year-end date.

In the standard circumstances where Grantee continues to be an employee of the Corporation (or where Grantee's employment with the Corporation ceases by reason of a Qualifying Retirement, a Qualifying Disability Termination, or a Qualifying Anticipatory Termination) and there has not been a Change of Control and Grantee has not died, the Annual Corporate Performance Factor with respect to an applicable outstanding Tranche will be 100.00% plus or minus (as applicable) the positive or negative TSR Performance of PNC for the year that relates to that Tranche up to a maximum of 25 percentage points in either direction, such that the Annual Corporate Performance Factor will be no less than 75.00% and no more than 125.00%.

For example, if PNC's TSR Performance for 2016 is 10.16% and Grantee is still an employee of the Corporation as of the 2nd anniversary of the Award Grant Date in February 2017 (or Grantee's employment with the Corporation ceased prior to that time by reason of a Qualifying Retirement or a Qualifying Disability Termination) and there has not been a Change of Control and Grantee has not died, then the Annual Corporate Performance Factor for 2016 would be 110.16%. If, in the same example, PNC's TSR Performance for 2016 were negative 10.16%, the Annual Corporate Performance Factor for that year would be 89.84%.

For circumstances where Grantee dies while still an employee of the Corporation or following a Qualifying Retirement, a Qualifying Disability Termination, or a Qualifying Anticipatory Termination, or where there is a Change of Control, the Annual Corporate Performance Factor with respect to an applicable outstanding Tranche will be determined as set forth in Section 6.4 below.

6.2 First Risk Performance Condition and Related Annual Performance Factor. Each Tranche of the Award will also be subject to an Annual Tier 1 Risk-Based Performance Factor that relates to risk performance under the Tier 1 Risk-Based Performance Metric (also sometimes referred to as the first risk performance metric), as specified below, for the performance year applicable to that Tranche (*e.g.*, for the First Tranche, also referred to as the 2015 Tranche, the applicable risk performance relates to risk performance for calendar year 2015). The Annual Tier 1 Risk-Based Performance Factor for a Tranche could be either 100.00% or 0.00% based on the first risk performance metric, as described below.

The first risk performance metric for this Award, the Tier 1 Risk-Based Performance Metric, is whether PNC has, as of the applicable performance measurement date for that Tranche, met or exceeded the required Tier 1 risk-based capital ratio established by PNC's primary Federal bank holding company regulator for well-capitalized institutions as then in effect and applicable to PNC.

In the standard circumstances where Grantee continues to be an employee of the Corporation (or where Grantee's employment with the Corporation ceases by reason of a Qualifying Retirement, a Qualifying Disability Termination, or a Qualifying Anticipatory Termination) and there has not been a Change of Control and Grantee has not died, the applicable performance measurement date for a Tranche for purposes of this first risk performance metric will be the year-end date of the applicable performance year for that Tranche (as specified in the first paragraph of this Section 6.2 above). For example, for the Second Tranche, the specified Tier 1 risk-based capital ratio will be the ratio as of December 31, 2016, except as otherwise provided in Section 6.4 below where applicable under the circumstances.

The process of certification of the level of PNC's performance with respect to the Tier 1 Risk-Based Performance Metric will occur as soon as practicable after the applicable performance measurement date (in the case of determinations made in standard circumstances pursuant to this Section 6.2, after the applicable year-end date). PNC will present information to the Compensation Committee with respect to (1) the minimum specified Tier 1 risk-based capital ratio PNC is required to achieve in order to meet the required Tier 1 risk-based capital ratio established by PNC's primary Federal bank holding company regulator for well-capitalized institutions as then in effect and applicable to PNC and (2) the applicable Tier 1 risk-based capital ratio achieved by PNC with respect to the Tranche, which will be based on PNC's publicly reported financial results for the period ending on the applicable performance measurement date. In standard circumstances, this will generally be the public release of earnings results for PNC's fourth quarter that occurs after the year-end measurement date, so that the Compensation Committee will be able to make its determination in late January or early February following the applicable performance year-end.

In the standard circumstances, the Annual Tier 1 Risk-Based Performance Factor for a Tranche will be 100.00% if, as of the applicable performance measurement date for that Tranche, PNC has met or exceeded the required Tier 1 risk-based capital ratio

established by PNC's primary Federal bank holding company regulator for well-capitalized institutions as then in effect and applicable to PNC. If PNC has not met or exceeded such required ratio, the Annual Tier 1 Risk-Based Performance Factor for that Tranche will be 0.00%.

If the Annual Tier 1 Risk-Based Performance Factor with respect to a given performance year is 0.00%, the Tranche that relates to that performance year, including all outstanding Performance RSUs in that Tranche together with the Dividend Equivalents related to such Performance RSUs, has failed to meet this risk performance condition, is no longer eligible for vesting, and will be forfeited by Grantee to PNC and cancelled without payment of any consideration by PNC, effective as of the certification date of such results.

If the Annual Tier 1 Risk-Based Performance Factor with respect to a given performance year is 100.00%, this will reflect no downward adjustment for performance with respect to this risk metric for that performance year.

For circumstances where Grantee dies while still an employee of the Corporation or following a Qualifying Retirement, a Qualifying Disability Termination, or a Qualifying Anticipatory Termination, or where there is a Change of Control, the Annual Tier 1 Risk-Based Performance Factor with respect to an applicable outstanding Tranche will be determined as set forth in Section 6.4 below.

6.3 Second Risk Performance Condition and Related Annual Performance Factor.

(a) Annual Risk Review Performance Factor. Each Tranche of the Award will also be subject to an Annual Risk Review Performance Factor that relates to risk performance under the second risk performance condition, as specified below, for the performance year applicable to that Tranche (*e.g.*, for the First Tranche, also referred to as the 2015 Tranche, the applicable risk performance relates to risk performance for calendar year 2015).

The Annual Risk Review Performance Factor for a Tranche could range from 100.00%, reflecting no downward adjustment for performance with respect to this risk metric for that performance year, to an Annual Risk Review Performance Factor reflecting a downward adjustment to a specified percentage amount for this Factor, to an Annual Risk Review Performance Factor of 0.00%, reflecting full cancellation of the applicable Tranche for risk performance with respect to this risk metric, all as further provided in this Section 6.

In the standard circumstances where Grantee continues to be an employee of the Corporation (or where Grantee's employment with the Corporation ceases by reason of a Qualifying Retirement, a Qualifying Disability Termination, or a Qualifying Anticipatory Termination) and there has not been a Change of Control and Grantee has not died, the Annual Risk Review Performance Factor with respect to an applicable outstanding Tranche will be determined as follows.

(1) If an Annual Risk Performance Review is not required with respect to the performance year that relates to the applicable Tranche by the Risk Performance Review Criteria set forth in Section 6.3(c) below as applicable for that performance year, then the Annual Risk Review Performance Factor for that Tranche will be 100.00%, effective as of the date it is determined that an Annual Risk Performance Review will not be conducted with respect to that performance year.

(2) If an Annual Risk Performance Review is triggered by the provisions of Section 6.3(c) and is conducted, as set forth in Section 6.3(b) below, with respect to the performance year that relates to the applicable Tranche, then the Annual Risk Review Performance Factor for that Tranche will be as determined by the Compensation Committee as part of such review, effective as of the Compensation Committee determination date, and will be in the range of 100.00% down to 0.00%.

(3) If the Compensation Committee-determined Annual Risk Review Performance Factor with respect to a given performance year is 0.00%, the Tranche that relates to that performance year, including all outstanding Performance RSUs in that Tranche together with the Dividend Equivalents related to such Performance RSUs, has failed to meet this risk performance condition, is no longer eligible for vesting, and will be forfeited by Grantee to PNC and cancelled without payment of any consideration by PNC, effective as of the Compensation Committee determination date.

For circumstances where Grantee dies while still an employee of the Corporation or following a Qualifying Retirement, a Qualifying Disability Termination, or a Qualifying Anticipatory Termination, or where there is a Change of Control, the Annual Risk Review Performance Factor with respect to an applicable outstanding Tranche will be determined as set forth in Section 6.4 below.

(b) Annual Risk Performance Review. In general, while the Award is outstanding an Annual Risk Performance Review will be conducted with respect to any performance year for which such review is triggered as set forth in Section 6.3(c) below. Any such determination in accordance with Section 6.3(c) that an Annual Risk Performance Review will be conducted with respect to a given performance year will generally be made shortly after the close of the applicable performance year, but no later than the 45th day following the close of such year.

When an Annual Risk Performance Review is required by Section 6.3(c) with respect to a given completed performance year, either by action of the Compensation Committee or because the specific performance metric-based review trigger is met, or a combination thereof, such review will be conducted shortly after the close of such calendar performance year but no later than the end of the first quarter following such close.

As part of such review, the Compensation Committee will consider whether, in its discretion, downward adjustment for risk performance with respect to the applicable performance year would be appropriate as applied to Grantee and, if so, will reflect such adjustment in the Annual Risk Review Performance Factor that will apply to the Tranche of Grantee's Performance RSUs and related Dividend Equivalents that relates to that performance year. An Annual Risk Review Performance Factor as determined by the Compensation Committee will be in the range of 100.00% down to 0.00%. A downward adjustment for risk performance would be reflected in an Annual Risk Review Performance Factor with respect to that performance year of less than 100.00%. A Factor of 0.00% would mean that the Tranche has failed to meet this risk performance condition, is no longer eligible for vesting, and will expire and terminate. Percentages will be rounded to the nearest one-hundredth, with 0.005 being rounded upward to 0.01, but in no event will an Annual Risk Review Performance Factor be greater than 100.00% or less than 0.00%.

If the Compensation Committee determines in its discretion that it would not be appropriate to apply a downward adjustment for risk performance for such performance year to Grantee's Performance RSUs and related Dividend Equivalents, that determination would be reflected in an Annual Risk Review Performance Factor for the Tranche that relates to that performance year of 100.00%.

(c) Risk Performance Review Criteria. Unless and until amended prospectively by the Compensation Committee, the Risk Performance Review Criteria for a given performance year are as set forth below.

An Annual Risk Performance Review is required with respect to a given performance year if triggered byeither or both of the following criteria: (1) the Compensation Committee requires a review in its discretion; or (2) PNC's return on economic capital, with specified adjustments ("ROEC"), is less than the applicable Compensation Committee-specified ROEC hurdle amount for that performance year.

For purposes of this Award Agreement, **"ROEC"** will have the meaning set forth in Section 15.32. The**"ROEC hurdle"** for a given risk performance year will be the risk performance hurdle specified for that performance year by the Compensation Committee no later than March 30th of that performance year for purposes of comparison of ROEC to such hurdle for this Award. For the 2015 performance year, this hurdle as approved by the Compensation Committee is related to PNC's cost of capital and is set at 7.76%.

The Compensation Committee also approved a hurdle related to PNC's cost of capital set at 7.76% for the 2015 performance year for purposes of comparison of ROEC to such hurdle for the 2013 and 2014 Performance–Based Stock-Payable Restricted Share Units awards to members of PNC's Corporate Executive Group.

6.4 Annual Corporate and Risk Performance Factors in the Event of Death or Change of Control

(a) Death. In the event that Grantee's employment with the Corporation ceases by reason of Grantee's death or Grantee dies following a Qualifying Retirement, a Qualifying Disability Termination, or a Qualifying Anticipatory Termination, in either case prior to the occurrence of a Change of Control, then with respect to any Tranche or Tranches that are outstanding at the time of Grantee's death: (i) the Annual Corporate and Risk Performance Factors will all be 100.00%, effective as of the date of death, with respect to any Tranche or Tranches that are outstanding at the time of Grantee's death other than the Tranche, if any, that is provided for in the following subclause (ii) in the circumstances described in that subclause; and (ii) if such death occurs after the close of a performance year but before the Tranche that relates to that performance year has either been performance-adjusted and vested or has been forfeited, as the case may be, then the Annual Corporate and Risk Performance Factors with respect to such Tranche, if any, will be determined in the same manner and effective as of the same time as they would have been had Grantee remained an employee of the Corporation, provided that the Tranche remains outstanding at the applicable time.

In the event that Grantee dies following a Change of Control, the Annual Corporate and Risk Performance Factors for any then outstanding Tranche or Tranches will remain the applicable Factors determined as provided in Section 6.4(b) below.

(b) Change of Control. In the event that Grantee continues to be an employee of the Corporation through the day immediately prior to the date a Change of Control occurs, or where Grantee ceased to be an employee of the Corporation prior to that time by reason of a Qualifying Retirement, a Qualifying Disability Termination, or a Qualifying Anticipatory Termination, and one or more Tranches remain outstanding through the day immediately prior to the date the Change of Control occurs, the overall Annual Performance Factor of any Tranche for which an overall Annual Performance Factor had not already been determined as of the day immediately preceding the date the Change of Control occurs will be determined as follows.

(i) An Annual Tier 1 Risk-Based Performance Factor will be determined using the quarter-end date immediately preceding the Change of Control (or, if the Change of Control occurs on a quarter-end date and such information is available with respect to and applicable for such date, using the date of the Change of Control) as the applicable performance measurement date for purposes of this determination for all such outstanding Tranches.

(ii) If the Annual Tier 1 Risk-Based Performance Factor so determined is 0.00%, all such outstanding Tranches of the Award will have failed to meet this risk performance condition, will no longer be eligible for vesting, and will expire and terminate, effective as of the day immediately preceding the date the Change of Control occurs.

(iii) If the Annual Tier 1 Risk-Based Performance Factor so determined is 100.00%, all such outstanding Tranches of the Award for which an overall Annual Performance Factor had not already been determined as of the day immediately preceding

the date the Change of Control occurs will have an overall Annual Performance Factor for all such Tranches determined on the basis of an Annual Corporate Performance Factor of 100.00%, an Annual Tier 1 Risk-Based Performance Factor of 100.00%, and an Annual Risk Review Performance Factor that is the same as the Annual Risk Review Performance Factor for the most recent Tranche for which an Annual Risk Review Performance Factor had previously been determined in accordance with clause (1) or (2) of Section 6.3(a) above, as applicable, or, if none, will be 100.00%, all effective as of the day immediately preceding the date the Change of Control occurs.

In the event that a Change of Control occurs after Grantee's death, for any Tranche or Tranches where the overall Annual Performance Factor for such Tranche or Tranches was determined effective as of the date of death pursuant to Section 6.4(a)(i) above, any such Factors will remain as so provided in Section 6.4(a)(i), and for any Tranche where, pursuant to Section 6.4(a)(ii), the overall Annual Performance Factor is to be determined in the same manner and effective as of the same time as it would have been had Grantee remained an employee of the Corporation, the overall Annual Performance Factor will remain as previously determined if such determination had already been made as of the day immediately preceding the date the Change of Control occurs, and if not, the Corporate and Risk Performance Factors for any such then outstanding Tranche will be determined as provided in this Section 6.4(b).

6.5 Overall Annual Performance Factor. Once the three annual performance factors (the Annual Corporate Performance Factor, the Annual Tier 1Risk-Based Performance Factor and the Annual Risk Review Performance Factor) have been determined for a Tranche in accordance with the applicable provisions of this Section 6, the overall Annual Performance Factor for that Tranche will be calculated as follows.

Once an Annual Corporate Performance Factor has been determined (in accordance with Section 6.1 and Section 6.4, if applicable) with respect to the performance year for the given Tranche, the Annual Tier 1 Risk-Based Performance Factor for that same performance year and Tranche (determined in accordance with Section 6.2 and Section 6.4, if applicable) will be applied as a percentage to that corporate factor.

If the applicable Annual Tier 1 Risk-Based Performance Factor is 0.00%, the overall Annual Performance Factor with respect to that same performance year will be 0.00% and the Tranche that relates to that performance year will be cancelled. If the applicable Annual Tier 1 Risk-Based Performance Factor with respect to that performance year is 100.00%, there will be no downward adjustment to the Annual Corporate Performance Factor for this first risk performance factor, and the second risk performance factor, the Annual Risk Review Performance Factor, for the same performance year will be applied.

Assuming that the overall Annual Performance Factor is not determined to be 0.00% as a result of application of the first risk performance factor, the Annual Risk

Review Performance Factor for the performance year (determined in accordance with Section 6.3 and Section 6.4, if applicable), which can range from 0.00% to 100.00%, will then be applied as a percentage of the Annual Corporate Performance Factor for the same performance year to generate the overall Annual Performance Factor for the Tranche. Percentages will be rounded to the nearest one-hundredth, with 0.005 being rounded upward to 0.01, but in no event will the overall Annual Performance Factor be greater than 125.00% or less than 0.00%.

For example, if for a given Tranche the Annual Corporate Performance Factor is 105.00%, the Annual Tier 1 Risk-Based Performance Factor is 100.00%, and the Annual Risk Review Performance Factor is 95.00%, the overall Annual Performance Factor for the Tranche would be 99.75%. If both risk performance factors are 100.00%, there would be no downward adjustment to the corporate performance factor for risk performance and the overall Annual Performance Factor would be the same percentage as the Annual Corporate Performance Factor for that Tranche.

If either risk performance factor for an applicable performance year is 0.00%, the overall Annual Performance Factor with respect to that same performance year will be 0.00% and the Tranche that relates to that performance year, including all outstanding Performance RSUs in that Tranche together with the Dividend Equivalents related to such Performance RSUs, will be forfeited by Grantee to PNC and cancelled without payment of any consideration by PNC.

7. Performance-Related Adjustments to Performance RSUs and Dividend Equivalents.

7.1 Performance Adjustment of Outstanding Share Units. Once the overall Annual Performance Factor for a Tranche of Performance RSUs and related Dividend Equivalents has been determined in accordance with Section 6, and provided that the Tranche has not been cancelled pursuant to any of the forfeiture provisions of Section 5, the number of outstanding share units in that Tranche will be performance adjusted as applicable in accordance with this Section 7.

The performance-adjusted number of share units in a Tranche will be equal to a percentage of the initial share units in the Tranche that remain outstanding, rounded down to the nearest whole share unit, where the percentage to be applied is equal to the overall Annual Performance Factor for the performance year that relates to that Tranche (*e.g.*, for the First Tranche, the Annual Performance Factor for calendar year 2015) as determined in accordance with Section 6. Only the performance-adjusted share units in a Tranche are eligible to vest and be the basis of the settlement and payout of the Performance RSUs and related Dividend Equivalents in the Tranche in accordance with Sections 8 and 9 provided that all of the other conditions for vesting are satisfied, including the service condition.

The performance-adjusted Performance RSUs for a Tranche are sometimes referred to as the **"Payout Share Units"** for purposes of the vesting, where applicable, of

that portion of the Tranche in accordance with Section 8. Only outstanding Payout Share Units are eligible to vest in accordance with Section 8, provided that all of the other conditions of the Award Agreement are met. The percentage applied to the share units for a given Tranche in order to arrive at the Payout Share Units is sometimes referred to as the **"Payout Percentage"** for that Tranche. After the Payout Percentage is applied, any fractional share unit will be eliminated by rounding down to the nearest whole share unit. The remaining whole share units will be the Payout Share Units.

Payout Share Units that remain outstanding and vest in accordance with Section 8 are sometimes referred to as vested Payout Share Units. Outstanding vested Payout Share Units are settled and paid out in accordance with Section 9.

Dividend Equivalents will be subject to the same performance adjustment and Payout Percentage that is applied to the Performance RSUs to which they relate.

7.2 Termination of Portions of Award Due to Performance Adjustments. The Performance RSUs in a Tranche that do not become Payout Share Units, together with the accrued Dividend Equivalents related to such Performance RSUs, will be cancelled; that is, only the performance-adjusted number of share units in the Tranche that remain outstanding and become Payout Share Units after the applicable corporate and risk performance adjustments and any other adjustments for that Tranche have been made will be eligible to vest and be the basis of the settlement and payout of the Performance RSUs and related Dividend Equivalents in the Tranche in accordance with Sections 8 and 9 provided that all of the other conditions for vesting are satisfied, including the service condition. Any remaining portion of the Tranche (as would be the case where the Payout Percentage for the Tranche was less than 100.00%) will be cancelled.

Dividend Equivalents that had accrued with respect to any Performance RSUs in a Tranche that do not become Payout Share Units and are cancelled will also be cancelled as Dividend Equivalents are subject to the same performance and other adjustments that are applied to the Performance RSUs to which they relate.

8. Vesting of Performance-Adjusted Share Units and Related Dividend Equivalents.

Grantee's outstanding Performance RSUs as performance-adjusted pursuant to the provisions of Sections 6 and 7 (the Payout Share Units) and related performance-adjusted Dividend Equivalents will vest (that is, become **"vested Payout Share Units"** and vested related performance-adjusted Dividend Equivalents) upon the earliest to occur of the events set forth in the subclauses below, provided that such Performance RSUs and related Dividend Equivalents have not been forfeited prior to such vesting event pursuant

to any of the provisions of Section 5 or cancelled as a result of the risk performance adjustment provisions of Sections 6 and 7 and remain outstanding at that time:

(i) (a) the 1st anniversary of the Award Grant Date in the case of the First Tranche share units and related dividend equivalents, the 2nd anniversary of the Award Grant Date in the case of the Second Tranche share units and related dividend equivalents, the 3rd anniversary of the Award Grant Date in the case of the Third Tranche share units and related dividend equivalents, and the 4th anniversary of the Award Grant Date in the case of the Fourth Tranche share units and related dividend equivalents, as the case may be,

or, if later, (b) the date on which the performance adjustment determinations pursuant to Sections 6 and 7 with respect to the applicable Tranche are final (but no later than March 31st of the calendar year in which such anniversary occurs),

or, if later, (c) on the date as of which any suspension imposed with respect to those Performance RSUs and related Dividend Equivalents pursuant to Section 5.5 is lifted without forfeiture of such share units and related dividend equivalents and they vest, as applicable; and

(ii) in the event of Grantee's death,

(a) the date of Grantee's death with respect to any Tranche or Tranches as to which the overall Annual Performance Factor for such Tranche is determined effective as of the time of Grantee's death pursuant to Section 6.4(a)(i) and Section 6.5, and

(b) with respect to the Tranche, if any, for which the overall Annual Performance Factor is determined after Grantee's death pursuant to Section 6.4(a)(ii) and Section 6.5, at the same time and in the same manner as provided in Section 8(i)(a) or (b), as applicable, had Grantee remained an employee of the Corporation.

Performance RSUs and related Dividend Equivalents (1) that have been forfeited by Grantee pursuant to the service requirements or conduct or other provisions of Section 5 or (2) that are part of the portion of a Tranche of Performance RSUs and related Dividend Equivalents that has been cancelled as a result of the performance-adjustment provisions of Sections 6 and 7 where the Payout Percentage for that Tranche was less than 100.00% or (3) that have been cancelled as a result of the application, pursuant to the provisions of Sections 6 and 7, of a Payout Percentage of 0.00% to the Tranche to which they relate, are not eligible for vesting, will not settle, and will be cancelled without payment of any consideration by PNC.

The period during which Dividend Equivalents will accrue with respect to an applicable Tranche of Performance RSUs will end, and such Dividend Equivalents will cease to accrue, on the vesting date for such Tranche of Performance RSUs in accordance with Section 8, or the end of the day immediately preceding the day a Change of Control occurs, or on the cancellation date for such Performance RSUs in accordance with Section 5, 6 or 7, as applicable.

Accrued performance-adjusted Dividend Equivalents that vest in connection with the vesting of the performance-adjusted Performance RSUs to which they relate (that is, the amount of dividend equivalents for the period from the Award Grant Date through the vesting date on the number of related Performance RSUs that become Payout Share Units and vest) will be settled and paid out in accordance with Section 9.

Accrued Dividend Equivalents that fail to vest will be cancelled on the cancellation date for the Performance RSUs to which they relate in accordance with Section 5, 6 or 7, as applicable.

9. Settlement of Vested Performance-Adjusted Share Units and Related Dividend Equivalents.

9.1 Settlement. Outstanding performance-adjusted Performance RSUs (Payout Share Units) and related accrued performance-adjusted Dividend Equivalents that have vested pursuant to the provisions of Section 8 (vested Payout Share Units and vested related performance-adjusted Dividend Equivalents) will be paid out at the time and in the form set forth in the applicable subsection of this Section 9. Section 9.2 will apply where vesting occurs prior to a Change of Control, and Section 9.3 will apply where vesting occurs on or after a Change of Control.

A final award, if any, will be fully vested as of the applicable vesting date; therefore, any shares of PNC common stock issued pursuant to this Section 9 will be fully vested at the time of issuance. PNC will issue any such shares and deliver any cash payable pursuant to this Section 9 to, or at the proper direction of, Grantee or Grantee's legal representative, as determined in good faith by the Compensation Committee, at the applicable time specified in Section 9.2 or Section 9.3, as the case may be.

Delivery of shares and/or other payment pursuant to the Award will not be made unless and until all applicable tax withholding requirements with respect to such payment have been satisfied.

In the event that Grantee is deceased, payment will be delivered to the executor or administrator of Grantee's estate or to Grantee's other legal representative, as determined in good faith by the Compensation Committee.

9.2 Settlement Where Vesting Occurs Prior to Change of Control.

(a) Payout Timing. Payment will be made to Grantee in settlement of outstanding vested Payout Share Units and vested related performance-adjusted Dividend Equivalents that vested pursuant to Section 8(i) or Section 8(ii) as soon as practicable after the vesting date set forth in the applicable subclause of Section 8 for such units and related dividend equivalents, generally within 30 days but no later than December 31st of

the calendar year in which the vesting date occurs, subject to the provisions of the following bullets, if applicable. No interest shall be paid with respect to any such payments made pursuant to this Section 9.2.

- In the event that the vesting date pursuant to Section 8(i) or Section 8(ii)(b) is the date on which the performance adjustment determinations pursuant to Sections 6 and 7 with respect to the applicable Tranche are final or that the vesting date pursuant to Section 8(i) is the date as of which any suspension imposed pursuant to Section 5.5 is lifted, payment will be made no later than the earlier of (a) 30 days after the vesting date and (b) December 31st of the calendar year in which the vesting date occurs.
- Where vesting occurs pursuant to Section 8(ii)(a) upon Grantee's death, payment will be made no later than December 31st of the calendar year in which Grantee's death occurred or, if later, the 15th day of the 3rd calendar month following the date of Grantee's death.

(b) Form of Payout. Payment in settlement of such outstanding vested Payout Share Units will be made at the applicable time set forth in Section 9.2(a) above either by delivery to Grantee of that number of whole shares of PNC common stock equal to the number of outstanding vested Payout Share Units being settled or as otherwise provided in Section 11, as applicable.

No fractional shares will be delivered to Grantee. If the outstanding vested Payout Share Units being settled include a fractional interest, such fractional interest will be eliminated by rounding down to the nearest whole share unit.

Accrued performance-adjusted Dividend Equivalents that vested pursuant to the provisions of Section 8(i) or 8(ii) will be settled by payment to Grantee in cash at the same time as the time set forth in Section 9.2(a) above for payment of the vested performance-adjusted Performance RSUs to which they relate.

Delivery of shares and/or other payment pursuant to the Award will not be made unless and until all applicable tax withholding requirements with respect to such payment have been satisfied.

(c) Disputes. If there is a dispute regarding payment of a final award amount, PNC will settle the undisputed portion of the award amount, if any, within the time frame set forth above in this Section 9.2, and will settle any remaining portion as soon as practicable after such dispute is finally resolved but in any event within the time period permitted under Section 409A of the U.S. Internal Revenue Code.

9.3 Settlement Where Vesting Occurs On or After a Change of Control.

(a) Payout Timing. Payment will be made to Grantee in settlement of outstanding vested Payout Share Units and vested related performance-adjusted Dividend Equivalents that vested on or after a Change of Control at the time set forth in Section 8(i) or (ii) as applicable.

(b) Form of Payment. Payment in settlement of such outstanding vested Payout Share Units will be made at the applicable time set forth in Section 9.3(a) above, generally, all in cash, and will be made in an amount equal to the number of vested Payout Share Units determined in accordance with Sections 6, 7 and 8 for the Tranche being settled multiplied by the Fair Market Value (as defined in Section 15) of a share of PNC common stock on the date of the Change of Control or by the per share value provided pursuant to Section 11 as applicable.

The related Dividend Equivalents base amount will be an amount equivalent to the amount of the cash dividends Grantee would have received, without interest on or reinvestment of such amounts, had Grantee been the record holder of a number of issued and outstanding shares of PNC common stock equal to the number of vested Payout Share Units for that Tranche for the period beginning on the Award Grant Date and up to the date of the Change of Control, subject to adjustment if any pursuant to Section 11.

(c) Disputes. If there is a dispute regarding payment of a final award amount, PNC will settle the undisputed portion of the award amount, if any, within the time frame set forth in the applicable subsection of Section 9.3(a), and will settle any remaining portion as soon as practicable after such dispute is finally resolved but in any event within the time period permitted under Section 409A of the U.S. Internal Revenue Code.

10. No Rights as Shareholder Until Issuance of Shares.

Grantee will have no rights as a shareholder of PNC by virtue of this Award unless and until shares of PNC stock are issued and delivered in settlement of outstanding vested performance-adjusted Performance RSUs pursuant to Section 9.

11. Capital Adjustments.

11.1 Except as otherwise provided in Section 11.2, if applicable, if corporate transactions such as stock dividends, stock splits, spin-offs, split-offs, recapitalizations, mergers, consolidations or reorganizations of or by PNC ("Corporate Transactions") occur prior to the time, if any, that outstanding vested Performance RSUs and related Dividend Equivalents are settled and paid, the Compensation Committee or its delegate shall make those adjustments, if any, in the number, class or kind of Performance RSUs and related Dividend Equivalents then outstanding under the Award that it deems appropriate in its discretion to reflect Corporate Transactions such that the rights of Grantee are neither enlarged nor diminished as a result of such Corporate Transactions,

including without limitation (a) measuring the value per share unit of any share-denominated award amount authorized for payment to Grantee pursuant to Section 9 by reference to the per share value of the consideration payable to a PNC common shareholder in connection with such Corporate Transactions and (b) authorizing payment of the entire value of any award amount authorized for payment to Grantee pursuant to Section 9 to be paid in cash at the applicable time specified in Section 9.

All determinations hereunder shall be made by the Compensation Committee or its delegate in its sole discretion and shall be final, binding and conclusive for all purposes on all parties, including without limitation Grantee.

11.2 Upon the occurrence of a Change of Control, (a) the number, class and kind of Performance RSUs and related Dividend Equivalents then outstanding under the Award will automatically be adjusted to reflect the same changes as are made to outstanding shares of PNC common stock generally, (b) the value per share unit to be used in calculating the amount described in Section 9.3(b) of any award that is awarded to Grantee in accordance with Section 9.3(a) will be measured by reference to the per share value of the consideration payable to a PNC common shareholder in connection with such Corporate Transaction or Transactions if applicable, and (c) if the effect of the Corporate Transaction or Transactions on a PNC common shareholder is to convert that shareholder's holdings into consideration that does not consist solely (other than as to a minimal amount) of shares of PNC common stock, then the entire value of any payment to be made to Grantee pursuant to Section 9 will be made solely in cash at the applicable time specified by Section 9.

12. Prohibitions Against Sale, Assignment, *etc.*; Payment to Legal Representative.

(a) Performance RSUs and related Dividend Equivalents may not be sold, assigned, transferred, exchanged, pledged, or otherwise alienated or hypothecated.

(b) If Grantee is deceased at the time any outstanding vested Performance RSUs and Dividend Equivalents are settled and paid in accordance with the terms of Section 9, such delivery of shares and/or other payment shall be made to the executor or administrator of Grantee's estate or to Grantee's other legal representative as determined in good faith by PNC.

(c) Any delivery of shares or other payment made in good faith by PNC to Grantee's executor, administrator or other legal representative, or retained by PNC for taxes pursuant to Section 13, shall extinguish all right to payment hereunder.

13. Withholding Taxes.

Where all applicable withholding tax obligations have not previously been satisfied, PNC will, at the time any such obligation arises in connection herewith, retain an amount sufficient to satisfy the minimum amount of taxes then required to be withheld

by the Corporation in connection therewith from amounts then payable hereunder to Grantee or, if none, from other compensation then payable to Grantee, or as otherwise determined by PNC.

Unless the Compensation Committee or other PNC Designated Person determines otherwise, the Corporation will retain whole shares of PNC common stock from any amounts then payable to Grantee hereunder, or pursuant to any other outstanding Restricted Share Units previously awarded to Grantee under the Plan **("Prior Awards")**, in the form of shares of PNC common stock, and will withhold cash from any amounts then payable to Grantee hereunder that are settled in cash.

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

For purposes of this Section 13, shares of PNC common stock retained to satisfy applicable withholding tax requirements will be valued at their Fair Market Value (as defined in Section 15) on the date the tax withholding obligation arises.

If Grantee desires to have an additional amount withheld above the required minimum, up to Grantee's W-4 obligation if higher, and if PNC so permits, Grantee may elect to satisfy this additional withholding by payment of cash. The Corporation will not retain Shares for this purpose. If Grantee's W-4 obligation does not exceed the required minimum withholding in connection herewith, no additional withholding may be made.

14. Employment.

Neither the awarding of the Performance RSUs and related Dividend Equivalents nor any payment with respect to such Award authorized hereunder nor any term or provision of the Award Agreement shall constitute or be evidence of any understanding, expressed or implied, on the part of PNC or any subsidiary to employ Grantee for any period or in any way alter Grantee's status as an employee at will.

15. Certain Definitions.

Except where the context otherwise indicates, the following definitions apply for purposes of the Agreement.

15.1 "Agreement" or "Award Agreement" means the Corporate Executive Group 2015 Performance-Based Stock-Payable Restricted Share Units Award Agreement between PNC and Grantee evidencing the Performance RSUs and related Dividend Equivalents award granted to Grantee pursuant to the Plan.

15.2 "Annual Corporate Performance Factor," "Annual Tier 1 Risk-Based Performance Factor," "Annual Risk Performance Review," "Annual Risk Review Performance Factor," and "overall Annual Performance Factor" have the meanings set forth in Section 6.

15.3 "Anticipatory Termination." If Grantee's employment with the Corporation is terminated by the Corporation other than for Cause as defined in this Section 15.3, death or Disability prior to the date on which a Change of Control occurs, and if it is reasonably demonstrated by Grantee that such termination of employment (i) was at the request of a third party that has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control, such a termination of employment is an **"Anticipatory Termination."**

For purposes of this Section 15.3 (and for a termination of employment with the Corporation after a Change of Control), "**Cause**" shall mean:

(a) the willful and continued failure of Grantee to substantially perform Grantee's duties with the Corporation (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to Grantee by the Board or the CEO that specifically identifies the manner in which the Board or the CEO believes that Grantee has not substantially performed Grantee's duties; or

(b) the willful engaging by Grantee in illegal conduct or gross misconduct that is materially and demonstrably injurious to PNC or any of its subsidiaries.

For purposes of the preceding clauses (a) and (b), no act or failure to act, on the part of Grantee, shall be considered willful unless it is done, or omitted to be done, by Grantee in bad faith and without reasonable belief that Grantee's action or omission was in the best interests of the Corporation. Any act, or failure to act, based upon the instructions or prior approval of the Board, the CEO or Grantee's superior or based upon the advice of counsel for the Corporation, shall be conclusively presumed to be done, or omitted to be done, by Grantee in good faith and in the best interests of the Corporation.

The cessation of employment of Grantee will be *deemed* to be a termination of Grantee's employment with the Corporation for Cause for purposes of this Section 15.3 only if and when there shall have been delivered to Grantee, as part of the notice of Grantee's termination, a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board, at a Board meeting called and held for the purpose of considering such termination, finding on the basis of clear and convincing evidence that, in the good faith opinion of the Board, Grantee is guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail. Such resolution shall be adopted only after (i) reasonable notice of such Board meeting is provided to Grantee, together with written notice that PNC believes that Grantee is guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail, and (ii) Grantee is given an opportunity, together with counsel, to be heard before the Board.

15.4 "Award;" "Award Grant Date."

"Award" means the Performance RSUs and related Dividend Equivalents award granted to Grantee pursuant to the Plan and evidenced by the Agreement.

"Award Grant Date" means the Award Grant Date set forth on page 1 of the Agreement.

15.5 "Board" means the Board of Directors of PNC.

15.6 "Cause" and "termination for Cause."

Except as otherwise required by Section 15.3, **"Cause"** means:

(a) the willful and continued failure of Grantee to substantially perform Grantee's duties with the Corporation (other than any such failure resulting from incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to Grantee by PNC that specifically identifies the manner in which it is believed that Grantee has not substantially performed Grantee's duties;

(b) a material breach by Grantee of (1) any code of conduct of PNC or any code of conduct of a subsidiary of PNC that is applicable to Grantee or (2) other written policy of PNC or other written policy of a subsidiary of PNC that is applicable to Grantee, in either case required by law or established to maintain compliance with applicable law;

(c) any act of fraud, misappropriation, material dishonesty, or embezzlement by Grantee against PNC or any of its subsidiaries or any client or customer of PNC or any of its subsidiaries;

(d) any conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or entry by Grantee into a pre-trial disposition with respect to, the commission of a felony; or

(e) entry of any order against Grantee, by any governmental body having regulatory authority with respect to the business of PNC or any of its subsidiaries, that relates to or arises out of Grantee's employment or other service relationship with the Corporation.

The cessation of employment of Grantee will be deemed to have been a termination of Grantee's employment with the Corporation for Cause for purposes of the Agreement only if and when PNC, by PNC's CEO or his or her designee (or, if Grantee is the CEO, the Board), determines that Grantee is guilty of conduct described in clause (a), (b) or (c) above or that an event described in clause (d) or (e) above has occurred with respect to Grantee and, if so, determines that the termination of Grantee's employment with the Corporation will be deemed to have been for Cause.

15.7 "CEO" means the chief executive officer of PNC.

15.8 "Change of Control" means:

(a) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended **(the "Exchange Act")) (a "Person")** becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then-outstanding shares of common stock of PNC **(the "Outstanding PNC Common Stock")** or (B) the combined voting power of the then-outstanding voting securities of PNC entitled to vote generally in the election of directors **(the "Outstanding PNC Voting Securities")**; *provided, however,* that, for purposes of this Section 15.8(a), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from PNC, (2) any acquisition by PNC, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by PNC or any company controlled by, controlling or under common control with PNC **(an "Affiliated Company")**, (4) any acquisition pursuant to an Excluded Combination (as defined in Section 15.8(c)) or (5) an acquisition of beneficial ownership representing between 20% and 40%, inclusive, of the Outstanding PNC Voting Securities or Outstanding PNC Common Stock shall not be considered a Change of Control if the Incumbent Board as of immediately prior to any such acquisition approves such acquisition either prior to or immediately after its occurrence;

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

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving PNC or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of PNC, or the acquisition of assets or stock of another entity by PNC or any of its subsidiaries (each, **a "Business Combination"**), excluding, however, a Business Combination following which all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock (or, for a non-corporate

entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns PNC or all or substantially all of PNC's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities, as the case may be (such a Business Combination, **an "Excluded Combination"**); or

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

15.9 "Compensation Committee" or "Committee" means the Personnel and Compensation Committee of the Board or such person or persons as may be designated or appointed by that committee as its delegate or designee.

15.10 "Competitive Activity."

"Competitive Activity" while Grantee is an employee of the Corporation means any participation in, employment by, ownership of any equity interest exceeding one percent (1%) in, or promotion or organization of, any Person other than PNC or any of its subsidiaries (1) engaged in business activities similar to some or all of the business activities of PNC or any subsidiary or (2) engaged in business activities that Grantee knows PNC or any subsidiary intends to enter within the next twelve (12) months, in either case whether Grantee is acting as agent, consultant, independent contractor, employee, officer, director, investor, partner, shareholder, proprietor or in any other individual or representative capacity therein.

"Competitive Activity" on or after Grantee's Termination Date means any participation in, employment by, ownership of any equity interest exceeding one percent (1%) in, or promotion or organization of, any Person other than PNC or any of its subsidiaries (a) engaged in business activities similar to some or all of the business activities of PNC or any subsidiary as of Grantee's Termination Date or (b) engaged in business activities that Grantee knows PNC or any subsidiary intends to enter within the first twelve (12) months after Grantee's Termination Date or, if later and if applicable, after the date specified in subsection (a), clause (ii) of the definition of Detrimental Conduct in Section 15.13, in either case whether Grantee is acting as agent, consultant, independent contractor, employee, officer, director, investor, partner, shareholder, proprietor or in any other individual or representative capacity therein.

For purposes of Competitive Activity as defined in this Section 15.10, and for purposes of the definition of competitive activity in any other PNC restricted share unit or in any PNC restricted stock, stock option, or other equity-based award or awards held by Grantee, however, the term subsidiary or subsidiaries shall not include companies in which the Corporation holds an interest pursuant to its merchant banking authority.

15.11 "Consolidated Subsidiary" means a corporation, bank, partnership, business trust, limited liability company or other form of business organization that (1) is a consolidated subsidiary of PNC under U.S. generally accepted accounting principles and (2) satisfies the definition of "service recipient" under Section 409A of the U.S. Internal Revenue Code.

15.12 "Corporation" means PNC and its Consolidated Subsidiaries.

15.13 "Detrimental Conduct" means:

(a) Grantee has engaged, without the prior written consent of PNC (with consent to be given or withheld at PNC's sole discretion), in any Competitive Activity as defined in Section 15.10 in the continental United States at any time during the period of Grantee's employment with the Corporation and extending through (and including) the first (1st) anniversary of the later of (i) Grantee's Termination Date and, if different, (ii) the first date after Grantee's Termination Date as of which Grantee ceases to have a service relationship with the Corporation;

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

(c) any conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or any entry by Grantee into a pre-trial disposition with respect to, the commission of a felony that relates to or arises out of Grantee's employment or other service relationship with the Corporation.

Grantee will be deemed to have engaged in Detrimental Conduct for purposes of the Agreement only if and when the Compensation Committee or other PNC Designated Person, as applicable, determines that Grantee has engaged in conduct described in clause (a) or clause (b) above or that an event described in clause (c) above has occurred with respect to Grantee and, if so, (1) determines in its sole discretion that Grantee will be deemed to have engaged in Detrimental Conduct for purposes of the Agreement and (2) determines in its sole discretion to cancel all or a specified portion of the Performance RSUs that have not yet vested in accordance with Section 8 and of the Dividend Equivalents related to such Performance RSUs on the basis of such determination that Grantee has engaged in Detrimental Conduct.

15.14 "Disabled" or "Disability" means, except as may otherwise be required by Section 409A of the U.S. Internal Revenue Code, that Grantee either (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months,

receiving (and has received for at least three months) income replacement benefits under any Corporation-sponsored disability benefit plan. If Grantee has been determined to be eligible for U.S. Social Security disability benefits, Grantee shall be presumed to be Disabled as defined herein.

15.15 "Dividend Equivalents" means the opportunity to receive dividend equivalents granted to Grantee pursuant to the Plan in connection with the Performance RSUs to which they relate and evidenced by the Award Agreement.

15.16 "Fair Market Value" as it relates to a share of PNC common stock as of any given date means (a) the reported closing price on the New York Stock Exchange (or such successor reporting system as PNC may select) for a share of PNC common stock on such date, or, if no PNC common stock trades have been reported on such exchange for that day, such closing price on the next preceding day for which there were reported trades or, if the Committee has so acted, (b) fair market value as determined using such other reasonable method adopted by the Committee in good faith for such purpose that uses actual transactions in PNC common stock as reported by a national securities exchange or the Nasdaq National Market, provided that such method is consistently applied. When determining Fair Market Value under this Award or any currently outstanding award under the Plan held by Grantee, the Fair Market Value will be rounded to the nearest cent.

15.17 "GAAP" or "U.S. generally accepted accounting principles" means accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

Grantee's mental or physical incapacity following the occurrence of an event described above in clauses (a) through (e) shall not affect Grantee's ability to terminate employment for Good Reason, and Grantee's death following delivery of a notice of termination for Good Reason shall not affect Grantee's estate's entitlement to severance payments benefits provided hereunder upon a termination of employment for Good Reason.

15.19 "Grantee" means the person to whom the Performance RSUs with related Dividend Equivalents award is granted, and is identified as Grantee on page 1 of the Agreement.

15.20 "Internal Revenue Code" or "U.S. Internal Revenue Code" means the United States Internal Revenue Code of 1986 as amended, and the rules and regulations promulgated thereunder.

15.21 "Payout Percentage" has the meaning specified in Section 7.

15.22 "Payout Share Units" and "vested Payout Share Units" have the meanings specified in Sections 7 and 8. **"Payout Share Units"** are the outstanding performance-adjusted number of Performance RSUs calculated in accordance with Section 7 that are eligible to vest in accordance with Section 8 provided that all of the other conditions for vesting are met. **"Vested Payout Share Units"** are outstanding performance-adjusted Performance RSUs that have vested in accordance with Section 8.

15.23 "Performance RSUs" means the share-denominated award opportunity of the number of restricted share units specified as the Share Units on page 1 of the Agreement, subject to capital adjustments pursuant to Section 11 if any, granted to Grantee pursuant to the Plan and evidenced by the Agreement.

15.24 "Person" has the meaning specified in the definition of Change of Control in Section 15.8(a).

15.25 "Plan" means The PNC Financial Services Group, Inc. 2006 Incentive Award Plan as amended from time to time.

15.26 "PNC" means The PNC Financial Services Group, Inc.

15.27 "PNC Designated Person" or "Designated Person" will be: (a) the Compensation Committee or its delegate if Grantee is (or was when Grantee ceased to be an employee of the Corporation) either a member of the Corporate Executive Group (or equivalent successor classification) or subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to PNC securities (or both); or (b) the Compensation Committee, the CEO, or the Chief Human Resources Officer of PNC, or any other individual or group as may be designated by one of the foregoing to act as Designated Person for purposes of the Agreement.

15.28 "Prior Awards" has the meaning set forth in Section 13.

15.29 "Qualifying Retirement," "Qualifying Disability Termination," and "Qualifying Anticipatory Termination" have the respective meaning specified in Section 5.3(iii), Section 5.3(iv), or Section 5.3(v), as the case may be.

15.30 "Retires" or "Retirement." Grantee **"Retires"** if Grantee's employment with the Corporation terminates at any time and for any reason (other than termination by reason of Grantee's death or by the Corporation for Cause and, if the Committee or the CEO or his or her designee so determines prior to such divestiture, other than by reason of termination in connection with a divestiture of assets or a divestiture of one or more subsidiaries of the Corporation) on or after the first date on which Grantee has both attained at least age fifty-five (55) and completed five (5) years of service, where a year of service is determined in the same manner as the determination of a year of vesting service calculated under the provisions of The PNC Financial Services Group, Inc. Pension Plan.

If Grantee **"Retires"** as defined herein, the termination of Grantee's employment with the Corporation is sometimes referred to as**"Retirement"** and such Grantee's Termination Date is sometimes also referred to as Grantee's **"Retirement Date."**

15.31 "Risk Performance Review Criteria" has the meaning specified in Section 6.3(c).

15.32 "ROEC" for a given performance year will be calculated as earnings for the applicable performance year, divided by average economic capital for the same calendar year, calculated to two places to the right of the decimal, rounded to the nearest hundredth with 0.005 being rounded upward to 0.01.

Earnings. Earnings will mean PNC's publicly-reported earnings for the applicable calendar year adjusted, on an after-tax basis, for the impact of the items set forth under the heading "Earnings Adjustments" below.

Economic Capital. Economic capital will mean total economic capital for PNC on a consolidated basis as that term is used by PNC for its internal measurement purposes. Average economic capital for the applicable calendar year will mean such average economic capital as calculated by PNC for internal purposes.

Earnings Adjustments. For purposes of calculating PNC's ROEC for a given performance year, publicly-reported earnings results for that year will be adjusted, on an after-tax basis, for the impact of any of the following where such impact occurs during the given year:

- extraordinary items (as such term is used under GAAP);
- items resulting from a change in tax law;
- discontinued operations;
- acquisition costs and merger integration costs;
- any costs or expense arising from specified Visa litigation (including Visa-litigation-related expenses/charges recorded for obligations to Visa with respect to the costs of specified litigation or the gains/reversal of expense recognized in connection with such obligations) and any other gains recognized on the redemption or sale of Visa shares as applicable;
- acceleration of the accretion of any remaining issuance discount in connection with the redemption of any preferred stock, and any other charges or benefits related to the redemption of trust preferred or other preferred securities; and
- the net impact on PNC of significant gains or losses related to BlackRock transactions (similar to the adjustment provided for in PNC's Incentive Performance Units awards in an earlier year to members of PNC's Corporate Executive Group that included adjusting 2009 results to exclude the 4th quarter 2009 gain related to BlackRock's acquisition of Barclays Global Investors).

15.33 "ROEC hurdle" has the meaning set forth in Section 6.3.

15.34 "SEC" means the United States Securities and Exchange Commission.

15.35 "Section 409A" means Section 409A of the U.S. Internal Revenue Code.

15.36 "Service relationship" or "having a service relationship with the Corporation" means being engaged by the Corporation in any capacity for which Grantee receives compensation from the Corporation, including but not limited to acting for compensation as an employee, consultant, independent contractor, officer, director or advisory director.

15.37 "Share" means a share of PNC common stock.

15.38 "Termination Date" means Grantee's last date of employment with the Corporation. If Grantee is employed by a Consolidated Subsidiary that ceases to be a subsidiary of PNC or ceases to be a consolidated subsidiary of PNC under U.S. generally accepted accounting principles and Grantee does not continue to be employed by PNC or a Consolidated Subsidiary, then for purposes of the Agreement, Grantee's employment with the Corporation terminates effective at the time this occurs.

15.39 "Tranche" and "First, Second, Third or Fourth Tranche" have the meanings set forth in Section 3.

15.40 "TSR Performance" has the meaning set forth in Section 6.1.

16. Grantee Covenants.

16.1 General. Grantee and PNC acknowledge and agree that Grantee has received adequate consideration with respect to enforcement of the provisions of Sections 16 and 17 by virtue of receiving this Performance RSUs and Dividend Equivalents award (regardless of whether such share units and dividend equivalents, or any portion thereof, ultimately vest and settle); that such provisions are reasonable and properly required for the adequate protection of the business of PNC and its subsidiaries; and that enforcement of such provisions will not prevent Grantee from earning a living.

16.2 Non-Solicitation; No-Hire. Grantee agrees to comply with the provisions of subsections (a) and (b) of this Section 16.2 while employed by the Corporation and for a period of one year after Grantee's Termination Date regardless of the reason for such termination of employment.

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

(b) No-Hire. Grantee shall not, directly or indirectly, either for Grantee's own benefit or purpose or for the benefit or purpose of any Person other than PNC or any of its subsidiaries, employ or offer to employ, call on, or actively interfere with PNC's or any subsidiary's relationship with, or attempt to divert or entice away, any employee of PNC or any of its subsidiaries, nor shall Grantee assist any other Person in such activities.

Notwithstanding the above, if Grantee's employment with the Corporation is terminated by the Corporation and such termination is an Anticipatory Termination, then

commencing immediately after such Termination Date, the provisions of subsections (a) and (b) of this Section 16.2 shall no longer apply and shall be replaced with the following subsection (c):

(c) No-Hire. Grantee agrees that Grantee shall not, for a period of one year after Grantee's Termination Date, employ or offer to employ, solicit, actively interfere with PNC's or any PNC affiliate's relationship with, or attempt to divert or entice away, any officer of PNC or any PNC affiliate.

16.3 Confidentiality. During Grantee's employment with the Corporation, and thereafter regardless of the reason for termination of such employment, Grantee shall not disclose or use in any way any confidential business or technical information or trade secret acquired in the course of such employment, all of which is the exclusive and valuable property of the Corporation whether or not conceived of or prepared by Grantee, other than (a) information generally known in the Corporation's industry or acquired from public sources, (b) as required in the course of employment by the Corporation, (c) as required by any court, supervisory authority, administrative agency or applicable law, or (d) with the prior written consent of PNC.

16.4 Ownership of Inventions. Grantee shall promptly and fully disclose to PNC any and all inventions, discoveries, improvements, ideas or other works of inventorship or authorship, whether or not patentable, that have been or will be conceived and/or reduced to practice by Grantee during the term of Grantee's employment with the Corporation, whether alone or with others, and that are (a) related directly or indirectly to the business or activities of PNC or any of its subsidiaries or (b) developed with the use of any time, material, facilities or other resources of PNC or any subsidiary **("Developments")**. Grantee agrees to assign and hereby does assign to PNC or its designee all of Grantee's right, title and interest, including copyrights and patent rights, in and to all Developments. Grantee shall perform all actions and execute all instruments that PNC or any subsidiary shall deem necessary to protect or record PNC's or its designee's interests in the Developments. The obligations of this Section 16.4 shall be performed by Grantee without further compensation and shall continue beyond Grantee's Termination Date.

17. Enforcement Provisions. Grantee understands and agrees to the following provisions regarding enforcement of the Agreement.

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

17.2 Equitable Remedies. A breach of the provisions of any of Sections 16.2, 16.3 or 16.4 will cause the Corporation irreparable harm, and the Corporation will therefore be entitled to issuance of immediate, as well as permanent, injunctive relief restraining Grantee, and each and every person and entity acting in concert or participating with Grantee, from initiation and/or continuation of such breach.

17.3 Tolling Period. If it becomes necessary or desirable for the Corporation to seek compliance with the provisions of Section 16.2 by legal proceedings, the period during which Grantee shall comply with said provisions will extend for a period of twelve (12) months from the date the Corporation institutes legal proceedings for injunctive or other relief.

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

17.5 Severability. The restrictions and obligations imposed by Sections 16.2, 16.3, 16.4, 17.1 and 17.7 are separate and severable, and it is the intent of Grantee and PNC that if any restriction or obligation imposed by any of these provisions is deemed by a court of competent jurisdiction to be void for any reason whatsoever, the remaining provisions, restrictions and obligations shall remain valid and binding upon Grantee.

17.6 Reform. In the event any of Sections 16.2, 16.3 and 16.4 are determined by a court of competent jurisdiction to be unenforceable because unreasonable either as to length of time or area to which said restriction applies, it is the intent of Grantee and PNC that said court reduce and reform the provisions thereof so as to apply the greatest limitations considered enforceable by the court.

17.7 Waiver of Jury Trial. Each of Grantee and PNC hereby waives any right to trial by jury with regard to any suit, action or proceeding under or in connection with any of Sections 16.2, 16.3 and 16.4.

17.8 Compliance with U.S. Internal Revenue Code Section 409A. It is the intention of the parties that the Award and the Agreement comply with the provisions of Section 409A of the U.S. Internal Revenue Code to the extent, if any, that such provisions are applicable to the Agreement, and the Agreement will be administered by PNC in a manner consistent with this intent.

If any payments or benefits hereunder may be deemed to constitute nonconforming deferred compensation subject to taxation under the provisions of Section 409A of the U.S. Internal Revenue Code, Grantee agrees that PNC may, without the consent of Grantee, modify the Agreement and the Award to the extent and in the manner PNC deems necessary or advisable or take such other action or actions, including

an amendment or action with retroactive effect, that PNC deems appropriate in order either to preclude any such payments or benefits from being deemed "deferred compensation" within the meaning of Section 409A of the U.S. Internal Revenue Code or to provide such payments or benefits in a manner that complies with the provisions of Section 409A of the U.S. Internal Revenue Code such that they will not be taxable thereunder.

17.9 Applicable Law; Clawback, Adjustment or Recoupment. Notwithstanding anything in the Agreement, PNC will not be required to comply with any term, covenant or condition of the Agreement if and to the extent prohibited by law, including but not limited to Federal banking and securities regulations, or as otherwise directed by one or more regulatory agencies having jurisdiction over PNC or any of its subsidiaries.

Further, to the extent applicable to Grantee, the Award, and any right to receive and retain any Shares or other value pursuant to the Award, shall be subject to rescission, cancellation or recoupment, in whole or in part, if and to the extent so provided under PNC's Incentive Compensation Adjustment and Clawback Policy, as in effect from time to time with respect to the Award, or any other applicable clawback, adjustment or similar policy in effect on or established after the Award Grant Date and to any clawback or recoupment that may be required by applicable law or regulation.

17.10 Subject to the Plan and Interpretations. In all respects the Award and the Agreement are subject to the terms and conditions of the Plan, which has been made available to Grantee and is incorporated herein by reference; *provided, however,* the terms of the Plan shall not be considered an enlargement of any benefits under the Agreement. Further, the Award and the Agreement are subject to any interpretation of, and any rules and regulations issued by, the Compensation Committee, or its delegate or under the authority of the Compensation Committee, whether made or issued before or after the Award Grant Date.

17.11 Headings; Entire Agreement. Headings used in the Agreement are provided for reference and convenience only, shall not be considered part of the Agreement, and shall not be employed in the construction of the Agreement. The Agreement constitutes the entire agreement between Grantee and PNC with respect to the subject matters addressed herein, and supersedes all other discussions, negotiations, correspondence, representations, understandings and agreements between the parties concerning the subject matters hereof.

17.12 Modification. Modifications or adjustments to the terms of this Agreement may be made by PNC as permitted in accordance with the Plan or as provided for in this Agreement. No other modification of the terms of this Agreement shall be effective unless embodied in a separate, subsequent writing signed by Grantee and by an authorized representative of PNC.

18. Acceptance of Award; PNC Right to Cancel; Effectiveness of Agreement.

If Grantee does not accept the Award by executing and delivering a copy of the Agreement to PNC, without altering or changing the terms thereof in any way, within 30 days of receipt by Grantee of a copy of the Agreement, PNC may, in its sole discretion, withdraw its offer and cancel the Award at any time prior to Grantee's delivery to PNC of an unaltered and unchanged copy of the Agreement so executed by Grantee. Otherwise, upon such execution and delivery of the Agreement by both PNC and Grantee, the Agreement is effective as of the Award Grant Date.

IN WITNESS WHEREOF, PNC has caused the Agreement to be signed on its behalf as of the Award Grant Date.

THE PNC FINANCIAL SERVICES GROUP, INC.

By: /s/ William S. Demchak

Chief Executive Officer

ATTEST:

By: /s/ Christi Davis

Corporate Secretary

ACCEPTED AND AGREED TO by GRANTEE

_____

Grantee

THE PNC FINANCIAL SERVICES GROUP, INC.
2006 INCENTIVE AWARD PLAN

* * *

SELECT SENIOR LEADERS
2015 STOCK-PAYABLE
PERFORMANCE RESTRICTED SHARE UNITS
AWARD AGREEMENT

* * *

GRANTEE:	**[Name]**
AWARD GRANT DATE:	**February 13, 2015**
SHARE UNITS:	**[Whole number of share units]**

1. Definitions.

Certain terms used in this Select Senior Leaders 2015 Stock-Payable Performance Restricted Share Units Award Agreement **(the "Agreement" or "Award Agreement")** are defined in Section 15 or elsewhere in the Agreement, and such definitions will apply except where the context otherwise indicates.

In the Agreement, **"PNC"** means The PNC Financial Services Group, Inc., **"Corporation"** means PNC and its Consolidated Subsidiaries, and **"Plan"** means The PNC Financial Services Group, Inc. 2006 Incentive Award Plan as amended from time to time.

2. Performance RSUs with Related Dividend Equivalents Award.

Pursuant to the Plan and subject to the terms and conditions of the Award Agreement, PNC grants to the Grantee named above **("Grantee")** a share-denominated award opportunity of restricted share units **("Performance RSUs")** of the number of share units set forth above, together with the opportunity to receive related dividend equivalents to the extent provided herein **("Dividend Equivalents")**, payable in cash, with respect to those share units **(together, the "Award")**. The Award is subject to acceptance by Grantee in accordance with Section 18 and is subject to the terms and conditions of the Award Agreement, including service, conduct and other conditions, corporate performance, risk performance and other adjustments, and forfeiture provisions, and to the Plan.

3. Terms of Award.

For the purpose of determining service, conduct and other conditions, performance and other adjustments, forfeitures, and other conditions and provisions applicable to each portion of the Performance RSUs and related Dividend Equivalents under the Award Agreement, the Award is divided into four installments or tranches.

This includes the provisions set forth in Section 4 related to Dividend Equivalents and the provisions set forth in Sections 5, 6 and 7 relating to (1) specified service conditions and service-related forfeiture provisions, (2) specified conduct-related and other forfeiture, adjustment and suspension provisions, and (3) specified annual risk performance reviews, review criteria and conditions, and (4) performance-related adjustment provisions that subject the award payout size of each tranche that remains outstanding and satisfies the other applicable conditions for vesting of that tranche to a risk performance factor related to that tranche's risk performance year, where the risk performance factor may be 100.00% (*i.e.*, no downward payout size adjustment of that tranche for risk performance) or may be a risk performance factor of less than 100.00% ranging down to 0.00% (*i.e.*, a downward adjustment of the award payout size of the tranche for that year, up to the potential for full cancellation of a tranche for a risk performance factor related to that tranche's risk performance year of 0.00%).

The four Performance RSUs and related Dividend Equivalents tranches (each a **"Tranche"**), together with the performance year that relates to each such Tranche, are set forth below:

- one-fourth of the share units (rounded down to the nearest whole unit) are in the first tranche and will relate to 2015 risk performance (**"2015 Tranche" or "First Tranche"**);
- one-third of the remaining share units (rounded down to the nearest whole unit) are in the second tranche and will relate to 2016 risk performance (**"2016 Tranche" or "Second Tranche"**);
- one-half of the remaining share units (rounded down to the nearest whole unit) are in the third tranche and will relate to 2017 risk performance (**"2017 Tranche" or "Third Tranche"**); and
- the remainder of the share units are in the fourth tranche and will relate to 2018 risk performance (**"2018 Tranche" or "Fourth Tranche"**).

Performance RSUs and Dividend Equivalents are not transferable. The Performance RSUs and related Dividend Equivalents are subject to forfeiture and adjustment until vesting and are subject to downward risk performance and other adjustment from the initial number of share units, or share units to which they relate in the case of Dividend Equivalents, all in accordance with the terms of the Award Agreement.

Performance RSUs that are not forfeited pursuant to the service requirements or conduct or other provisions of Section 5 will be performance-adjusted in accordance with the risk performance adjustment provisions of Sections 6 and 7. If such performance-adjusted Performance RSUs are not cancelled as a result of the risk performance adjustments and satisfy the service requirements and other conditions for vesting and vest in accordance with the terms of Section 8, then they will be settled and paid out, generally in shares of PNC common stock, all pursuant to and in accordance with the terms of Section 9.

Dividend Equivalents will be accrued and will be subject to the same forfeiture, performance-adjustment, and vesting conditions as the Performance RSUs to which they relate. Outstanding performance-adjusted Dividend Equivalents that vest in accordance with Section 8 will be paid out in cash at the same time that their related outstanding vested Performance RSUs are settled and paid out, all in accordance with the terms of Section 9.

Performance RSUs that are forfeited by Grantee pursuant to and in accordance with the service, conduct or other provisions of Section 5, or that are subject to a full downward risk performance adjustment (that is, for any Tranche, if the risk performance metric results in an annual performance factor for that metric for that Tranche of 0.00% in accordance with the risk performance adjustment provisions of Sections 6 and 7), will be cancelled, together with the Dividend Equivalents that relate to those Performance RSUs, and therefore shall terminate, without payment of any consideration by PNC.

4. Dividend Equivalents.

The Dividend Equivalents portion of a Tranche represents the opportunity to receive a payout in cash of an amount equal to the cash dividends that would have been paid, without interest or reinvestment, between the Award Grant Date and the vesting date for that Tranche on the number of shares of PNC common stock determined as specified below had such shares been issued and outstanding shares on the Award Grant Date and thereafter through the vesting date for that Tranche. The specified number for purposes of the preceding sentence will be the number equal to the number of outstanding risk performance-adjusted number of share units that become Payout Share Units (as defined in Section 7) and vest in accordance with Section 8 with respect to the related Performance RSUs in that same Tranche, if any.

Dividend Equivalents are subject to the same service requirements, conduct and other conditions, forfeiture events, risk performance-based and other payout size adjustments, and vesting conditions as the Performance RSUs to which they relate, all as set forth in Sections 5, 6, 7 and 8. Dividend Equivalents will not vest, be settled and paid unless and until their related Performance RSUs vest, are settled, and are paid out. Outstanding accrued performance-adjusted Dividend Equivalents that so vest and settle will be paid in cash in accordance with Section 9.

5. Forfeiture Provisions: Termination Upon Failure to Meet Applicable Service, Conduct or Other Conditions

5.1 Termination Upon Forfeiture of Units. The Award is subject to the forfeiture provisions set forth in this Section 5. The Award will terminate with respect to any Tranche or Tranches or specified portion thereof, as the case may be, of Performance RSUs and related Dividend Equivalents upon forfeiture and cancellation of such Tranche or Tranches, or specified portion thereof, of Performance RSUs and related Dividend Equivalents pursuant to the terms and conditions of this Section 5, and neither Grantee nor any successors, heirs, assigns or legal representatives of Grantee will thereafter have any further rights or interest in either the Performance RSUs or the related Dividend Equivalents evidenced by the Award Agreement with respect to that Tranche or those Tranches, or specified portion thereof, as applicable.

5.2 Forfeiture Upon Failure to Meet Service Requirements. If, at the time Grantee ceases to be employed by the Corporation, Grantee has failed to meet the service requirements set forth in this Section 5 with respect to one or more Tranches of Performance RSUs and related Dividend Equivalents, then all outstanding Performance RSUs that have so failed to meet such service requirements, together with the Dividend Equivalents related to such Tranche or Tranches of Performance RSUs, will be forfeited by Grantee to PNC and cancelled without payment of any consideration by PNC as of Grantee's Termination Date (as defined in Section 15).

5.3 Service Requirements. Grantee will meet the service requirements with respect to the Performance RSUs and related Dividend Equivalents, or applicable Tranche thereof if so specified, if Grantee meets the conditions of any of the subclauses below. If more than one of the following subclauses is applicable with respect to those Performance RSUs and related Dividend Equivalents, Grantee will have met the service requirements for such Performance RSUs and related Dividend Equivalents upon the first to occur of such conditions.

(i) Grantee continues to be an employee of the Corporation through and including the day immediately preceding the 1st, 2nd, 3rd, or 4th anniversary of the Award Grant Date, as the case may be, with respect to the First, Second, Third, or Fourth Tranche of the Performance RSUs and related Dividend Equivalents, as applicable.

(ii) Grantee ceases to be an employee of the Corporation by reason of Grantee's death.

(iii) Grantee continues to be an employee of the Corporation until Grantee's Termination Date where Grantee's employment was not terminated by the Corporation for Cause (as defined in Section 15.6) and where Grantee's termination of employment as of such date qualifies as a Retirement (as defined in Section 15) **(a "Qualifying Retirement")**.

(iv) Grantee continues to be an employee of the Corporation until Grantee's Termination Date where Grantee's employment was not terminated by the Corporation for Cause and where Grantee's employment was terminated as of such date by the Corporation by reason of Grantee's Disability (as defined in Section 15) **(a "Qualifying Disability Termination")**.

(v) Grantee continues to be an employee of the Corporation until Grantee's Termination Date where Grantee's employment was terminated as of such date by the Corporation and such termination is an Anticipatory Termination (as defined in Section 15) **(a "Qualifying Anticipatory Termination")**.

(vi) Grantee continues to be an employee of the Corporation, including any successor entity (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Corporation, after a Change of Control (as defined in Section 15), and where Grantee's employment with the Corporation is terminated thereafter without Cause (as defined in Section 15.3) or Grantee leaves employment with the Corporation thereafter for Good Reason.

5.4 Forfeiture Upon Termination for Cause or Pursuant to Detrimental Conduct Provisions

(a) Termination for Cause. In the event that Grantee's employment with the Corporation is terminated by the Corporation (i) for Cause (as defined in Section 15.6) prior to the 4th anniversary of the Award Grant Date and prior to a Change of Control, if any, or (ii) for Cause (as defined in Section 15.3) after a Change of Control and prior to the 4th anniversary of the Award Grant Date, then all then outstanding unvested Performance RSUs, together with all accrued Dividend Equivalents related to such then outstanding unvested Performance RSUs, will be forfeited by Grantee to PNC and cancelled without payment of any consideration by PNC as of Grantee's Termination Date.

(b) Detrimental Conduct. At any time prior to the date that such Performance RSUs and related Dividend Equivalents vest in accordance with Section 8 or expire unvested or are cancelled pursuant to other provisions of the Award Agreement, Performance RSUs and related Dividend Equivalents, or specified portion thereof, will be forfeited by Grantee to PNC and cancelled, without payment of any consideration by PNC, on the date and to the extent that PNC determines in its sole discretion to so cancel all or a specified portion of the Performance RSUs and related Dividend Equivalents on the basis of its determination that Grantee has engaged in Detrimental Conduct as set forth in Section 15.13, whether such determination is made during the period of

Grantee's employment with the Corporation or after Grantee's Termination Date; *provided, however,* that (i) no determination that Grantee has engaged in Detrimental Conduct may be made on or after the date of Grantee's death (other than with respect to a Tranche, if any, that does not vest immediately upon death), and Detrimental Conduct will not apply to conduct by or activities of successors to the Performance RSUs and related Dividend Equivalents by will or the laws of descent and distribution in the event of Grantee's death; (ii) no determination that Grantee has engaged in Detrimental Conduct may be made between the time PNC enters into an agreement providing for a Change of Control and the time such agreement either terminates or results in a Change of Control, other than where such determination is based on or resulting from Grantee having committed Detrimental Conduct as described in Section 15.13(b) or in Section 15.13(c); and (iii) no determination that Grantee has engaged in Detrimental Conduct may be made after the occurrence of a Change of Control, other than where such determination is based on or resulting from Grantee having committed Detrimental Conduct as described in Section 15.13(b) or in Section 15.13(c).

5.5 Suspension and Forfeiture Related to Judicial Criminal Proceedings. If any criminal charges are brought against Grantee, in an indictment or in other analogous formal charges commencing judicial criminal proceedings, alleging the commission of a felony that relates to or arises out of Grantee's employment or other service relationship with the Corporation, then to the extent that the Performance RSUs and related Dividend Equivalents or any portion thereof are still outstanding and have not yet vested, the Compensation Committee (as defined in Section 15) may determine that the vesting of those Performance RSUs and related Dividend Equivalents shall be suspended.

Any such suspension of vesting shall continue until the earliest to occur of the following:

(1) resolution of the criminal proceedings in a manner that results in a conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or any entry by Grantee into a pre-trial disposition with respect to, the commission of a felony that relates to or arises out of Grantee's employment or other service relationship with the Corporation;

(2) resolution of the criminal proceedings in one of the following ways: (i) the charges as they relate to such alleged felony have been dismissed (with or without prejudice); (ii) Grantee has been acquitted of such alleged felony; or (iii) a criminal proceeding relating to such alleged felony has been completed without resolution (for example, as a result of a mistrial) and the relevant time period for recommencing criminal proceedings relating to such alleged felony has expired without any such recommencement; and

(3) Grantee's death.

If the suspension is terminated by the occurrence of an event set forth in clause (1) above, those Performance RSUs, together with all related Dividend

Equivalents, to the extent that such Performance RSUs and related Dividend Equivalents or any portion thereof are still outstanding, will, upon such occurrence, be automatically forfeited by Grantee to PNC, will not vest or be eligible to vest, and will be cancelled without payment of any consideration by PNC.

If the suspension is terminated by the occurrence of an event set forth in clause (2) or (3) above, then vesting of those Performance RSUs and related Dividend Equivalents shall proceed in accordance with Sections 5, 6, 7 and 8, as applicable. No interest shall be paid with respect to any suspended payments.

5.6 Clawback, Adjustment or Recoupment. Performance RSUs and related Dividend Equivalents shall be subject to rescission, cancellation or recoupment, in whole or in part, if and to the extent so provided under PNC's Incentive Compensation Adjustment and Clawback Policy, as in effect from time to time with respect to the Award, or any other applicable clawback, adjustment or similar policy in effect on or established after the Award Grant Date and to any clawback or recoupment that may be required by applicable law or regulation.

6. Risk Performance Conditions and Review; Risk Performance-Related Adjustments to Performance RSUs and Dividend Equivalents.

Performance RSUs and related Dividend Equivalents are subject to risk performance conditions and adjustments, all as set forth in the Award Agreement unless and until amended prospectively by the Compensation Committee.

All determinations made by the Compensation Committee or otherwise by PNC hereunder shall be made in its sole discretion and shall be final, binding and conclusive for all purposes on all parties, including without limitation Grantee.

6.1 Annual Risk Performance Factor. Each Tranche of the Award will be subject to an Annual Risk Review Performance Factor for the performance year applicable to that Tranche (*e.g.*, for the First Tranche, also referred to as the 2015 Tranche, the applicable risk performance relates to risk performance for calendar year 2015).

The Annual Risk Performance Factor for a Tranche could range from 100.00%, reflecting no downward adjustment for performance with respect to this risk metric for that performance year, to an Annual Risk Review Performance Factor reflecting a downward adjustment to a specified percentage amount for this Factor, to an Annual Risk Review Performance Factor of 0.00%, reflecting full cancellation of the applicable Tranche for risk performance, all as further provided in this Section 6.

In the standard circumstances where Grantee continues to be an employee of the Corporation (or where Grantee's employment with the Corporation ceases by reason of a Qualifying Retirement, a Qualifying Disability Termination, or a Qualifying Anticipatory

Termination) and there has not been a Change of Control and Grantee has not died, the Annual Risk Review Performance Factor with respect to an applicable outstanding Tranche will be determined as follows.

(1) If an Annual Risk Performance Review is not required with respect to the performance year that relates to the applicable Tranche by the Risk Performance Review Criteria set forth in Section 6.1(c) below as applicable for that performance year, then the Annual Risk Review Performance Factor for that Tranche will be 100.00%, effective as of the date it is determined that an Annual Risk Performance Review will not be conducted with respect to that performance year.

(2) If an Annual Risk Performance Review is triggered by the provisions of Section 6.3(c) and is conducted, as set forth in Section 6.1(b) below, with respect to the performance year that relates to the applicable Tranche, then the Annual Risk Review Performance Factor for that Tranche will be as determined by the Compensation Committee as part of such review, effective as of the Compensation Committee determination date, and will be in the range of 100.00% down to 0.00%.

(3) If the Compensation Committee-determined Annual Risk Review Performance Factor with respect to a given performance year is 0.00%, the Tranche that relates to that performance year, including all outstanding Performance RSUs in that Tranche together with the Dividend Equivalents related to such Performance RSUs, has failed to meet this risk performance condition, is no longer eligible for vesting, and will be forfeited by Grantee to PNC and cancelled without payment of any consideration by PNC, effective as of the Compensation Committee determination date.

For circumstances where Grantee dies while still an employee of the Corporation or following a Qualifying Retirement, a Qualifying Disability Termination, or a Qualifying Anticipatory Termination, or where there is a Change of Control, the Annual Risk Review Performance Factor with respect to an applicable outstanding Tranche will be determined as set forth in Section 6.2 below.

(b) Annual Risk Performance Review. In general, while the Award is outstanding an Annual Risk Performance Review will be conducted with respect to any performance year for which such review is triggered as set forth in Section 6.1(c) below. Any such determination in accordance with Section 6.1(c) that an Annual Risk Performance Review will be conducted with respect to a given performance year will generally be made shortly after the close of the applicable performance year, but no later than the 45th day following the close of such year.

When an Annual Risk Performance Review is required by Section 6.1(c) with respect to a given completed performance year, either by action of the Compensation Committee or because the specific performance metric-based review trigger is met, such review will be conducted shortly after the close of such calendar performance year but no later than the end of the first quarter following such close.

As part of such review, the Compensation Committee will consider whether, in its discretion, downward adjustment for risk performance with respect to the applicable performance year would be appropriate as applied to Grantee and, if so, will reflect such adjustment in the Annual Risk Review Performance Factor that will apply to the Tranche of Grantee's Performance RSUs and related Dividend Equivalents that relates to that performance year. An Annual Risk Review Performance Factor as determined by the Compensation Committee will be in the range of 100.00% down to 0.00%. A downward adjustment for risk performance would be reflected in an Annual Risk Review Performance Factor with respect to that performance year of less than 100.00%. A Factor of 0.00% would mean that the Tranche has failed to meet this risk performance condition, is no longer eligible for vesting, and will expire and terminate. Percentages will be rounded to the nearest one-hundredth, with 0.005 being rounded upward to 0.01, but in no event will an Annual Risk Review Performance Factor be greater than 100.00% or less than 0.00%.

If the Compensation Committee determines in its discretion that it would not be appropriate to apply a downward adjustment for risk performance for such performance year to Grantee's Performance RSUs and related Dividend Equivalents, that determination would be reflected in an Annual Risk Review Performance Factor for the Tranche that relates to that performance year of 100.00%.

(c) Risk Performance Review Criteria. Unless and until amended prospectively by the Compensation Committee, the Risk Performance Review Criteria for a given performance year are as set forth below.

An Annual Risk Performance Review is required with respect to a given performance year if triggered byany one or more of the following criteria: (1) the Compensation Committee requires a review in its discretion; (2) the specific business unit or enterprise level review trigger set forth in the following paragraph is met and that review trigger is applicable to Grantee because either (a) it is the review trigger that applies to Grantee based on Grantee's business unit or functional area as of the Award Grant Date and the Compensation Committee has not determined in its discretion to apply a different review trigger to Grantee for the given performance year or (b) the Compensation Committee has determined in its discretion to apply such specific business unit or enterprise level review trigger to Grantee for the specific performance year or years; or (3) PNC's return on economic capital, with specified adjustments ("ROEC"), is less than the applicable Compensation Committee-specified ROEC hurdle amount for that performance year. The specific business unit or enterprise level review trigger referenced in clause (2) above is PNC's Retail Banking segment reports a loss for the performance year.

If Grantee is assigned to the Retail Banking business unit as of the Award Grant Date, the Retail Banking business unit review trigger will be the one applicable to the Grantee unless and until the Compensation Committee determines otherwise in its discretion. If Grantee is not assigned to Retail Banking business unit as of the Award Grant Date, the specific review trigger applicable to Grantee will be the one that relates to PNC's ROEC relative to the applicable Compensation Committee-specified hurdle amount unless and until the Compensation Committee determines otherwise in its discretion.

For purposes of this Award Agreement, whether or not a specified business unit has a loss for a given performance year will be determined on the basis of the reported earnings or loss, as the case may be, of the reportable business segment that includes the results of such business unit, based on PNC's publicly reported financial results for that year.

For purposes of this Award Agreement, **"ROEC"** will have the meaning set forth in Section 15.32. The **"ROEC hurdle"** for a given risk performance year will be the risk performance hurdle specified for that performance year by the Compensation Committee no later than March 30th of that performance year for purposes of comparison of ROEC to such hurdle for this Award.

For the 2015 performance year, this hurdle as approved by the Compensation Committee is related to PNC's cost of capital and is set at 7.76%.

The hurdle for the 2015 performance year for purposes of comparison of ROEC to such hurdle for the Senior Leaders Program 2013 and 2014 Stock-Payable Performance Restricted Share Units awards is also set at 7.76%.

In the event that the Compensation Committee does not set an ROEC hurdle for a given risk performance year, the Review Committee will set such hurdle for purposes of this Award Agreement.

6.2 Annual Risk Performance Factors in the Event of Death or Change of Control

(a) Death. In the event that Grantee's employment with the Corporation ceases by reason of Grantee's death or Grantee dies following a Qualifying Retirement, a Qualifying Disability Termination, or a Qualifying Anticipatory Termination, in either case prior to the occurrence of a Change of Control, then with respect to any Tranche or Tranches that are outstanding at the time of Grantee's death: (i) the Annual Risk Performance Factor will be 100.00%, effective as of the date of death, with respect to any Tranche or Tranches that are outstanding at the time of Grantee's death other than the Tranche, if any, that is provided for in the following subclause (ii) in the circumstances described in that subclause; and (ii) if such death occurs after the close of a performance year but before the Tranche that relates to that performance year has either been performance-adjusted and vested or has been forfeited, as the case may be, then the Annual Risk Performance Factor with respect to such Tranche, if any, will be determined in the same manner and effective as of the same time as they would have been had Grantee remained an employee of the Corporation, provided that the Tranche remains outstanding at the applicable time.

In the event that Grantee dies following a Change of Control, the Annual Risk Performance Factor for any then outstanding Tranche or Tranches will remain the applicable Factors determined as provided in Section 6.2(b) below.

(b) Change of Control. In the event that Grantee continues to be an employee of the Corporation through the day immediately prior to the date a Change of Control occurs, or where Grantee ceased to be an employee of the Corporation prior to that time by reason of a Qualifying Retirement, a Qualifying Disability Termination, or a Qualifying Anticipatory Termination, and one or more Tranches remain outstanding through the day immediately prior to the date the Change of Control occurs, the Annual Performance Factor of any Tranche for which an Annual Performance Factor had not already been determined as of the day immediately preceding the date the Change of Control occurs will be determined as follows.

(i) By applying an Annual Risk Review Performance Factor that is the same as the Annual Risk Review Performance Factor for the most recent Tranche for which an Annual Risk Review Performance Factor had previously been determined in accordance with clause (1) or (2) of Section 6.1(a) above, as applicable, or, if none, will be 100.00%, all effective as of the day immediately preceding the date the Change of Control occurs.

In the event that a Change of Control occurs after Grantee's death, for any Tranche or Tranches where the Annual Performance Factor for such Tranche or Tranches was determined effective as of the date of death pursuant to Section 6.2(a)(i) above, any such Factors will remain as so provided in Section 6.2(a)(i), and for any Tranche where, pursuant to Section 6.2(a)(ii), the Annual Performance Factor is to be determined in the same manner and effective as of the same time as it would have been had Grantee remained an employee of the Corporation, the Annual Performance Factor will remain as previously determined if such determination had already been made as of the day immediately preceding the date the Change of Control occurs, and if not, the Risk Performance Factor for any such then outstanding Tranche will be determined as provided in this Section 6.2(b).

6.3 Overall Annual Performance Factor. The overall Annual Performance Factor is the Annual Risk Review Performance Factor as determined under Section 6.1 or 6.2 as applicable.

7. Performance-Related Adjustments to Performance RSUs and Dividend Equivalents.

7.1 Performance Adjustment of Outstanding Share Units. Once the overall Annual Performance Factor for a Tranche of Performance RSUs and related Dividend Equivalents has been determined in accordance with Section 6, and provided that the Tranche has not been cancelled pursuant to any of the forfeiture provisions of Section 5, the number of outstanding share units in that Tranche will be performance adjusted as applicable in accordance with this Section 7.

The performance-adjusted number of share units in a Tranche will be equal to a percentage of the initial share units in the Tranche that remain outstanding, rounded down to the nearest whole share unit, where the percentage to be applied is equal to the overall Annual Performance Factor for the performance year that relates to that Tranche (*e.g.*, for the First Tranche, the Annual Performance Factor for calendar year 2015) as determined in accordance with Section 6. Only the performance-adjusted share units in a Tranche are eligible to vest and be the basis of the settlement and payout of the Performance RSUs and related Dividend Equivalents in the Tranche in accordance with Sections 8 and 9 provided that all of the other conditions for vesting are satisfied, including the service condition.

The performance-adjusted Performance RSUs for a Tranche are sometimes referred to as the **"Payout Share Units"** for purposes of the vesting, where applicable, of that portion of the Tranche in accordance with Section 8. Only outstanding Payout Share Units are eligible to vest in accordance with Section 8, provided that all of the other conditions of the Award Agreement are met. The percentage applied to the share units for a given Tranche in order to arrive at the Payout Share Units is sometimes referred to as the **"Payout Percentage"** for that Tranche. After the Payout Percentage is applied, any fractional share unit will be eliminated by rounding down to the nearest whole share unit. The remaining whole share units will be the Payout Share Units.

Payout Share Units that remain outstanding and vest in accordance with Section 8 are sometimes referred to as vested Payout Share Units. Outstanding vested Payout Share Units are settled and paid out in accordance with Section 9.

Dividend Equivalents will be subject to the same performance adjustment and Payout Percentage that is applied to the Performance RSUs to which they relate.

7.2 Termination of Portions of Award Due to Performance Adjustments. The Performance RSUs in a Tranche that do not become Payout Share Units, together with the accrued Dividend Equivalents related to such Performance RSUs, will be cancelled; that is, only the performance-adjusted number of share units in the Tranche that remain outstanding and become Payout Share Units after the applicable risk performance adjustments and any other adjustments for that Tranche have been made will be eligible to vest and be the basis of the settlement and payout of the Performance RSUs and related Dividend Equivalents in the Tranche in accordance with Sections 8 and 9 provided that all of the other conditions for vesting are satisfied, including the service condition. Any remaining portion of the Tranche (as would be the case where the Payout Percentage for the Tranche was less than 100.00%) will be cancelled.

Dividend Equivalents that had accrued with respect to any Performance RSUs in a Tranche that do not become Payout Share Units and are cancelled will also be cancelled as Dividend Equivalents are subject to the same performance and other adjustments that are applied to the Performance RSUs to which they relate.

8. Vesting of Performance-Adjusted Share Units and Related Dividend Equivalents.

Grantee's outstanding Performance RSUs as performance-adjusted pursuant to the provisions of Sections 6 and 7 (the Payout Share Units) and related performance-adjusted Dividend Equivalents will vest (that is, become **"vested Payout Share Units"** and vested related performance-adjusted Dividend Equivalents) upon the earliest to occur of the events set forth in the subclauses below, provided that such Performance RSUs and related Dividend Equivalents have not been forfeited prior to such vesting event pursuant to any of the provisions of Section 5 or cancelled as a result of the risk performance adjustment provisions of Sections 6 and 7 and remain outstanding at that time:

(i) (a) the 1st anniversary of the Award Grant Date in the case of the First Tranche share units and related dividend equivalents, the 2nd anniversary of the Award Grant Date in the case of the Second Tranche share units and related dividend equivalents, the 3rd anniversary of the Award Grant Date in the case of the Third Tranche share units and related dividend equivalents, and the 4th anniversary of the Award Grant Date in the case of the Fourth Tranche share units and related dividend equivalents, as the case may be,

or, if later, (b) the date on which the performance adjustment determinations pursuant to Sections 6 and 7 with respect to the applicable Tranche are final (but no later than March 31st of the calendar year in which such anniversary occurs),

or, if later, (c) on the date as of which any suspension imposed with respect to those Performance RSUs and related Dividend Equivalents pursuant to Section 5.5 is lifted without forfeiture of such share units and related dividend equivalents and they vest, as applicable; and

(ii) in the event of Grantee's death,

(a) the date of Grantee's death with respect to any Tranche or Tranches as to which the overall Annual Performance Factor for such Tranche is determined effective as of the time of Grantee's death pursuant to Section 6.2(a)(i) and Section 6.3, and

(b) with respect to the Tranche, if any, for which the overall Annual Performance Factor is determined after Grantee's death pursuant to Section 6.2(a)(ii) and Section 6.3, at the same time and in the same manner as provided in Section 8(i)(a) or (b), as applicable, had Grantee remained an employee of the Corporation.

Performance RSUs and related Dividend Equivalents (1) that have been forfeited by Grantee pursuant to the service requirements or conduct or other provisions of

Section 5 or (2) that are part of the portion of a Tranche of Performance RSUs and related Dividend Equivalents that has been cancelled as a result of the performance-adjustment provisions of Sections 6 and 7 where the Payout Percentage for that Tranche was less than 100.00% or (3) that have been cancelled as a result of the application, pursuant to the provisions of Sections 6 and 7, of a Payout Percentage of 0.00% to the Tranche to which they relate, are not eligible for vesting, will not settle, and will be cancelled without payment of any consideration by PNC.

The period during which Dividend Equivalents will accrue with respect to an applicable Tranche of Performance RSUs will end, and such Dividend Equivalents will cease to accrue, on the vesting date for such Tranche of Performance RSUs in accordance with Section 8, or the end of the day immediately preceding the day a Change of Control occurs, or on the cancellation date for such Performance RSUs in accordance with Section 5, 6 or 7, as applicable.

Accrued performance-adjusted Dividend Equivalents that vest in connection with the vesting of the performance-adjusted Performance RSUs to which they relate (that is, the amount of dividend equivalents for the period from the Award Grant Date through the vesting date on the number of related Performance RSUs that become Payout Share Units and vest) will be settled and paid out in accordance with Section 9.

Accrued Dividend Equivalents that fail to vest will be cancelled on the cancellation date for the Performance RSUs to which they relate in accordance with Section 5, 6 or 7, as applicable.

9. Settlement of Vested Performance-Adjusted Share Units and Related Dividend Equivalents.

9.1 Settlement. Outstanding performance-adjusted Performance RSUs (Payout Share Units) and related accrued performance-adjusted Dividend Equivalents that have vested pursuant to the provisions of Section 8 (vested Payout Share Units and vested related performance-adjusted Dividend Equivalents) will be paid out at the time and in the form set forth in the applicable subsection of this Section 9. Section 9.2 will apply where vesting occurs prior to a Change of Control, and Section 9.3 will apply where vesting occurs on or after a Change of Control.

A final award, if any, will be fully vested as of the applicable vesting date; therefore, any shares of PNC common stock issued pursuant to this Section 9 will be fully vested at the time of issuance. PNC will issue any such shares and deliver any cash payable pursuant to this Section 9 to, or at the proper direction of, Grantee or Grantee's legal representative, as determined in good faith by the Compensation Committee, at the applicable time specified in Section 9.2 or Section 9.3, as the case may be.

Delivery of shares and/or other payment pursuant to the Award will not be made unless and until all applicable tax withholding requirements with respect to such payment have been satisfied.

In the event that Grantee is deceased, payment will be delivered to the executor or administrator of Grantee's estate or to Grantee's other legal representative, as determined in good faith by the Compensation Committee.

9.2 Settlement Where Vesting Occurs Prior to Change of Control.

(a) Payout Timing. Payment will be made to Grantee in settlement of outstanding vested Payout Share Units and vested related performance-adjusted Dividend Equivalents that vested pursuant to Section 8(i) or Section 8(ii) as soon as practicable after the vesting date set forth in the applicable subclause of Section 8 for such units and related dividend equivalents, generally within 30 days but no later than December 31st of the calendar year in which the vesting date occurs, subject to the provisions of the following bullets, if applicable. No interest shall be paid with respect to any such payments made pursuant to this Section 9.2.

- In the event that the vesting date pursuant to Section 8(i) or Section 8(ii)(b) is the date on which the performance adjustment determinations pursuant to Sections 6 and 7 with respect to the applicable Tranche are final or that the vesting date pursuant to Section 8(i) is the date as of which any suspension imposed pursuant to Section 5.5 is lifted, payment will be made no later than the earlier of (a) 30 days after the vesting date and (b) December 31st of the calendar year in which the vesting date occurs.
- Where vesting occurs pursuant to Section 8(ii)(a) upon Grantee's death, payment will be made no later than December 31st of the calendar year in which Grantee's death occurred or, if later, the 15th day of the 3rd calendar month following the date of Grantee's death.

(b) Form of Payout. Payment in settlement of such outstanding vested Payout Share Units will be made at the applicable time set forth in Section 9.2(a) above either by delivery to Grantee of that number of whole shares of PNC common stock equal to the number of outstanding vested Payout Share Units being settled or as otherwise provided in Section 11, as applicable.

No fractional shares will be delivered to Grantee. If the outstanding vested Payout Share Units being settled include a fractional interest, such fractional interest will be eliminated by rounding down to the nearest whole share unit.

Accrued performance-adjusted Dividend Equivalents that vested pursuant to the provisions of Section 8(i) or 8(ii) will be settled by payment to Grantee in cash at the same time as the time set forth in Section 9.2(a) above for payment of the vested performance-adjusted Performance RSUs to which they relate.

Delivery of shares and/or other payment pursuant to the Award will not be made unless and until all applicable tax withholding requirements with respect to such payment have been satisfied.

(c) Disputes. If there is a dispute regarding payment of a final award amount, PNC will settle the undisputed portion of the award amount, if any, within the time frame set forth above in this Section 9.2, and will settle any remaining portion as soon as practicable after such dispute is finally resolved but in any event within the time period permitted under Section 409A of the U.S. Internal Revenue Code.

9.3 Settlement Where Vesting Occurs On or After a Change of Control.

(a) Payout Timing. Payment will be made to Grantee in settlement of outstanding vested Payout Share Units and vested related performance-adjusted Dividend Equivalents that vested on or after a Change of Control at the time set forth in Section 8(i) or (ii) as applicable.

(b) Form of Payment. Payment in settlement of such outstanding vested Payout Share Units will be made at the applicable time set forth in Section 9.3(a) above, generally, all in cash, and will be made in an amount equal to the number of vested Payout Share Units determined in accordance with Sections 6, 7 and 8 for the Tranche being settled multiplied by the Fair Market Value (as defined in Section 15) of a share of PNC common stock on the date of the Change of Control or by the per share value provided pursuant to Section 11 as applicable.

The related Dividend Equivalents base amount will be an amount equivalent to the amount of the cash dividends Grantee would have received, without interest on or reinvestment of such amounts, had Grantee been the record holder of a number of issued and outstanding shares of PNC common stock equal to the number of vested Payout Share Units for that Tranche for the period beginning on the Award Grant Date and up to the date of the Change of Control, subject to adjustment if any pursuant to Section 11.

(c) Disputes. If there is a dispute regarding payment of a final award amount, PNC will settle the undisputed portion of the award amount, if any, within the time frame set forth in the applicable subsection of Section 9.3(a), and will settle any remaining portion as soon as practicable after such dispute is finally resolved but in any event within the time period permitted under Section 409A of the U.S. Internal Revenue Code.

10. No Rights as Shareholder Until Issuance of Shares.

Grantee will have no rights as a shareholder of PNC by virtue of this Award unless and until shares of PNC stock are issued and delivered in settlement of outstanding vested performance-adjusted Performance RSUs pursuant to Section 9.

11. Capital Adjustments.

11.1 Except as otherwise provided in Section 11.2, if applicable, if corporate transactions such as stock dividends, stock splits, spin-offs,split-offs, recapitalizations, mergers, consolidations or reorganizations of or by PNC ("Corporate Transactions") occur prior to the time, if any, that outstanding vested Performance RSUs and related Dividend Equivalents are settled and paid, the Compensation Committee or its delegate shall make those adjustments, if any, in the number, class or kind of Performance RSUs and related Dividend Equivalents then outstanding under the Award that it deems appropriate in its discretion to reflect Corporate Transactions such that the rights of Grantee are neither enlarged nor diminished as a result of such Corporate Transactions, including without limitation (a) measuring the value per share unit of any share-denominated award amount authorized for payment to Grantee pursuant to Section 9 by reference to the per share value of the consideration payable to a PNC common shareholder in connection with such Corporate Transactions and (b) authorizing payment of the entire value of any award amount authorized for payment to Grantee pursuant to Section 9 to be paid in cash at the applicable time specified in Section 9.

All determinations hereunder shall be made by the Compensation Committee or its delegate in its sole discretion and shall be final, binding and conclusive for all purposes on all parties, including without limitation Grantee.

11.2 Upon the occurrence of a Change of Control, (a) the number, class and kind of Performance RSUs and related Dividend Equivalents then outstanding under the Award will automatically be adjusted to reflect the same changes as are made to outstanding shares of PNC common stock generally, (b) the value per share unit to be used in calculating the amount described in Section 9.3(b) of any award that is awarded to Grantee in accordance with Section 9.3(a) will be measured by reference to the per share value of the consideration payable to a PNC common shareholder in connection with such Corporate Transaction or Transactions if applicable, and (c) if the effect of the Corporate Transaction or Transactions on a PNC common shareholder is to convert that shareholder's holdings into consideration that does not consist solely (other than as to a minimal amount) of shares of PNC common stock, then the entire value of any payment to be made to Grantee pursuant to Section 9 will be made solely in cash at the applicable time specified by Section 9.

12. Prohibitions Against Sale, Assignment, *etc.*; Payment to Legal Representative.

(a) Performance RSUs and related Dividend Equivalents may not be sold, assigned, transferred, exchanged, pledged, or otherwise alienated or hypothecated.

(b) If Grantee is deceased at the time any outstanding vested Performance RSUs and Dividend Equivalents are settled and paid in accordance with the terms of Section 9, such delivery of shares and/or other payment shall be made to the executor or administrator of Grantee's estate or to Grantee's other legal representative as determined in good faith by PNC.

(c) Any delivery of shares or other payment made in good faith by PNC to Grantee's executor, administrator or other legal representative, or retained by PNC for taxes pursuant to Section 13, shall extinguish all right to payment hereunder.

13. Withholding Taxes.

Where all applicable withholding tax obligations have not previously been satisfied, PNC will, at the time any such obligation arises in connection herewith, retain an amount sufficient to satisfy the minimum amount of taxes then required to be withheld by the Corporation in connection therewith from amounts then payable hereunder to Grantee or, if none, from other compensation then payable to Grantee, or as otherwise determined by PNC.

Unless the Compensation Committee determines otherwise, the Corporation will retain whole shares of PNC common stock from any amounts then payable to Grantee hereunder, or pursuant to any other outstanding Restricted Share Units previously awarded to Grantee under the Plan **("Prior Awards")**, in the form of shares of PNC common stock, and will withhold cash from any amounts then payable to Grantee hereunder that are settled in cash.

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

For purposes of this Section 13, shares of PNC common stock retained to satisfy applicable withholding tax requirements will be valued at their Fair Market Value (as defined in Section 15) on the date the tax withholding obligation arises.

If Grantee desires to have an additional amount withheld above the required minimum, up to Grantee's W-4 obligation if higher, and if PNC so permits, Grantee may elect to satisfy this additional withholding by payment of cash. The Corporation will not retain Shares for this purpose. If Grantee's W-4 obligation does not exceed the required minimum withholding in connection herewith, no additional withholding may be made.

14. Employment.

Neither the awarding of the Performance RSUs and related Dividend Equivalents nor any payment with respect to such Award authorized hereunder nor any term or provision of the Award Agreement shall constitute or be evidence of any understanding, expressed or implied, on the part of PNC or any subsidiary to employ Grantee for any period or in any way alter Grantee's status as an employee at will.

15. Certain Definitions.

Except where the context otherwise indicates, the following definitions apply for purposes of the Agreement.

15.1 "Agreement" or "Award Agreement" means the Select Senior Leaders 2015 Stock-Payable Performance Restricted Share Units Award Agreement between PNC and Grantee evidencing the Performance RSUs and related Dividend Equivalents award granted to Grantee pursuant to the Plan.

15.2 "Annual Risk Performance Review," "Annual Risk Review Performance Factor," and "overall Annual Performance Factor" have the meanings set forth in Section 6.

15.3 "Anticipatory Termination." If Grantee's employment with the Corporation is terminated by the Corporation other than for Cause as defined in this Section 15.3, death or Disability prior to the date on which a Change of Control occurs, and if it is reasonably demonstrated by Grantee that such termination of employment (i) was at the request of a third party that has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control, such a termination of employment is an **"Anticipatory Termination."**

For purposes of this Section 15.3 (and for a termination of employment with the Corporation after a Change of Control), "**Cause**" shall mean:

(a) the willful and continued failure of Grantee to substantially perform Grantee's duties with the Corporation (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to Grantee by the Board or the CEO that specifically identifies the manner in which the Board or the CEO believes that Grantee has not substantially performed Grantee's duties; or

(b) the willful engaging by Grantee in illegal conduct or gross misconduct that is materially and demonstrably injurious to PNC or any of its subsidiaries.

For purposes of the preceding clauses (a) and (b), no act or failure to act, on the part of Grantee, shall be considered willful unless it is done, or omitted to be done, by Grantee in bad faith and without reasonable belief that Grantee's action or omission was in the best interests of the Corporation. Any act, or failure to act, based upon the instructions or prior approval of the Board, the CEO or Grantee's superior or based upon the advice of counsel for the Corporation, shall be conclusively presumed to be done, or omitted to be done, by Grantee in good faith and in the best interests of the Corporation.

The cessation of employment of Grantee will be *deemed* to be a termination of Grantee's employment with the Corporation for Cause for purposes of this Section 15.3 only if and when there shall have been delivered to Grantee, as part of the notice of Grantee's termination, a copy of a resolution duly adopted by the affirmative vote of not

less than a majority of the entire membership of the Board, at a Board meeting called and held for the purpose of considering such termination, finding on the basis of clear and convincing evidence that, in the good faith opinion of the Board, Grantee is guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail. Such resolution shall be adopted only after (i) reasonable notice of such Board meeting is provided to Grantee, together with written notice that PNC believes that Grantee is guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail, and (ii) Grantee is given an opportunity, together with counsel, to be heard before the Board.

15.4 "Award;" "Award Grant Date."

"Award" means the Performance RSUs and related Dividend Equivalents award granted to Grantee pursuant to the Plan and evidenced by the Agreement.

"Award Grant Date" means the Award Grant Date set forth on page 1 of the Agreement.

15.5 "Board" means the Board of Directors of PNC.

15.6 "Cause" and "termination for Cause."

Except as otherwise required by Section 15.3, **"Cause"** means:

(a) the willful and continued failure of Grantee to substantially perform Grantee's duties with the Corporation (other than any such failure resulting from incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to Grantee by PNC that specifically identifies the manner in which it is believed that Grantee has not substantially performed Grantee's duties;

(b) a material breach by Grantee of (1) any code of conduct of PNC or any code of conduct of a subsidiary of PNC that is applicable to Grantee or (2) other written policy of PNC or other written policy of a subsidiary of PNC that is applicable to Grantee, in either case required by law or established to maintain compliance with applicable law;

(c) any act of fraud, misappropriation, material dishonesty, or embezzlement by Grantee against PNC or any of its subsidiaries or any client or customer of PNC or any of its subsidiaries;

(d) any conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or entry by Grantee into a pre-trial disposition with respect to, the commission of a felony; or

(e) entry of any order against Grantee, by any governmental body having regulatory authority with respect to the business of PNC or any of its subsidiaries, that relates to or arises out of Grantee's employment or other service relationship with the Corporation.

The cessation of employment of Grantee will be deemed to have been a termination of Grantee's employment with the Corporation for Cause for purposes of the Agreement only if and when PNC, by PNC's CEO or his or her designee (or, if Grantee is the CEO, the Board), determines that Grantee is guilty of conduct described in clause (a), (b) or (c) above or that an event described in clause (d) or (e) above has occurred with respect to Grantee and, if so, determines that the termination of Grantee's employment with the Corporation will be deemed to have been for Cause.

15.7 "CEO" means the chief executive officer of PNC.

15.8 "Change of Control" means:

(a) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended **(the "Exchange Act")**) **(a "Person")** becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then-outstanding shares of common stock of PNC **(the "Outstanding PNC Common Stock")** or (B) the combined voting power of the then-outstanding voting securities of PNC entitled to vote generally in the election of directors **(the "Outstanding PNC Voting Securities")**; *provided, however,* that, for purposes of this Section 15.8(a), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from PNC, (2) any acquisition by PNC, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by PNC or any company controlled by, controlling or under common control with PNC **(an "Affiliated Company")**, (4) any acquisition pursuant to an Excluded Combination (as defined in Section 15.8(c)) or (5) an acquisition of beneficial ownership representing between 20% and 40%, inclusive, of the Outstanding PNC Voting Securities or Outstanding PNC Common Stock shall not be considered a Change of Control if the Incumbent Board as of immediately prior to any such acquisition approves such acquisition either prior to or immediately after its occurrence;

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

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving PNC or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of PNC, or the acquisition of assets or stock of another entity by PNC or any of its subsidiaries (each, **a "Business Combination"**), excluding, however, a Business Combination following which all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns PNC or all or substantially all of PNC's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities, as the case may be (such a Business Combination, **an "Excluded Combination"**); or

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

15.9 "Compensation Committee" or "Committee" means the Personnel and Compensation Committee of the Board or such person or persons as may be designated or appointed by that committee as its delegate or designee.

15.10 "Competitive Activity."

"Competitive Activity" while Grantee is an employee of the Corporation means any participation in, employment by, ownership of any equity interest exceeding one percent (1%) in, or promotion or organization of, any Person other than PNC or any of its subsidiaries (1) engaged in business activities similar to some or all of the business activities of PNC or any subsidiary or (2) engaged in business activities that Grantee knows PNC or any subsidiary intends to enter within the next twelve (12) months, in either case whether Grantee is acting as agent, consultant, independent contractor, employee, officer, director, investor, partner, shareholder, proprietor or in any other individual or representative capacity therein.

"Competitive Activity" on or after Grantee's Termination Date means any participation in, employment by, ownership of any equity interest exceeding one percent (1%) in, or promotion or organization of, any Person other than PNC or any of its subsidiaries (a) engaged in business activities similar to some or all of the business activities of PNC or any subsidiary as of Grantee's Termination Date or (b) engaged in business activities that Grantee knows PNC or any subsidiary intends to enter within the first twelve (12) months after Grantee's Termination Date or, if later and if applicable, after the date specified in subsection (a), clause (ii) of the definition of Detrimental

Conduct in Section 15.13, in either case whether Grantee is acting as agent, consultant, independent contractor, employee, officer, director, investor, partner, shareholder, proprietor or in any other individual or representative capacity therein.

For purposes of Competitive Activity as defined in this Section 15.10, and for purposes of the definition of competitive activity in any other PNC restricted share unit or in any PNC restricted stock, stock option, or other equity-based award or awards held by Grantee, however, the term subsidiary or subsidiaries shall not include companies in which the Corporation holds an interest pursuant to its merchant banking authority.

15.11 "Consolidated Subsidiary" means a corporation, bank, partnership, business trust, limited liability company or other form of business organization that (1) is a consolidated subsidiary of PNC under U.S. generally accepted accounting principles and (2) satisfies the definition of "service recipient" under Section 409A of the U.S. Internal Revenue Code.

15.12 "Corporation" means PNC and its Consolidated Subsidiaries.

15.13 "Detrimental Conduct" means:

(a) Grantee has engaged, without the prior written consent of PNC (with consent to be given or withheld at PNC's sole discretion), in any Competitive Activity as defined in Section 15.10 in the continental United States at any time during the period of Grantee's employment with the Corporation and extending through (and including) the first (1st) anniversary of the later of (i) Grantee's Termination Date and, if different, (ii) the first date after Grantee's Termination Date as of which Grantee ceases to have a service relationship with the Corporation;

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

(c) any conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or any entry by Grantee into a pre-trial disposition with respect to, the commission of a felony that relates to or arises out of Grantee's employment or other service relationship with the Corporation.

Grantee will be deemed to have engaged in Detrimental Conduct for purposes of the Agreement only if and when the Compensation Committee determines that Grantee has engaged in conduct described in clause (a) or clause (b) above or that an event described in clause (c) above has occurred with respect to Grantee and, if so, (1) determines in its sole discretion that Grantee will be deemed to have engaged in Detrimental Conduct for purposes of the Agreement and (2) determines in its sole discretion to cancel all or a specified portion of the Performance RSUs that have not yet vested in accordance with Section 8 and of the Dividend Equivalents related to such Performance RSUs on the basis of such determination that Grantee has engaged in Detrimental Conduct.

15.14 "Disabled" or "Disability" means, except as may otherwise be required by Section 409A of the U.S. Internal Revenue Code, that Grantee either (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving (and has received for at least three months) income replacement benefits under any Corporation-sponsored disability benefit plan. If Grantee has been determined to be eligible for U.S. Social Security disability benefits, Grantee shall be presumed to be Disabled as defined herein.

15.15 "Dividend Equivalents" means the opportunity to receive dividend equivalents granted to Grantee pursuant to the Plan in connection with the Performance RSUs to which they relate and evidenced by the Award Agreement.

15.16 "Fair Market Value" as it relates to a share of PNC common stock as of any given date means (a) the reported closing price on the New York Stock Exchange (or such successor reporting system as PNC may select) for a share of PNC common stock on such date, or, if no PNC common stock trades have been reported on such exchange for that day, such closing price on the next preceding day for which there were reported trades or, if the Committee has so acted, (b) fair market value as determined using such other reasonable method adopted by the Committee in good faith for such purpose that uses actual transactions in PNC common stock as reported by a national securities exchange or the Nasdaq National Market, provided that such method is consistently applied. When determining Fair Market Value under this Award or any currently outstanding award under the Plan held by Grantee, the Fair Market Value will be rounded to the nearest cent.

15.17 "GAAP" or "U.S. generally accepted accounting principles" means accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

Grantee's mental or physical incapacity following the occurrence of an event described above in clauses (a) through (e) shall not affect Grantee's ability to terminate employment for Good Reason, and Grantee's death following delivery of a notice of termination for Good Reason shall not affect Grantee's estate's entitlement to severance payments benefits provided hereunder upon a termination of employment for Good Reason.

15.19 "Grantee" means the person to whom the Performance RSUs with related Dividend Equivalents award is granted, and is identified as Grantee on page 1 of the Agreement.

15.20 "Internal Revenue Code" or "U.S. Internal Revenue Code" means the United States Internal Revenue Code of 1986 as amended, and the rules and regulations promulgated thereunder.

15.21 "Payout Percentage" has the meaning specified in Section 7.

15.22 "Payout Share Units" and "vested Payout Share Units" have the meanings specified in Sections 7 and 8. **"Payout Share Units"** are the outstanding performance-adjusted number of Performance RSUs calculated in accordance with

Section 7 that are eligible to vest in accordance with Section 8 provided that all of the other conditions for vesting are met. **"Vested Payout Share Units"** are outstanding performance-adjusted Performance RSUs that have vested in accordance with Section 8.

15.23 "Performance RSUs" means the share-denominated award opportunity of the number of restricted share units specified as the Share Units on page 1 of the Agreement, subject to capital adjustments pursuant to Section 11 if any, granted to Grantee pursuant to the Plan and evidenced by the Agreement.

15.24 "Person" has the meaning specified in the definition of Change of Control in Section 15.8(a).

15.25 "Plan" means The PNC Financial Services Group, Inc. 2006 Incentive Award Plan as amended from time to time.

15.26 "PNC" means The PNC Financial Services Group, Inc.

15.27 [Reserved]

15.28 "Prior Awards" has the meaning set forth in Section 13.

15.29 "Qualifying Retirement," "Qualifying Disability Termination," and "Qualifying Anticipatory Termination" have the respective meaning specified in Section 5.3(iii), Section 5.3(iv), or Section 5.3(v), as the case may be.

15.30 "Retires" or "Retirement." Grantee **"Retires"** if Grantee's employment with the Corporation terminates at any time and for any reason (other than termination by reason of Grantee's death or by the Corporation for Cause and, if the Committee or the CEO or his or her designee so determines prior to such divestiture, other than by reason of termination in connection with a divestiture of assets or a divestiture of one or more subsidiaries of the Corporation) on or after the first date on which Grantee has both attained at least age fifty-five (55) and completed five (5) years of service, where a year of service is determined in the same manner as the determination of a year of vesting service calculated under the provisions of The PNC Financial Services Group, Inc. Pension Plan.

If Grantee **"Retires"** as defined herein, the termination of Grantee's employment with the Corporation is sometimes referred to as**"Retirement"** and such Grantee's Termination Date is sometimes also referred to as Grantee's **"Retirement Date."**

15.31 "Risk Performance Review Criteria" has the meaning specified in Section 6.1(c).

15.32 "ROEC" for a given performance year will be calculated as earnings for the applicable performance year, divided by average economic capital for the same calendar year, calculated to two places to the right of the decimal, rounded to the nearest hundredth with 0.005 being rounded upward to 0.01.

Earnings. Earnings will mean PNC's publicly-reported earnings for the applicable calendar year adjusted, on an after-tax basis, for the impact of the items set forth under the heading "Earnings Adjustments" below.

Economic Capital. Economic capital will mean total economic capital for PNC on a consolidated basis as that term is used by PNC for its internal measurement purposes. Average economic capital for the applicable calendar year will mean such average economic capital as calculated by PNC for internal purposes.

Earnings Adjustments. For purposes of calculating PNC's ROEC for a given performance year, publicly-reported earnings results for that year will be adjusted, on an after-tax basis, for the impact of any of the following where such impact occurs during the given year:

- extraordinary items (as such term is used under GAAP);
- items resulting from a change in tax law;
- discontinued operations;
- acquisition costs and merger integration costs;
- any costs or expense arising from specified Visa litigation (including Visa-litigation-related expenses/charges recorded for obligations to Visa with respect to the costs of specified litigation or the gains/reversal of expense recognized in connection with such obligations) and any other gains recognized on the redemption or sale of Visa shares as applicable;
- acceleration of the accretion of any remaining issuance discount in connection with the redemption of any preferred stock, and any other charges or benefits related to the redemption of trust preferred or other preferred securities; and
- the net impact on PNC of significant gains or losses related to BlackRock transactions (similar to the adjustment provided for in PNC's Incentive Performance Units awards in an earlier year to members of PNC's Corporate Executive Group that included adjusting 2009 results to exclude the 4th quarter 2009 gain related to BlackRock's acquisition of Barclays Global Investors).

15.33 "ROEC hurdle" has the meaning set forth in Section 6.1.

15.34 "SEC" means the United States Securities and Exchange Commission.

15.35 "Section 409A" means Section 409A of the U.S. Internal Revenue Code.

15.36 "Service relationship" or "having a service relationship with the Corporation" means being engaged by the Corporation in any capacity for which Grantee receives compensation from the Corporation, including but not limited to acting for compensation as an employee, consultant, independent contractor, officer, director or advisory director.

15.37 "Termination Date" means Grantee's last date of employment with the Corporation. If Grantee is employed by a Consolidated Subsidiary that ceases to be a subsidiary of PNC or ceases to be a consolidated subsidiary of PNC under U.S. generally accepted accounting principles and Grantee does not continue to be employed by PNC or a Consolidated Subsidiary, then for purposes of the Agreement, Grantee's employment with the Corporation terminates effective at the time this occurs.

15.38 "Tranche" and "First, Second, Third or Fourth Tranche" have the meanings set forth in Section 3.

16. Grantee Covenants.

16.1 General. Grantee and PNC acknowledge and agree that Grantee has received adequate consideration with respect to enforcement of the provisions of Sections 16 and 17 by virtue of receiving this Performance RSUs and Dividend Equivalents award (regardless of whether such share units and dividend equivalents, or any portion thereof, ultimately vest and settle); that such provisions are reasonable and properly required for the adequate protection of the business of PNC and its subsidiaries; and that enforcement of such provisions will not prevent Grantee from earning a living.

16.2 Non-Solicitation; No-Hire. Grantee agrees to comply with the provisions of subsections (a) and (b) of this Section 16.2 while employed by the Corporation and for a period of one year after Grantee's Termination Date regardless of the reason for such termination of employment.

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

(b) No-Hire. Grantee shall not, directly or indirectly, either for Grantee's own benefit or purpose or for the benefit or purpose of any Person other than PNC or any of its subsidiaries, employ or offer to employ, call on, or actively interfere with PNC's or any subsidiary's relationship with, or attempt to divert or entice away, any employee of PNC or any of its subsidiaries, nor shall Grantee assist any other Person in such activities.

Notwithstanding the above, if Grantee's employment with the Corporation is terminated by the Corporation and such termination is an Anticipatory Termination, then commencing immediately after such Termination Date, the provisions of subsections (a) and (b) of this Section 16.2 shall no longer apply and shall be replaced with the following subsection (c):

(c) No-Hire. Grantee agrees that Grantee shall not, for a period of one year after Grantee's Termination Date, employ or offer to employ, solicit, actively interfere with PNC's or any PNC affiliate's relationship with, or attempt to divert or entice away, any officer of PNC or any PNC affiliate.

16.3 Confidentiality. During Grantee's employment with the Corporation, and thereafter regardless of the reason for termination of such employment, Grantee shall not disclose or use in any way any confidential business or technical information or trade secret acquired in the course of such employment, all of which is the exclusive and valuable property of the Corporation whether or not conceived of or prepared by Grantee, other than (a) information generally known in the Corporation's industry or acquired from public sources, (b) as required in the course of employment by the Corporation, (c) as required by any court, supervisory authority, administrative agency or applicable law, or (d) with the prior written consent of PNC.

16.4 Ownership of Inventions. Grantee shall promptly and fully disclose to PNC any and all inventions, discoveries, improvements, ideas or other works of inventorship or authorship, whether or not patentable, that have been or will be conceived and/or reduced to practice by Grantee during the term of Grantee's employment with the Corporation, whether alone or with others, and that are (a) related directly or indirectly to the business or activities of PNC or any of its subsidiaries or (b) developed with the use of any time, material, facilities or other resources of PNC or any subsidiary **("Developments")**. Grantee agrees to assign and hereby does assign to PNC or its designee all of Grantee's right, title and interest, including copyrights and patent rights, in and to all Developments. Grantee shall perform all actions and execute all instruments that PNC or any subsidiary shall deem necessary to protect or record PNC's or its designee's interests in the Developments. The obligations of this Section 16.4 shall be performed by Grantee without further compensation and shall continue beyond Grantee's Termination Date.

17. Enforcement Provisions. Grantee understands and agrees to the following provisions regarding enforcement of the Agreement.

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

17.2 Equitable Remedies. A breach of the provisions of any of Sections 16.2, 16.3 or 16.4 will cause the Corporation irreparable harm, and the Corporation will therefore be entitled to issuance of immediate, as well as permanent, injunctive relief restraining Grantee, and each and every person and entity acting in concert or participating with Grantee, from initiation and/or continuation of such breach.

17.3 Tolling Period. If it becomes necessary or desirable for the Corporation to seek compliance with the provisions of Section 16.2 by legal proceedings, the period during which Grantee shall comply with said provisions will extend for a period of twelve (12) months from the date the Corporation institutes legal proceedings for injunctive or other relief.

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

17.5 Severability. The restrictions and obligations imposed by Sections 16.2, 16.3, 16.4, 17.1 and 17.7 are separate and severable, and it is the intent of Grantee and PNC that if any restriction or obligation imposed by any of these provisions is deemed by a court of competent jurisdiction to be void for any reason whatsoever, the remaining provisions, restrictions and obligations shall remain valid and binding upon Grantee.

17.6 Reform. In the event any of Sections 16.2, 16.3 and 16.4 are determined by a court of competent jurisdiction to be unenforceable because unreasonable either as to length of time or area to which said restriction applies, it is the intent of Grantee and PNC that said court reduce and reform the provisions thereof so as to apply the greatest limitations considered enforceable by the court.

17.7 Waiver of Jury Trial. Each of Grantee and PNC hereby waives any right to trial by jury with regard to any suit, action or proceeding under or in connection with any of Sections 16.2, 16.3 and 16.4.

17.8 Compliance with U.S. Internal Revenue Code Section 409A. It is the intention of the parties that the Award and the Agreement comply with the provisions of Section 409A of the U.S. Internal Revenue Code to the extent, if any, that such provisions are applicable to the Agreement, and the Agreement will be administered by PNC in a manner consistent with this intent.

If any payments or benefits hereunder may be deemed to constitute nonconforming deferred compensation subject to taxation under the provisions of Section 409A of the U.S. Internal Revenue Code, Grantee agrees that PNC may, without the consent of Grantee, modify the Agreement and the Award to the extent and in the manner PNC deems necessary or advisable or take such other action or actions, including an amendment or action with retroactive effect, that PNC deems appropriate in order

either to preclude any such payments or benefits from being deemed "deferred compensation" within the meaning of Section 409A of the U.S. Internal Revenue Code or to provide such payments or benefits in a manner that complies with the provisions of Section 409A of the U.S. Internal Revenue Code such that they will not be taxable thereunder.

17.9 Applicable Law; Clawback, Adjustment or Recoupment. Notwithstanding anything in the Agreement, PNC will not be required to comply with any term, covenant or condition of the Agreement if and to the extent prohibited by law, including but not limited to Federal banking and securities regulations, or as otherwise directed by one or more regulatory agencies having jurisdiction over PNC or any of its subsidiaries.

Further, to the extent applicable to Grantee, the Award, and any right to receive and retain any Shares or other value pursuant to the Award, shall be subject to rescission, cancellation or recoupment, in whole or in part, if and to the extent so provided under PNC's Incentive Compensation Adjustment and Clawback Policy, as in effect from time to time with respect to the Award, or any other applicable clawback, adjustment or similar policy in effect on or established after the Award Grant Date and to any clawback or recoupment that may be required by applicable law or regulation.

17.10 Subject to the Plan and Interpretations. In all respects the Award and the Agreement are subject to the terms and conditions of the Plan, which has been made available to Grantee and is incorporated herein by reference; *provided, however,* the terms of the Plan shall not be considered an enlargement of any benefits under the Agreement. Further, the Award and the Agreement are subject to any interpretation of, and any rules and regulations issued by, the Compensation Committee, or its delegate or under the authority of the Compensation Committee, whether made or issued before or after the Award Grant Date.

17.11 Headings; Entire Agreement. Headings used in the Agreement are provided for reference and convenience only, shall not be considered part of the Agreement, and shall not be employed in the construction of the Agreement. The Agreement constitutes the entire agreement between Grantee and PNC with respect to the subject matters addressed herein, and supersedes all other discussions, negotiations, correspondence, representations, understandings and agreements between the parties concerning the subject matters hereof.

17.12 Modification. Modifications or adjustments to the terms of this Agreement may be made by PNC as permitted in accordance with the Plan or as provided for in this Agreement. No other modification of the terms of this Agreement shall be effective unless embodied in a separate, subsequent writing signed by Grantee and by an authorized representative of PNC.

18. Acceptance of Award; PNC Right to Cancel; Effectiveness of Agreement.

If Grantee does not accept the Award by executing and delivering a copy of the Agreement to PNC, without altering or changing the terms thereof in any way, within 30 days of receipt by Grantee of a copy of the Agreement, PNC may, in its sole discretion, withdraw its offer and cancel the Award at any time prior to Grantee's delivery to PNC of an unaltered and unchanged copy of the Agreement so executed by Grantee. Otherwise, upon such execution and delivery of the Agreement by both PNC and Grantee, the Agreement is effective as of the Award Grant Date.

IN WITNESS WHEREOF, PNC has caused the Agreement to be signed on its behalf as of the Award Grant Date.

THE PNC FINANCIAL SERVICES GROUP, INC.

By: /s/ William S. Demchak

Chief Executive Officer

ATTEST:

By: /s/ Christi Davis

Corporate Secretary

ACCEPTED AND AGREED TO by GRANTEE

_____

Grantee

THE PNC FINANCIAL SERVICES GROUP, INC.
2006 INCENTIVE AWARD PLAN

* * *

SENIOR LEADERS PROGRAM
2015 STOCK-PAYABLE PERFORMANCE
RESTRICTED SHARE UNITS
AWARD AGREEMENT

* * *

GRANTEE:	**[Name]**
AWARD GRANT DATE:	**February 13, 2015**
SHARE UNITS:	**[Whole number of share units]**

1. Definitions.

Certain terms used in this Senior Leaders Program 2015 Stock-Payable Performance Restricted Share Units Award Agreement **(the "Agreement" or "Award Agreement")** are defined in Section 13 or elsewhere in the Agreement, and such definitions will apply except where the context otherwise indicates.

In the Agreement, **"PNC"** means The PNC Financial Services Group, Inc., **"Corporation"** means PNC and its Consolidated Subsidiaries, and **"Plan"** means The PNC Financial Services Group, Inc. 2006 Incentive Award Plan as amended from time to time.

2. Performance RSUs with Related Dividend Equivalents Award.

Pursuant to the Plan and subject to the terms and conditions of the Award Agreement, PNC grants to the Grantee named above **("Grantee")** a share-denominated award opportunity of restricted share units **("Performance RSUs")** of the number of share units set forth above, together with the opportunity to receive related dividend equivalents to the extent provided herein **("Dividend Equivalents")**, payable in cash, with respect to those share units **(together, the "Award")**. The Award is subject to acceptance by Grantee in accordance with Section 16 and is subject to the terms and conditions of the Award Agreement, including service, conduct and other conditions, risk performance and other adjustments, and forfeiture provisions, and to the Plan.

3. **Terms of Award**.

For the purpose of determining service, conduct and other conditions, performance and other adjustments, forfeitures, and other conditions and provisions applicable to each portion of the Performance RSUs and related Dividend Equivalents under the Award Agreement, the Award is divided into four installments or tranches.

This includes the provisions set forth in Section 4 related to Dividend Equivalents and the provisions set forth in Sections 5 and 6 relating to (1) specified service conditions and service-related forfeiture provisions, (2) specified conduct-related and other forfeiture, adjustment and suspension provisions, (3) specified annual risk performance reviews, review criteria and conditions, and (4) performance-related adjustment provisions that subject the award payout size of each tranche that remains outstanding and satisfies the other applicable conditions for vesting of that tranche to a risk performance factor related to that tranche's risk performance year, where the risk performance factor may be 100.00% (*i.e.*, no downward payout size adjustment of that tranche for risk performance) or may be a risk performance factor of less than 100.00% ranging down to 0.00% (*i.e.*, a downward adjustment of the award payout size of the tranche for that year, up to the potential for full cancellation of a tranche for a risk performance factor related to that tranche's risk performance year of 0.00%).

The four Performance RSUs and related Dividend Equivalents tranches (each a **"Tranche"**), together with the performance year that relates to each such Tranche, are set forth below:

- one-fourth of the share units (rounded down to the nearest whole unit) are in the first tranche and will relate to 2015 risk performance (**"2015 Tranche" or "First Tranche"**);
- one-third of the remaining share units (rounded down to the nearest whole unit) are in the second tranche and will relate to 2016 risk performance (**"2016 Tranche" or "Second Tranche"**);
- one-half of the remaining share units (rounded down to the nearest whole unit) are in the third tranche and will relate to 2017 risk performance (**"2017 Tranche" or "Third Tranche"**); and
- the remainder of the share units are in the fourth tranche and will relate to 2018 risk performance (**"2018 Tranche" or "Fourth Tranche"**).

Performance RSUs and Dividend Equivalents are not transferable. The Performance RSUs and related Dividend Equivalents are subject to forfeiture and adjustment pursuant to the terms and conditions of the Award Agreement until vesting in accordance with the terms of the Award Agreement, and are subject to downward adjustment of the number of share units, or share units to which they relate in the case of Dividend Equivalents, all in accordance with the provisions of Sections 5 and 6.

Performance RSUs that are not forfeited pursuant to the service requirements or conduct or other provisions of Section 5, and have a risk-performance adjustment factor and payout percentage determined in accordance with the terms of Section 6 of greater than 0.00%, will be performance-adjusted in accordance with the risk performance adjustment provisions of Section 6. If such performance-adjusted Performance RSUs satisfy the service requirements and other conditions for vesting and vest in accordance with the terms of Section 7.1, then they will be settled and paid out, generally in shares of PNC common stock, all pursuant to and in accordance with the terms of Sections 7.2 and 7.3.

Dividend Equivalents will be accrued and will be subject to the same forfeiture, performance-adjustment, and vesting conditions as the Performance RSUs to which they relate. Outstanding performance-adjusted Dividend Equivalents that vest in accordance with Section 7.1 will be paid out in cash at the same time that their related outstanding vested Performance RSUs are settled and paid out, all in accordance with the terms of Section 7.

Performance RSUs that are forfeited by Grantee pursuant to and in accordance with the service, conduct or other provisions of Section 5, or that are subject to a full downward risk performance adjustment (that is, a risk performance factor of 0.00%) in accordance with the risk performance adjustment provisions of Section 6, will be cancelled, together with the Dividend Equivalents that relate to those Performance RSUs, and therefore will terminate, without payment of any consideration by PNC.

4. Dividend Equivalents.

The Dividend Equivalents portion of a Tranche represents the opportunity to receive a payout in cash of an amount equal to the cash dividends that would have been paid, without interest or reinvestment, between the Award Grant Date and the vesting date for that Tranche on the number of shares of PNC common stock determined as specified below had such shares been issued and outstanding shares on the Award Grant Date and thereafter through the vesting date for that Tranche. The specified number for purposes of the preceding sentence will be the number equal to the number of outstanding risk performance-adjusted number of share units that become Payout Share Units (as defined in Section 6.5) and vest in accordance with Section 7 with respect to the related Performance RSUs in that same Tranche, if any.

Dividend Equivalents are subject to the same service requirements, conduct and other conditions, forfeiture events, vesting conditions, and risk performance-based and other payout size adjustments as the Performance RSUs to which they relate, all as set forth in Sections 5, 6 and 7. Dividend Equivalents will not vest, be settled and paid unless and until their related Performance RSUs vest, are settled, and are paid out. Outstanding accrued performance-adjusted Dividend Equivalents that so vest and settle will be paid in cash in accordance with Section 7.

5. Forfeiture Provisions: Termination Upon Failure to Meet Applicable Service, Conduct or Other Conditions

5.1 Termination Upon Forfeiture of Units. The Award is subject to the forfeiture provisions set forth in this Section 5. The Award will terminate with respect to any Tranche or Tranches or specified portion thereof, as the case may be, of Performance RSUs and related Dividend Equivalents upon forfeiture and cancellation of such Tranche or Tranches, or specified portion thereof, of Performance RSUs and related Dividend Equivalents pursuant to the terms and conditions of this Section 5, and neither Grantee nor any successors, heirs, assigns or legal representatives of Grantee will thereafter have any further rights or interest in either the Performance RSUs or the related Dividend Equivalents evidenced by the Award Agreement with respect to that Tranche or those Tranches, or specified portion thereof, as applicable.

5.2 Forfeiture Upon Failure to Meet Service Requirements. If, at the time Grantee ceases to be employed by the Corporation, Grantee has failed to meet the service requirements set forth in this Section 5 with respect to one or more Tranches of Performance RSUs and related Dividend Equivalents, then all outstanding Performance RSUs that have so failed to meet such service requirements, together with the Dividend Equivalents related to such Tranche or Tranches of Performance RSUs, will be forfeited by Grantee to PNC and cancelled without payment of any consideration by PNC as of Grantee's Termination Date (as defined in Section 13).

5.3 Service Requirements. Grantee will meet the service requirements with respect to the Performance RSUs and related Dividend Equivalents, or applicable Tranche thereof if so specified, if Grantee meets the conditions of any of the subclauses below. If more than one of the following subclauses is applicable with respect to those Performance RSUs and related Dividend Equivalents, Grantee will have met the service requirements for such Performance RSUs and related Dividend Equivalents upon the first to occur of such conditions.

(i) Grantee continues to be an employee of the Corporation through and including the day immediately preceding the 1st, 2nd, 3rd, or 4th anniversary of the Award Grant Date, as the case may be, with respect to the First, Second, Third or Fourth Tranche of the Performance RSUs and related Dividend Equivalents, as applicable.

(ii) Grantee ceases to be an employee of the Corporation by reason of Grantee's death.

(iii) Grantee continues to be an employee of the Corporation until Grantee's Termination Date where Grantee's employment was not terminated by the Corporation for Cause (as defined in Section 13) and where Grantee's termination of employment as of such date qualifies as a Retirement (as defined in Section 13) **(a "Qualifying Retirement")**.

(iv) Grantee continues to be an employee of the Corporation until Grantee's Termination Date where Grantee's employment was not terminated by the Corporation for Cause and where Grantee's employment was terminated as of such date by the Corporation by reason of Grantee's Disability (as defined in Section 13) **(a "Qualifying Disability Termination")**.

(v) Grantee continues to be an employee of the Corporation until Grantee's Termination Date where Grantee's employment was terminated as of such date by the Corporation and such termination is an Anticipatory Termination (as defined in Section 13) **(a "Qualifying Anticipatory Termination")**.

(vi) Grantee continues to be employed by the Corporation through the day immediately prior to the date a Change of Control (as defined in Section 13) occurs.

5.4 Forfeiture Upon Termination for Cause or Pursuant to Detrimental Conduct Provisions

(a) Termination for Cause. In the event that Grantee's employment with the Corporation is terminated by the Corporation for Cause prior to the 4th anniversary of the Award Grant Date and prior to the occurrence of a Change of Control, if any, then all then outstanding Performance RSUs, together with all accrued Dividend Equivalents related to such then outstanding Performance RSUs, will be forfeited by Grantee to PNC and cancelled without payment of any consideration by PNC as of Grantee's Termination Date.

(b) Detrimental Conduct. At any time prior to the date that such Performance RSUs and related Dividend Equivalents vest in accordance with Section 7.1 or expire unvested or are cancelled pursuant to other provisions of the Award Agreement, Performance RSUs and related Dividend Equivalents, or specified portion thereof, will be forfeited by Grantee to PNC and cancelled, without payment of any consideration by PNC, on the date and to the extent that PNC determines in its sole discretion to so cancel all or a specified portion of the Performance RSUs and related Dividend Equivalents on the basis of its determination that Grantee has engaged in Detrimental Conduct as set forth in Section 13.13, whether such determination is made during the period of Grantee's employment with the Corporation or after Grantee's Termination Date; *provided, however,* that (i) no determination that Grantee has engaged in Detrimental Conduct may be made on or after the date of Grantee's death (other than with respect to a Tranche, if any, that does not vest immediately upon death), and Detrimental Conduct will not apply to conduct by or activities of successors to the Performance RSUs and related Dividend Equivalents by will or the laws of descent and distribution in the event of Grantee's death; (ii) in the event that Grantee's termination of employment was a

Qualifying Anticipatory Termination, no determination that Grantee has engaged in Detrimental Conduct may be made on or after Grantee's Termination Date; (iii) no determination that Grantee has engaged in Detrimental Conduct may be made between the time PNC enters into an agreement providing for a Change of Control and the time such agreement either terminates or results in a Change of Control; and (iv) no determination that Grantee has engaged in Detrimental Conduct may be made after the occurrence of a Change of Control.

5.5 Suspension and Forfeiture Related to Judicial Criminal Proceedings. If any criminal charges are brought against Grantee, in an indictment or in other analogous formal charges commencing judicial criminal proceedings, alleging the commission of a felony that relates to or arises out of Grantee's employment or other service relationship with the Corporation, then to the extent that the Performance RSUs and related Dividend Equivalents or any portion thereof are still outstanding and have not yet vested, the Compensation Committee or other PNC Designated Person (each as defined in Section 13) may determine that the vesting of those Performance RSUs and related Dividend Equivalents will be suspended.

Any such suspension of vesting will continue until the earliest to occur of the following:

(1) resolution of the criminal proceedings in a manner that results in a conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or any entry by Grantee into a pre-trial disposition with respect to, the commission of a felony that relates to or arises out of Grantee's employment or other service relationship with the Corporation;

(2) resolution of the criminal proceedings in one of the following ways: (i) the charges as they relate to such alleged felony have been dismissed (with or without prejudice); (ii) Grantee has been acquitted of such alleged felony; or (iii) a criminal proceeding relating to such alleged felony has been completed without resolution (for example, as a result of a mistrial) and the relevant time period for recommencing criminal proceedings relating to such alleged felony has expired without any such recommencement;

(3) Grantee's death; and

(4) the occurrence of a Change of Control.

If the suspension is terminated by the occurrence of an event set forth in clause (1) above, those Performance RSUs, together with all related Dividend Equivalents, to the extent that such Performance RSUs and related Dividend Equivalents or any portion thereof are still outstanding, will, upon such occurrence, be automatically forfeited by Grantee to PNC, will not vest or be eligible to vest, and will be cancelled without payment of any consideration by PNC.

If the suspension is terminated by the occurrence of an event set forth in clause (2), (3) or (4) above, then vesting of those Performance RSUs and related Dividend Equivalents will proceed in accordance with Sections 5, 6 and 7, as applicable. No interest will be paid with respect to any suspended payments.

5.6 Clawback, Adjustment or Recoupment. Performance RSUs and related Dividend Equivalents shall be subject to rescission, cancellation or recoupment, in whole or in part, if and to the extent so provided under PNC's Incentive Compensation Adjustment and Clawback Policy, as in effect from time to time with respect to the Award, or any other applicable clawback, adjustment or similar policy in effect on or established after the Award Grant Date and to any clawback or recoupment that may be required by applicable law or regulation.

6. Risk Performance Conditions and Review; Risk Performance-Related Adjustments to Performance RSUs and Dividend Equivalents.

Performance RSUs and related Dividend Equivalents are subject to risk performance conditions and adjustments, all as set forth in the Award Agreement unless and until amended prospectively by the Compensation Committee or the Review Committee (as defined in Section 13).

6.1 Annual Risk Performance Factor. Each Tranche of the Award will be subject to an Annual Risk Performance Factor that relates to risk performance for the performance year applicable to that Tranche as set forth in Section 3 (*e.g.*, for the First Tranche, also referred to as the 2015 Tranche, the applicable risk performance relates to risk performance for calendar year 2015).

The Annual Risk Performance Factor for a Tranche could range from 100.00%, reflecting no downward adjustment to the applicable Tranche of the Award for risk performance for that performance year, to an Annual Risk Performance Factor reflecting a downward adjustment of the Performance RSUs and Dividend Equivalents in the applicable Tranche to a specified percentage amount, to an Annual Risk Performance Factor of 0.00%, reflecting full cancellation of the applicable Tranche for risk performance, all as further provided in this Section 6.

In the standard circumstances where Grantee continues to be an employee of the Corporation (or where Grantee's employment with the Corporation ceases by reason of a Qualifying Retirement or a Qualifying Disability Termination) and there has not been a Change of Control and Grantee has not died, the Annual Risk Performance Factor with respect to an applicable outstanding Tranche will be determined as follows.

(1) If an Annual Risk Performance Review is not required with respect to the performance year that relates to the applicable Tranche by the Risk Performance Review Criteria set forth in Section 6.3 below as applicable to Grantee for that performance year, then the Annual Risk Performance Factor for that Tranche will be 100.00%, effective as of the date it is determined that an Annual Risk Performance Review will not be conducted with respect to that performance year.

(2) If an Annual Risk Performance Review is triggered by the provisions of Section 6.3 as applicable to Grantee and is conducted, as set forth in Section 6.2 below, with respect to the performance year that relates to the applicable Tranche, then the Annual Risk Performance Factor for that Tranche will be as determined by the Review Committee as part of such review, effective as of the Review Committee determination date, and will be in the range of 100.00% down to 0.00%.

(3) If the Review Committee-determined Annual Risk Performance Factor with respect to a given performance year is 0.00%, the Tranche that relates to that performance year, including all outstanding Performance RSUs in that Tranche together with the Dividend Equivalents related to such Performance RSUs, has failed to meet this risk performance condition, is no longer eligible for vesting, and will be forfeited by Grantee to PNC and cancelled without payment of any consideration by PNC, effective as of the Review Committee determination date.

For circumstances where Grantee dies while still an employee of the Corporation or following a Qualifying Retirement or a Qualifying Disability Termination, or where Grantee's employment with the Corporation has ceased by reason of a Qualifying Anticipatory Termination, or where there is a Change of Control, the Annual Risk Performance Factor with respect to an applicable Tranche or Tranches outstanding at the time such event occurs will be determined as set forth in Section 6.4 below.

6.2 Annual Risk Performance Review. In general, while the Award is outstanding an Annual Risk Performance Review will be conducted with respect to any performance year for which such review is triggered as set forth in Section 6.3 as applicable to Grantee. Any such determination in accordance with Section 6.3 that an Annual Risk Performance Review will be conducted with respect to a given performance year will generally be made shortly after the close of the applicable performance year, but no later than the 45th day following the close of such year.

When an Annual Risk Performance Review is required by Section 6.3 with respect to a given completed risk performance year, whether such review is triggered by action of the Review Committee or Compensation Committee or because a specific business unit or enterprise level review trigger applicable to Grantee is met, or a combination thereof, such review will be conducted shortly after the close of such calendar risk performance year but no later than the end of the first quarter following such close.

As part of such review, the Review Committee will consider whether, in its discretion, downward adjustment for risk performance with respect to the applicable risk performance year would be appropriate as applied to Grantee and, if so, will reflect such adjustment in the Annual Risk Performance Factor that will apply to the Tranche of Grantee's Performance RSUs and related Dividend Equivalents that relates to that risk

performance year. An Annual Risk Performance Factor as determined by the Review Committee will be in the range of 100.00% down to 0.00%. A downward adjustment for risk performance would be reflected in an Annual Risk Performance Factor with respect to that performance year of less than 100.00%. A Factor of 0.00% would mean that the Tranche has failed to meet the risk performance condition, is no longer eligible for vesting, and will expire and terminate. Percentages will be rounded to the nearest one-hundredth, with 0.005 being rounded upward to 0.01, but in no event will an Annual Risk Performance Factor be greater than 100.00% or less than 0.00%.

If the Review Committee determines in its discretion that it would not be appropriate to apply a downward adjustment for risk performance for such performance year to Grantee's Performance RSUs and related Dividend Equivalents, that determination would be reflected in an Annual Risk Performance Factor for the Tranche that relates to that risk performance year of 100.00%.

6.3 Risk Performance Review Criteria. Unless and until amended prospectively by the Compensation Committee or the Review Committee, the Risk Performance Review Criteria for a given performance year as applicable to Grantee are as set forth below.

An Annual Risk Performance Review is required with respect to a given performance year if triggered by any one or more of the following criteria: (1) either the Review Committee or the Compensation Committee requires a review in its discretion; (2) one of the specific business unit or enterprise level review triggers set forth in the following paragraph is met and that review trigger is applicable to Grantee because either (a) it is the review trigger that applies to Grantee based on Grantee's business unit or functional area as of the Award Grant Date and the Review Committee has not determined in its discretion to apply a different review trigger to Grantee for the given performance year or (b) the Review Committee has determined in its discretion to apply such specific business unit or enterprise level review trigger to Grantee for the specific performance year or years; or (3) the Compensation Committee conducts a risk performance review with respect to that performance year for purposes of PNC's 2015 Performance RSUs awards to members of PNC's Corporate Executive Group ("CEG").

The specific business unit or enterprise level review triggers referenced in clause (2) above are as follows:

- PNC's Retail Banking segment reports a loss for the performance year
- PNC's Corporate & Institutional Banking segment reports a loss for the performance year
- PNC's Asset Management Group segment reports a loss for the performance year
- PNC's Residential Mortgage Banking segment reports a loss for the performance year

- PNC's return on economic capital with specified adjustments ("ROEC") for the performance year is less than the applicable Compensation Committee-specified ROEC hurdle amount for that performance year

If Grantee is assigned to one of the Retail Banking, Corporate & Institutional Banking, Asset Management Group or Residential Mortgage Banking business units as of the Award Grant Date, the specific business unit review trigger applicable to Grantee will be the one that corresponds to Grantee's business unit on the Award Grant Date unless and until the Review Committee determines otherwise in its discretion. If Grantee is not assigned to one of those business units as of the Award Grant Date, the specific review trigger applicable to Grantee will be the one that relates to PNC's ROEC relative to the applicable Compensation Committee-specified hurdle amount unless and until the Review Committee determines otherwise in its discretion.

For purposes of this Award Agreement, whether or not a specified business unit has a loss for a given performance year will be determined on the basis of the reported earnings or loss, as the case may be, of the reportable business segment that includes the results of such business unit, based on PNC's publicly reported financial results for that year.

For purposes of this Award Agreement, **"ROEC"** will have the meaning set forth in Section 13.33. The **"ROEC hurdle"** specified by the Compensation Committee for the 2015 performance year is related to PNC's cost of capital and is set at 7.76%.

The hurdle for the 2015 performance year for purposes of comparison of ROEC to such hurdle for the Senior Leaders Program 2013 and 2014 Stock-Payable Performance Restricted Share Units awards is also set at 7.76%.

In the event that the Compensation Committee does not set an ROEC hurdle for a given risk performance year, the Review Committee will set such hurdle for purposes of this Award Agreement.

6.4 Annual Risk Performance Factor in the Event of Death, Qualifying Anticipatory Termination, or Change of Control

(a) Death. In the event that Grantee's employment with the Corporation ceases by reason of Grantee's death or Grantee dies following a Qualifying Retirement or a Qualifying Disability Termination, in either case prior to the occurrence of a Change of Control, then with respect to any Tranche or Tranches that are outstanding at the time of Grantee's death: (i) the Annual Risk Performance Factor will be 100.00%, effective as of the date of death, with respect to any Tranche or Tranches that are outstanding at the time of Grantee's death other than the Tranche, if any, that is provided for in the following subclause (ii) in the circumstances described in that subclause; and (ii) if such death occurs after the close of a risk performance year but before the Tranche that relates to that performance year has either been performance-adjusted and vested or has been forfeited, as the case may be, then the Annual Risk Performance Factor with respect to such

Tranche, if any, will be determined in the same manner and effective as of the same time as it would have been had Grantee remained an employee of the Corporation, provided that the Tranche remains outstanding at the applicable time.

In the event that Grantee dies following a Qualifying Anticipatory Termination or following a Change of Control, the Annual Risk Performance Factor for any then outstanding Tranche will remain the Factor determined as provided in Section 6.4(b) or Section 6.4(c) below, as applicable.

(b) Qualifying Anticipatory Termination. In the event that one or more Tranches were outstanding at the time Grantee's employment with the Corporation terminated where such termination was a Qualifying Anticipatory Termination, the Annual Risk Performance Factor of any outstanding Tranche for which an Annual Risk Performance Factor had not already been determined as of the day immediately preceding Grantee's Termination Date will be the same as the Annual Risk Performance Factor for the most recent Tranche for which an Annual Risk Performance Factor had previously been determined in accordance with clause (1) or (2) of Section 6.1 above, as applicable, or if none, will be 100.00%, all effective as of the end of the day immediately preceding Grantee's Termination Date.

(c) Change of Control. In the event that Grantee continues to be an employee of the Corporation through the day immediately prior to the date a Change of Control occurs, or where Grantee ceased to be an employee of the Corporation prior to that time by reason of a Qualifying Retirement or a Qualifying Disability Termination, and one or more Tranches remain outstanding through the day immediately prior to the date the Change of Control occurs, the Annual Risk Performance Factor of any Tranche for which an Annual Risk Performance Factor had not already been determined as of the day immediately preceding the date the Change of Control occurs will be the same as the Annual Risk Performance Factor for the most recent Tranche for which an Annual Risk Performance Factor had previously been determined in accordance with clause (1) or (2) of Section 6.1 above, as applicable, or, if none, will be 100.00%, all effective as of the day immediately preceding the date the Change of Control occurs.

In the event that a Change of Control occurs after Grantee's death, for any Tranche or Tranches where the Annual Risk Performance Factor for such Tranche or Tranches was determined effective as of the date of death pursuant to Section 6.4(a)(i) above, any such Factor will remain as so provided in Section 6.4(a)(i), and for any Tranche where, pursuant to Section 6.4(a)(ii), the Annual Risk Performance Factor is to be determined in the same manner and effective as of the same time as it would have been had Grantee remained an employee of the Corporation, the Annual Risk Performance Factor will remain as previously determined if such determination had already been made as of the day immediately preceding the date the Change of Control occurs, and if not, the Annual Risk Performance Factor for any such then outstanding Tranche will be determined as provided in this Section 6.4(c).

In the event that a Change of Control occurs after a Qualifying Anticipatory Termination, the Annual Risk Performance Factor for any then outstanding Tranche will remain the Factor determined as provided in Section 6.4(b) above as applicable.

6.5 Performance Adjustment of Outstanding Share Units. Once an Annual Risk Performance Factor for a Tranche of Performance RSUs and related Dividend Equivalents has been determined in accordance with Sections 6.1 through 6.4, as applicable, and provided that the Tranche has not been cancelled pursuant to any of the forfeiture provisions of Section 5, the number of outstanding share units in that Tranche will be performance-adjusted as applicable in accordance with this Section 6.5.

The performance-adjusted number of share units in a Tranche will be equal to a percentage of the initial share units in the Tranche that remain outstanding, rounded to the nearest one-hundredth with 0.005 share units being rounded upward to 0.01 share units, where the percentage to be applied is equal to the Annual Risk Performance Factor for the performance risk year that relates to that Tranche (*e.g.*, for the First Tranche, the Annual Risk Performance Factor for calendar year 2014) as determined in accordance with Sections 6.1 through 6.4, as applicable. Only the performance-adjusted share units in a Tranche are eligible to vest and be the basis of the settlement and payout of the Performance RSUs and related Dividend Equivalents in the Tranche in accordance with Section 7 provided that all of the other conditions for vesting are satisfied, including the service condition.

The performance-adjusted Performance RSUs for a Tranche are sometimes referred to as the **"Payout Share Units"** for purposes of the vesting, where applicable, of that portion of the Tranche in accordance with Section 7.1. Only outstanding Payout Share Units are eligible to vest in accordance with Section 7.1 provided that all of the other conditions of the Award Agreement are met. The percentage applied to the share units for a given Tranche in order to arrive at the Payout Share Units is sometimes referred to as the **"Payout Percentage"** for that Tranche. After the Payout Percentage is applied, any fractional share unit will be eliminated by rounding down to the nearest whole share unit. The remaining whole share units will be the Payout Share Units.

Payout Share Units that remain outstanding and vest in accordance with Section 7.1 are sometimes referred to as vested Payout Share Units. Outstanding vested Payout Share Units are settled and paid out in accordance with Sections 7.2 and 7.3.

Dividend Equivalents will be subject to the same performance adjustment and Payout Percentage that is applied to the Performance RSUs to which they relate.

6.6 Termination of Portions of Award Due to Performance Adjustments. The Performance RSUs in a Tranche that do not become Payout Share Units, together with the accrued Dividend Equivalents related to such Performance RSUs, will be cancelled; that is, only the performance-adjusted number of share units in the Tranche that remain outstanding and become Payout Share Units after the applicable risk performance adjustment and any other adjustments for that Tranche have been made will

be eligible to vest and be the basis of the settlement and payout of the Performance RSUs and related Dividend Equivalents in the Tranche in accordance with Section 7 provided that all of the other conditions for vesting are satisfied, including the service condition. Any remaining portion of the Tranche (as would be the case where the Payout Percentage for the Tranche was less than 100.00%) will be cancelled.

Dividend Equivalents that had accrued with respect to any Performance RSUs in a Tranche that do not become Payout Share Units and are cancelled will also be cancelled as Dividend Equivalents are subject to the same performance and other adjustments that are applied to the Performance RSUs to which they relate.

6.7 PNC Determinations Final. All determinations made by the Compensation Committee, the Review Committee, or otherwise by PNC hereunder shall be made in its sole discretion and shall be final, binding and conclusive for all purposes on all parties, including without limitation Grantee.

7. Vesting and Settlement of Performance-Adjusted Share Units and Related Dividend Equivalents.

7.1 Vesting. Grantee's outstanding Performance RSUs as performance-adjusted pursuant to the provisions of Section 6 (the Payout Share Units) and related performance-adjusted Dividend Equivalents will vest (that is, become **"vested Payout Share Units"** and vested related performance-adjusted Dividend Equivalents) upon the earliest to occur of the events set forth in the subclauses below, provided that such Performance RSUs and related Dividend Equivalents have not been forfeited prior to such vesting event pursuant to any of the provisions of Section 5 or cancelled as a result of the risk performance adjustment provisions of Section 6 and remain outstanding at that time:

(i) (a) the 1st anniversary of the Award Grant Date in the case of the First Tranche share units and related dividend equivalents, the 2nd anniversary of the Award Grant Date in the case of the Second Tranche share units and related dividend equivalents, the 3rd anniversary of the Award Grant Date in the case of the Third Tranche share units and related dividend equivalents, and the 4th anniversary of the Award Grant Date in the case of the Fourth Tranche share units and related dividend equivalents, as the case may be,

or, if later, (b) the date on which the performance adjustment determination pursuant to Section 6 with respect to the applicable Tranche is final (but no later than March 31st of the calendar year in which such anniversary occurs),

or, if later, (c) on the date as of which any suspension imposed with respect to those Performance RSUs and related Dividend Equivalents pursuant to Section 5.5 is lifted without forfeiture of such share units and related dividend equivalents and they vest, as applicable;

(ii) in the event of Grantee's death,

(a) the date of Grantee's death with respect to any Tranche or Tranches as to which the Annual Risk Performance Factor for such Tranche is determined effective as of the time of Grantee's death pursuant to Section 6.4(a)(i) or was previously determined prior to Grantee's death pursuant to Section 6.4(b), and

(b) with respect to the Tranche, if any, for which the Annual Risk Performance Factor is determined after Grantee's death pursuant to Section 6.4(a)(ii), at the same time and in the same manner as provided in Section 7.1(i)(a) or (b), as applicable, had Grantee remained an employee of the Corporation; and

(iii) the end of the day immediately preceding the day a Change of Control occurs.

Performance RSUs and related Dividend Equivalents (1) that have been forfeited by Grantee pursuant to the service requirements or conduct or other provisions of Section 5 or (2) that are part of the portion of a Tranche of Performance RSUs and related Dividend Equivalents that has been cancelled as a result of the risk performance-adjustment provisions of Section 6 where the Payout Percentage for that Tranche was less than 100.00% or (3) that have been cancelled as a result of the application, pursuant to the provisions of Section 6, of a Payout Percentage of 0.00% to the Tranche to which they relate, are not eligible for vesting, will not settle, and will be cancelled without payment of any consideration by PNC.

The period during which Dividend Equivalents will accrue with respect to an applicable Tranche of Performance RSUs will end, and such Dividend Equivalents will cease to accrue, on the vesting date for such Tranche of Performance RSUs in accordance with Section 7.1 or on the cancellation date for such Performance RSUs in accordance with Section 5 or Section 6, as applicable.

Outstanding accrued performance-adjusted Dividend Equivalents that vest in connection with the vesting of the outstanding performance-adjusted Performance RSUs to which they relate (that is, the amount of dividend equivalents for the period from the Award Grant Date through the vesting date on the number of related Performance RSUs that become Payout Share Units and vest) will be settled and paid out in accordance with Sections 7.2 and 7.3.

Accrued Dividend Equivalents that fail to vest will be cancelled on the cancellation date for the Performance RSUs to which they relate in accordance with Section 5 or Section 6, as applicable.

7.2 Settlement. Outstanding vested Payout Share Units will be paid out at the time set forth in Section 7.3 either by delivery to Grantee of that number of whole shares of PNC common stock equal to the number of outstanding vested Payout Share Units being settled or as otherwise provided in Section 9, as applicable.

No fractional shares will be delivered to Grantee. If the outstanding vested Payout Share Units being settled include a fractional interest, such fractional interest will be eliminated by rounding down to the nearest whole share unit. For any other outstanding award of performance restricted share units held by Grantee **("Prior Award")**, no fractional shares will be delivered to Grantee, and if a final award payment with respect to all or a portion of any such award is payable to Grantee in shares and includes a fractional interest, calculated to three places to the right of the decimal, rounded to the nearest thousandth, with 0.0005 being rounded upward to 0.001, such fractional interest will be liquidated and paid to Grantee in cash on the basis of the then current Fair Market Value (as defined in Section 13) of PNC common stock as of the vesting date (or as of the scheduled payment date pursuant to subsection (2) of the third bullet under Section 7.3 if payment is made pursuant to that provision, as necessary) or in any case as otherwise provided in Section 11 or in Section 9 as applicable.

Outstanding vested related performance-adjusted Dividend Equivalents will be settled by payment to Grantee in cash at the same time as the time set forth in Section 7.3 for payment of the outstanding vested, performance-adjusted Performance RSUs to which they relate.

7.3 Payout Timing. Payment will be made to Grantee in settlement of outstanding vested Payout Share Units and vested related performance-adjusted Dividend Equivalents as soon as practicable after the vesting date set forth in the applicable subclause of Section 7.1 for such units and related dividend equivalents, generally within 30 days but no later than December 31st of the calendar year in which the vesting date occurs, subject to the provisions of the following bullets, if applicable. No interest will be paid with respect to any such payments made pursuant to this Section 7.

- In the event that the vesting date pursuant to Section 7.1(i) or Section 7.1(ii)(b) is the date on which the performance adjustment determination pursuant to Section 6 with respect to the applicable Tranche is final or that the vesting date pursuant to Section 7.1(i) is the date as of which any suspension imposed pursuant to Section 5.5 is lifted, payment will be made no later than the earlier of (a) 30 days after the vesting date and (b) December 31st of the calendar year in which the vesting date occurs.
- Where vesting occurs pursuant to Section 7.1(ii)(a) upon Grantee's death, payment will be made no later than December 31st of the calendar year in which Grantee's death occurred or, if later, the 15th day of the 3rd calendar month following the date of Grantee's death;

- Where vesting occurs pursuant to Section 7.1(iii) due to the occurrence of a Change of Control:

  (1) If, under the circumstances, the Change of Control is a permissible payment event under Section 409A of the U.S. Internal Revenue Code, payment will be made as soon as practicable after the Change of Control date, but in no event later than December 31st of the calendar year in which the Change of Control occurs or, if later, by the 15th day of the third calendar month following the date on which the Change of Control occurs, other than in unusual circumstances where a further delay thereafter would be permitted under Section 409A of the U.S. Internal Revenue Code, and if such a delay is permissible, as soon as practicable within such limits.

  (2) If, under the circumstances, payment at the time of the Change of Control would not comply with Section 409A of the U.S. Internal Revenue Code, then payment will be made as soon as practicable after the date that would have been the scheduled vesting date for such performance-adjusted Performance RSUs and related performance-adjusted Dividend Equivalents had they vested pursuant to Section 7.1(i) rather than pursuant to Section 7.1(iii), but in no event later than December 31st of the calendar year in which such scheduled vesting date occurs.

- Where vesting occurs pursuant to Section 7.1(iii) due to the occurrence of a Change of Control and payment is scheduled, pursuant to subsection (2) of the bullet above, for as soon as practicable after the date that would have been the scheduled vesting date for such performance-adjusted Performance RSUs and related performance-adjusted Dividend Equivalents had they vested pursuant to Section 7.1(i) rather than pursuant to Section 7.1(iii) but Grantee dies prior to that scheduled payout date, payment will be made no later than December 31st of the calendar year in which Grantee's death occurred or, if later (but not beyond the end of the calendar year in which the vesting would have occurred pursuant to Section 7.1(i) had they vested pursuant to Section 7.1(i) rather than pursuant to Section 7.1(iii)), the 15th day of the 3rd calendar month following the date of Grantee's death.

Delivery of shares and/or other payment pursuant to the Award will not be made unless and until all applicable tax withholding requirements with respect to such payment have been satisfied.

If there is a dispute regarding payment of a final award amount, PNC will settle the undisputed portion of the award amount, if any, within the time frame set forth above in this Section 7.3, and will settle any remaining portion as soon as practicable after such dispute is finally resolved but in any event within the time period permitted under Section 409A of the U.S. Internal Revenue Code.

8. **No Rights as Shareholder Until Issuance of Shares.** Grantee will have no rights as a shareholder of PNC by virtue of this Award unless and until shares of PNC stock are issued and delivered in settlement of outstanding vested performance-adjusted Performance RSUs pursuant to Section 7.

9. **Capital Adjustments.**

9.1 Except as otherwise provided in Section 9.2, if applicable, if corporate transactions such as stock dividends, stock splits, spin-offs,split-offs, recapitalizations, mergers, consolidations or reorganizations of or by PNC ("Corporate Transactions") occur prior to the time, if any, that outstanding vested Performance RSUs and related Dividend Equivalents are settled and paid, the Compensation Committee or its delegate shall make those adjustments, if any, in the number, class or kind of Performance RSUs and related Dividend Equivalents then outstanding under the Award that it deems appropriate in its discretion to reflect Corporate Transactions such that the rights of Grantee are neither enlarged nor diminished as a result of such Corporate Transactions, including without limitation (a) measuring the value per share unit of any share-denominated award amount authorized for payment to Grantee pursuant to Section 7 by reference to the per share value of the consideration payable to a PNC common shareholder in connection with such Corporate Transactions and (b) authorizing payment of the entire value of any award amount authorized for payment to Grantee pursuant to Section 7 to be paid in cash at the applicable time specified in Section 7.

All determinations hereunder shall be made by the Compensation Committee or its delegate in its sole discretion and shall be final, binding and conclusive for all purposes on all parties, including without limitation Grantee.

9.2 Upon the occurrence of a Change of Control, (a) the number, class and kind of Performance RSUs and related Dividend Equivalents then outstanding under the Award will automatically be adjusted to reflect the same changes as are made to outstanding shares of PNC common stock generally, (b) the value per share unit of any share-denominated award amount will be measured by reference to the per share value of the consideration payable to a PNC common shareholder in connection with such Corporate Transaction or Transactions if applicable, and (c) if the effect of the Corporate Transaction or Transactions on a PNC common shareholder is to convert that shareholder's holdings into consideration that does not consist solely (other than as to a minimal amount) of shares of PNC common stock, then the entire value of any payment to be made to Grantee pursuant to Section 7 will be made solely in cash at the applicable time specified by Section 7.

10. **Prohibitions Against Sale, Assignment, *etc.*; Payment to Legal Representative.**

(a) Performance RSUs and related Dividend Equivalents may not be sold, assigned, transferred, exchanged, pledged, or otherwise alienated or hypothecated.

(b) If Grantee is deceased at the time any outstanding vested Performance RSUs and Dividend Equivalents are settled and paid out in accordance with the terms of Section 7, such delivery of shares and/or other payment shall be made to the executor or administrator of Grantee's estate or to Grantee's other legal representative as determined in good faith by PNC.

(c) Any delivery of shares or other payment made in good faith by PNC to Grantee's executor, administrator or other legal representative, or retained by PNC for taxes pursuant to Section 11, shall extinguish all right to payment hereunder.

11. Withholding Taxes. Where all applicable withholding tax obligations have not previously been satisfied, PNC will, at the time any such obligation arises in connection herewith, retain an amount sufficient to satisfy the minimum amount of taxes then required to be withheld by the Corporation in connection therewith from amounts then payable hereunder to Grantee or, if none, from other compensation then payable to Grantee, or as otherwise determined by PNC.

Unless the Compensation Committee or other PNC Designated Person determines otherwise, the Corporation will retain whole shares of PNC common stock from any amounts then payable to Grantee hereunder in the form of shares of PNC common stock, and will withhold cash from any amounts then payable to Grantee hereunder that are settled in cash. Similarly, for any outstanding Prior Award held by Grantee, if a final award payment with respect to all or a portion of such award is payable to Grantee in the form of shares and includes a fractional interest, withholding may be made in the form of cash with respect to such fractional interest.

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

For purposes of this Section 11, shares of PNC common stock retained to satisfy applicable withholding tax requirements will be valued at their Fair Market Value (as defined in Section 13) on the date the tax withholding obligation arises.

If Grantee desires to have an additional amount withheld above the required minimum, up to Grantee's W-4 obligation if higher, and if PNC so permits, Grantee may elect to satisfy this additional withholding by payment of cash. The Corporation will not retain shares for this purpose. If Grantee's W-4 obligation does not exceed the required minimum withholding in connection herewith, no additional withholding may be made.

12. Employment. Neither the awarding of the Performance RSUs and related Dividend Equivalents nor any payment with respect to such Award authorized hereunder nor any term or provision of the Award Agreement shall constitute or be evidence of any understanding, expressed or implied, on the part of PNC or any subsidiary to employ Grantee for any period or in any way alter Grantee's status as an employee at will.

13. Certain Definitions. Except where the context otherwise indicates, the following definitions apply for purposes of the Agreement.

13.1 "Agreement," "Award Agreement;" "Award Grant Date."

"Agreement" or **"Award Agreement"** means the Senior Leaders Program 2014 Stock-Payable Performance Restricted Share Units Award Agreement between PNC and Grantee evidencing the Performance RSUs and related Dividend Equivalents award granted to Grantee pursuant to the Plan.

"Award Grant Date" means the Award Grant Date set forth on page 1 of the Agreement.

13.2 "Award" means the Performance RSUs and related Dividend Equivalents award awarded to Grantee pursuant to the Plan and evidenced by the Agreement.

13.3 "Annual Risk Performance Factor" has the meaning set forth in Sections 6.1, 6.2 and 6.4, and**"Annual Risk Performance Review"** has the meaning set forth in Section 6.2.

13.4 "Anticipatory Termination." If Grantee's employment with the Corporation is terminated by the Corporation other than for Cause as defined in this Section 13.4, death or Disability prior to the date on which a Change of Control occurs, and if it is reasonably demonstrated by Grantee that such termination of employment (i) was at the request of a third party that has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control, such a termination of employment is an **"Anticipatory Termination."**

For purposes of this Section 13.4, "Cause" shall mean:

(a) the willful and continued failure of Grantee to substantially perform Grantee's duties with the Corporation (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to Grantee by the Board or the CEO that specifically identifies the manner in which the Board or the CEO believes that Grantee has not substantially performed Grantee's duties; or

(b) the willful engaging by Grantee in illegal conduct or gross misconduct that is materially and demonstrably injurious to PNC or any of its subsidiaries.

For purposes of the preceding clauses (a) and (b), no act or failure to act, on the part of Grantee, shall be considered willful unless it is done, or omitted to be done, by Grantee in bad faith and without reasonable belief that Grantee's action or omission was in the best interests of the Corporation. Any act, or failure to act, based upon the

instructions or prior approval of the Board, the CEO or Grantee's superior or based upon the advice of counsel for the Corporation, shall be conclusively presumed to be done, or omitted to be done, by Grantee in good faith and in the best interests of the Corporation.

The cessation of employment of Grantee will be *deemed* to be a termination of Grantee's employment with the Corporation for Cause for purposes of this Section 13.4 only if and when there shall have been delivered to Grantee, as part of the notice of Grantee's termination, a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board, at a Board meeting called and held for the purpose of considering such termination, finding on the basis of clear and convincing evidence that, in the good faith opinion of the Board, Grantee is guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail. Such resolution shall be adopted only after (i) reasonable notice of such Board meeting is provided to Grantee, together with written notice that PNC believes that Grantee is guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail, and (ii) Grantee is given an opportunity, together with counsel, to be heard before the Board.

13.5 "Board" means the Board of Directors of PNC.

13.6 "Cause" and "termination for Cause."

Except as otherwise required by Section 13.4 in connection with the definition of Anticipatory Termination set forth therein, **"Cause"** means:

(a) the willful and continued failure of Grantee to substantially perform Grantee's duties with the Corporation (other than any such failure resulting from incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to Grantee by PNC that specifically identifies the manner in which it is believed that Grantee has not substantially performed Grantee's duties;

(b) a material breach by Grantee of (1) any code of conduct of PNC or any code of conduct of a subsidiary of PNC that is applicable to Grantee or (2) other written policy of PNC or other written policy of a subsidiary of PNC that is applicable to Grantee, in either case required by law or established to maintain compliance with applicable law;

(c) any act of fraud, misappropriation, material dishonesty, or embezzlement by Grantee against PNC or any of its subsidiaries or any client or customer of PNC or any of its subsidiaries;

(d) any conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or entry by Grantee into a pre-trial disposition with respect to, the commission of a felony; or

(e) entry of any order against Grantee, by any governmental body having regulatory authority with respect to the business of PNC or any of its subsidiaries, that relates to or arises out of Grantee's employment or other service relationship with the Corporation.

The cessation of employment of Grantee will be deemed to have been a termination of Grantee's employment with the Corporation for Cause for purposes of the Agreement only if and when PNC, by PNC's CEO or any other executive officer of PNC, determines that Grantee is guilty of conduct described in clause (a), (b) or (c) above or that an event described in clause (d) or (e) above has occurred with respect to Grantee and, if so, determines that the termination of Grantee's employment with the Corporation will be deemed to have been for Cause.

13.7 "CEO" means the chief executive officer of PNC.

13.8 "Change of Control" means:

(a) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended **(the "Exchange Act")) (a "Person")** becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then-outstanding shares of common stock of PNC **(the "Outstanding PNC Common Stock")** or (B) the combined voting power of the then-outstanding voting securities of PNC entitled to vote generally in the election of directors **(the "Outstanding PNC Voting Securities")**; *provided, however,* that, for purposes of this Section 13.8(a), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from PNC, (2) any acquisition by PNC, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by PNC or any company controlled by, controlling or under common control with PNC **(an "Affiliated Company")**, (4) any acquisition pursuant to an Excluded Combination (as defined in Section 13.8(c)) or (5) an acquisition of beneficial ownership representing between 20% and 40%, inclusive, of the Outstanding PNC Voting Securities or Outstanding PNC Common Stock shall not be considered a Change of Control if the Incumbent Board as of immediately prior to any such acquisition approves such acquisition either prior to or immediately after its occurrence;

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

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving PNC or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of PNC, or the acquisition of assets or stock of another entity by PNC or any of its subsidiaries (each, **a "Business Combination"**), excluding, however, a Business Combination following which all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns PNC or all or substantially all of PNC's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities, as the case may be (such a Business Combination, **an "Excluded Combination"**); or

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

13.9 "Compensation Committee" means the Personnel and Compensation Committee of the Board or such person or persons as may be designated or appointed by that committee as its delegate or designee.

13.10 "Competitive Activity."

"Competitive Activity" while Grantee is an employee of the Corporation means any participation in, employment by, ownership of any equity interest exceeding one percent (1%) in, or promotion or organization of, any Person other than PNC or any of its subsidiaries (1) engaged in business activities similar to some or all of the business activities of PNC or any subsidiary or (2) engaged in business activities that Grantee knows PNC or any subsidiary intends to enter within the next twelve (12) months, in either case whether Grantee is acting as agent, consultant, independent contractor, employee, officer, director, investor, partner, shareholder, proprietor or in any other individual or representative capacity therein.

"Competitive Activity" on or after Grantee's Termination Date means any participation in, employment by, ownership of any equity interest exceeding one percent (1%) in, or promotion or organization of, any Person other than PNC or any of its subsidiaries (a) engaged in business activities similar to some or all of the business activities of PNC or any subsidiary as of Grantee's Termination Date or (b) engaged in business activities that Grantee knows PNC or any subsidiary intends to enter within the first twelve (12) months after Grantee's Termination Date or, if later and if applicable,

after the date specified in subsection (a), clause (ii) of the definition of Detrimental Conduct in Section 13.13, in either case whether Grantee is acting as agent, consultant, independent contractor, employee, officer, director, investor, partner, shareholder, proprietor or in any other individual or representative capacity therein.

For purposes of Competitive Activity as defined in this Section 13.10, and for purposes of the definition of competitive activity in any other PNC restricted share unit or in any PNC restricted stock, stock option, or other equity-based award or awards held by Grantee, however, the term subsidiary or subsidiaries shall not include companies in which the Corporation holds an interest pursuant to its merchant banking authority.

13.11 "Consolidated Subsidiary" means a corporation, bank, partnership, business trust, limited liability company or other form of business organization that (1) is a consolidated subsidiary of PNC under U.S. generally accepted accounting principles and (2) satisfies the definition of "service recipient" under Section 409A of the U.S. Internal Revenue Code.

13.12 "Corporation" means PNC and its Consolidated Subsidiaries.

13.13 "Detrimental Conduct" means:

(a) Grantee has engaged, without the prior written consent of PNC (with consent to be given or withheld at PNC's sole discretion), in any Competitive Activity as defined in Section 13.10 in the continental United States at any time during the period of Grantee's employment with the Corporation and extending through (and including) the first (1st) anniversary of the later of (i) Grantee's Termination Date and, if different, (ii) the first date after Grantee's Termination Date as of which Grantee ceases to have a service relationship with the Corporation;

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

(c) any conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or any entry by Grantee into a pre-trial disposition with respect to, the commission of a felony that relates to or arises out of Grantee's employment or other service relationship with the Corporation.

Grantee will be deemed to have engaged in Detrimental Conduct for purposes of the Agreement only if and when the Compensation Committee or other PNC Designated Person, as applicable, determines that Grantee has engaged in conduct described in clause (a) or clause (b) above or that an event described in clause (c) above has occurred with respect to Grantee and, if so, (1) determines in its sole discretion that Grantee will be deemed to have engaged in Detrimental Conduct for purposes of the Agreement and (2) determines in its sole discretion to cancel all or a specified portion of the Performance RSUs that have not yet vested in accordance with Section 7.1 and of the Dividend Equivalents related to such Performance RSUs on the basis of such determination that Grantee has engaged in Detrimental Conduct.

13.14 "Disabled" or "Disability" means, except as may otherwise be required by Section 409A of the U.S. Internal Revenue Code, that Grantee either (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving (and has received for at least three months) income replacement benefits under any Corporation-sponsored disability benefit plan. If Grantee has been determined to be eligible for U.S. Social Security disability benefits, Grantee shall be presumed to be Disabled as defined herein.

13.15 "Dividend Equivalents" means the opportunity to receive dividend equivalents awarded to Grantee pursuant to the Plan in connection with the Performance RSUs to which they relate and evidenced by the Award Agreement.

13.16 "Fair Market Value" as it relates to a share of PNC common stock as of any given date means (a) the reported closing price on the New York Stock Exchange (or such successor reporting system as PNC may select) for a share of PNC common stock on such date, or, if no PNC common stock trades have been reported on such exchange for that day, such closing price on the next preceding day for which there were reported trades or, if the Committee has so acted, (b) fair market value as determined using such other reasonable method adopted by the Committee in good faith for such purpose that uses actual transactions in PNC common stock as reported by a national securities exchange or the Nasdaq National Market, provided that such method is consistently applied. When determining Fair Market Value under this Award or any currently outstanding award under the Plan held by Grantee, the Fair Market Value will be rounded to the nearest cent.

13.17 "GAAP" or "U.S. generally accepted accounting principles" means accounting principles generally accepted in the United States of America.

13.18 "Grantee" means the person to whom the Performance RSUs with related Dividend Equivalents award is granted, and is identified as Grantee on page 1 of the Agreement.

13.19 "Internal Revenue Code" or "U.S. Internal Revenue Code" means the United States Internal Revenue Code of 1986 as amended, and the rules and regulations promulgated thereunder.

13.20 "Payout Percentage" has the meaning specified in Section 6.5.

13.21 "Payout Share Units" and "vested Payout Share Units" have the meanings specified in Sections 6.5 and 7.1. **"Payout Share Units"** are the outstanding performance-adjusted number of Performance RSUs calculated in accordance with Section 6.5 that are eligible to vest in accordance with Section 7.1 provided that all of the other conditions of the Award Agreement are met. **"Vested Payout Share Units"** are outstanding performance-adjusted Performance RSUs that have vested in accordance with Section 7.1.

13.22 "Performance RSUs" means the share-denominated award opportunity of the number of restricted share units specified as the Share Units on page 1 of the Agreement, subject to capital adjustments pursuant to Section 9 if any, awarded to Grantee pursuant to the Plan and evidenced by the Agreement.

13.23 "Person" has the meaning specified in the definition of Change of Control in Section 13.8(a).

13.24 "Plan" means The PNC Financial Services Group, Inc. 2006 Incentive Award Plan as amended from time to time.

13.25 "PNC" means The PNC Financial Services Group, Inc.

13.26 "PNC Designated Person" or "Designated Person" will be: (a) the Compensation Committee or its delegate if Grantee is (or was when Grantee ceased to be an employee of the Corporation) either a member of the Corporate Executive Group (or equivalent successor classification) or subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to PNC securities (or both); or (b) the Compensation Committee, the CEO, or the Chief Human Resources Officer of PNC, or any other individual or group as may be designated by one of the foregoing to act as Designated Person for purposes of the Agreement.

13.27 "Prior Award" has the meaning set forth in Section 7.2.

13.28 "Qualifying Retirement," "Qualifying Disability Termination," and "Qualifying Anticipatory Termination" have the respective meaning specified in Section 5.3(iii), Section 5.3(iv) or Section 5.3(v), as the case may be.

13.29 "Retires" or "Retirement." Grantee **"Retires"** if Grantee's employment with the Corporation terminates at any time and for any reason (other than termination by reason of Grantee's death or by the Corporation for Cause and, if the Compensation Committee or the CEO or his or her designee so determines prior to such divestiture, other than by reason of termination in connection with a divestiture of assets or a divestiture of one or more subsidiaries of the Corporation) on or after the first date on which Grantee has both attained at least age fifty-five (55) and completed five (5) years of service, where a year of service is determined in the same manner as the determination of a year of vesting service calculated under the provisions of The PNC Financial Services Group, Inc. Pension Plan.

If Grantee **"Retires"** as defined herein, the termination of Grantee's employment with the Corporation is sometimes referred to as**"Retirement"** and such Grantee's Termination Date is sometimes also referred to as Grantee's **"Retirement Date."**

13.30 "Review Committee" is the committee or group whose members function as the Review Committee for purposes of Section 6.

Unless and until the Compensation Committee determines to act as the Review Committee, the Review Committee will be the management-level committee, subcommittee, or group consisting of those members specified from time to time by the CEO and/or the Chief Human Resources Officer of PNC to act in such capacity for purposes of conducting reviews and making determinations pursuant to Section 6.

13.31 "Risk Performance Review Criteria" has the meaning specified in Section 6.3.

13.32 "ROEC" for a given performance year will be calculated as earnings for the applicable performance year, divided by average economic capital for the same calendar year, calculated to two places to the right of the decimal, rounded to the nearest hundredth with 0.005 being rounded upward to 0.01.

Earnings. Earnings will mean PNC's publicly-reported earnings for the applicable calendar year adjusted, on an after-tax basis, for the impact of the items set forth under the heading "Earnings Adjustments" below.

Economic Capital. Economic capital will mean total economic capital for PNC on a consolidated basis as that term is used by PNC for its internal measurement purposes. Average economic capital for the applicable calendar year will mean such average economic capital as calculated by PNC for internal purposes.

Earnings Adjustments. For purposes of calculating PNC's ROEC for a given performance year, publicly-reported earnings results for that year will be adjusted, on an after-tax basis, for the impact of any of the following where such impact occurs during the given year:

- extraordinary items (as such term is used under GAAP);
- items resulting from a change in tax law;
- discontinued operations;
- acquisition costs and merger integration costs;
- any costs or expense arising from specified Visa litigation (including Visa-litigation-related expenses/charges recorded for obligations to Visa with respect to the costs of specified litigation or the gains/reversal of expense recognized in connection with such obligations) and any other gains recognized on the redemption or sale of Visa shares as applicable;

- acceleration of the accretion of any remaining issuance discount in connection with the redemption of any preferred stock, and any other charges or benefits related to the redemption of trust preferred or other preferred securities; and
- the net impact on PNC of significant gains or losses related to BlackRock transactions (similar to the adjustment provided for in PNC's Incentive Performance Units awards in an earlier year to members of PNC's Corporate Executive Group that included adjusting 2009 results to exclude the 4th quarter 2009 gain related to BlackRock's acquisition of Barclays Global Investors).

13.33 "ROEC hurdle" has the meaning set forth in Section 6.3.

13.34 "SEC" means the United States Securities and Exchange Commission.

13.35 "Section 409A" means Section 409A of the U.S. Internal Revenue Code.

13.36 "Service relationship" or "having a service relationship with the Corporation" means being engaged by the Corporation in any capacity for which Grantee receives compensation from the Corporation, including but not limited to acting for compensation as an employee, consultant, independent contractor, officer, director or advisory director.

13.37 "Termination Date" means Grantee's last date of employment with the Corporation. If Grantee is employed by a Consolidated Subsidiary that ceases to be a subsidiary of PNC or ceases to be a consolidated subsidiary of PNC under U.S. generally accepted accounting principles and Grantee does not continue to be employed by PNC or a Consolidated Subsidiary, then for purposes of the Agreement, Grantee's employment with the Corporation terminates effective at the time this occurs.

13.38 "Tranche" and "First, Second, Third or Fourth Tranche" have the meanings specified in Section 3.

14. Grantee Covenants.

14.1 General. Grantee and PNC acknowledge and agree that Grantee has received adequate consideration with respect to enforcement of the provisions of Sections 14 and 15 by virtue of receiving this Performance RSUs and Dividend Equivalents award (regardless of whether such share units and dividend equivalents, or any portion thereof, ultimately vest and settle); that such provisions are reasonable and properly required for the adequate protection of the business of PNC and its subsidiaries; and that enforcement of such provisions will not prevent Grantee from earning a living.

14.2 Non-Solicitation; No-Hire. Grantee agrees to comply with the provisions of subsections (a) and (b) of this Section 14.2 while employed by the Corporation and for a period of one year after Grantee's Termination Date regardless of the reason for such termination of employment.

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

(b) No-Hire. Grantee shall not, directly or indirectly, either for Grantee's own benefit or purpose or for the benefit or purpose of any Person other than PNC or any of its subsidiaries, employ or offer to employ, call on, or actively interfere with PNC's or any subsidiary's relationship with, or attempt to divert or entice away, any employee of PNC or any of its subsidiaries, nor shall Grantee assist any other Person in such activities.

Notwithstanding the above, if Grantee's employment with the Corporation is terminated by the Corporation and such termination is a Qualifying Anticipatory Termination, then commencing immediately after such Termination Date, the provisions of subsections (a) and (b) of this Section 14.2 shall no longer apply and shall be replaced with the following subsection (c):

(c) No-Hire. Grantee agrees that Grantee shall not, for a period of one year after Grantee's Termination Date, employ or offer to employ, solicit, actively interfere with PNC's or any PNC affiliate's relationship with, or attempt to divert or entice away, any officer of PNC or any PNC affiliate.

14.3 Confidentiality. During Grantee's employment with the Corporation, and thereafter regardless of the reason for termination of such employment, Grantee shall not disclose or use in any way any confidential business or technical information or trade secret acquired in the course of such employment, all of which is the exclusive and valuable property of the Corporation whether or not conceived of or prepared by Grantee, other than (a) information generally known in the Corporation's industry or acquired from public sources, (b) as required in the course of employment by the Corporation, (c) as required by any court, supervisory authority, administrative agency or applicable law, or (d) with the prior written consent of PNC.

14.4 Ownership of Inventions. Grantee shall promptly and fully disclose to PNC any and all inventions, discoveries, improvements, ideas or other works of inventorship or authorship, whether or not patentable, that have been or will be conceived and/or reduced to practice by Grantee during the term of Grantee's employment with the Corporation, whether alone or with others, and that are (a) related directly or indirectly to the business or activities of PNC or any of its subsidiaries or (b) developed with the use of any time, material, facilities or other resources of PNC or any subsidiary

("Developments"). Grantee agrees to assign and hereby does assign to PNC or its designee all of Grantee's right, title and interest, including copyrights and patent rights, in and to all Developments. Grantee shall perform all actions and execute all instruments that PNC or any subsidiary shall deem necessary to protect or record PNC's or its designee's interests in the Developments. The obligations of this Section 14.4 shall be performed by Grantee without further compensation and shall continue beyond Grantee's Termination Date.

15. Enforcement Provisions. Grantee understands and agrees to the following provisions regarding enforcement of the Agreement.

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

15.2 Equitable Remedies. A breach of the provisions of any of Sections 14.2, 14.3 or 14.4 will cause the Corporation irreparable harm, and the Corporation will therefore be entitled to issuance of immediate, as well as permanent, injunctive relief restraining Grantee, and each and every person and entity acting in concert or participating with Grantee, from initiation and/or continuation of such breach.

15.3 Tolling Period. If it becomes necessary or desirable for the Corporation to seek compliance with the provisions of Section 14.2 by legal proceedings, the period during which Grantee shall comply with said provisions will extend for a period of twelve (12) months from the date the Corporation institutes legal proceedings for injunctive or other relief.

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

15.5 Severability. The restrictions and obligations imposed by Sections 14.2, 14.3, 14.4, 15.1 and 15.7 are separate and severable, and it is the intent of Grantee and PNC that if any restriction or obligation imposed by any of these provisions is deemed by a court of competent jurisdiction to be void for any reason whatsoever, the remaining provisions, restrictions and obligations shall remain valid and binding upon Grantee.

15.6 Reform. In the event any of Sections 14.2, 14.3 and 14.4 are determined by a court of competent jurisdiction to be unenforceable because unreasonable either as to length of time or area to which said restriction applies, it is the intent of Grantee and PNC that said court reduce and reform the provisions thereof so as to apply the greatest limitations considered enforceable by the court.

15.7 Waiver of Jury Trial. Each of Grantee and PNC hereby waives any right to trial by jury with regard to any suit, action or proceeding under or in connection with any of Sections 14.2, 14.3 and 14.4.

15.8 Compliance with U.S. Internal Revenue Code Section 409A. It is the intention of the parties that the Award and the Agreement comply with the provisions of Section 409A of the U.S. Internal Revenue Code to the extent, if any, that such provisions are applicable to the Agreement, and the Agreement will be administered by PNC in a manner consistent with this intent.

If any payments or benefits hereunder may be deemed to constitute nonconforming deferred compensation subject to taxation under the provisions of Section 409A of the U.S. Internal Revenue Code, Grantee agrees that PNC may, without the consent of Grantee, modify the Agreement and the Award to the extent and in the manner PNC deems necessary or advisable or take such other action or actions, including an amendment or action with retroactive effect, that PNC deems appropriate in order either to preclude any such payments or benefits from being deemed "deferred compensation" within the meaning of Section 409A of the U.S. Internal Revenue Code or to provide such payments or benefits in a manner that complies with the provisions of Section 409A of the U.S. Internal Revenue Code such that they will not be taxable thereunder.

15.9 Applicable Law; Clawback, Adjustment or Recoupment. Notwithstanding anything in the Agreement, PNC will not be required to comply with any term, covenant or condition of the Agreement if and to the extent prohibited by law, including but not limited to Federal banking and securities regulations, or as otherwise directed by one or more regulatory agencies having jurisdiction over PNC or any of its subsidiaries.

Further, to the extent applicable to Grantee, the Award, and any right to receive and retain any Shares or other value pursuant to the Award, shall be subject to rescission, cancellation or recoupment, in whole or in part, if and to the extent so provided under PNC's Incentive Compensation Adjustment and Clawback Policy, as in effect from time to time with respect to the Award, or any other applicable clawback, adjustment or similar policy in effect on or established after the Award Grant Date and to any clawback or recoupment that may be required by applicable law or regulation.

15.10 Subject to the Plan and Interpretations. In all respects the Award and the Agreement are subject to the terms and conditions of the Plan, which has been made available to Grantee and is incorporated herein by reference; *provided, however,* the

terms of the Plan shall not be considered an enlargement of any benefits under the Agreement. Further, the Award and the Agreement are subject to any interpretation of, and any rules and regulations issued by, the Compensation Committee, or its delegate or under the authority of the Compensation Committee, or the Plan Administrator, whether made or issued before or after the Award Grant Date.

15.11 Headings; Entire Agreement. Headings used in the Agreement are provided for reference and convenience only, shall not be considered part of the Agreement, and shall not be employed in the construction of the Agreement. The Agreement constitutes the entire agreement between Grantee and PNC with respect to the subject matters addressed herein, and supersedes all other discussions, negotiations, correspondence, representations, understandings and agreements between the parties concerning the subject matters hereof.

15.12 Modification. Modifications or adjustments to the terms of this Agreement may be made by PNC as permitted in accordance with the Plan or as provided for in this Agreement. No other modification of the terms of this Agreement shall be effective unless embodied in a separate, subsequent writing signed by Grantee and by an authorized representative of PNC.

16. Acceptance of Award; PNC Right to Cancel; Effectiveness of Agreement.

If Grantee does not accept the Award by executing and delivering a copy of the Agreement to PNC, without altering or changing the terms thereof in any way, within 30 days of receipt by Grantee of a copy of the Agreement, PNC may, in its sole discretion, withdraw its offer and cancel the Award at any time prior to Grantee's delivery to PNC of an unaltered and unchanged copy of the Agreement so executed by Grantee. Otherwise, upon such execution and delivery of the Agreement by both PNC and Grantee, the Agreement is effective as of the Award Grant Date.

IN WITNESS WHEREOF, PNC has caused the Agreement to be signed on its behalf as of the Award Grant Date.

THE PNC FINANCIAL SERVICES GROUP, INC.

By: /s/ William S. Demchak

Chief Executive Officer

ATTEST:

By: /s/ Christi Davis

Corporate Secretary

ACCEPTED AND AGREED TO by GRANTEE

_____

Grantee

EXHIBIT 10.51

10.51 - 2015-2017 A&L-Related
Cash-Payable Incentive Performance Units

THE PNC FINANCIAL SERVICES GROUP, INC.
2006 INCENTIVE AWARD PLAN

* * *

2015-2017 A&L-RELATED CASH-PAYABLE
INCENTIVE PERFORMANCE UNITS
AWARD AGREEMENT

* * *

GRANTEE:	**[Name]**
AWARD GRANT DATE:	**February 13, 2015**
SHARE UNITS:	**[Whole number of share units]**

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1. Definitions.

Certain terms used in this 2015-2017 A&L-Related Cash-Payable Incentive Performance Units Award Agreement **(the "Agreement" or "Award Agreement")** are defined in Section 15 or elsewhere in the Agreement, and such definitions will apply except where the context otherwise indicates.

In the Agreement, **"PNC"** means The PNC Financial Services Group, Inc., **"Corporation"** means PNC and its Consolidated Subsidiaries, and **"Plan"** means The PNC Financial Services Group, Inc. 2006 Incentive Award Plan as amended from time to time.

2. 2015-2017 A&L-Related Incentive Performance Units Award.

Pursuant to the Plan and subject to the terms and conditions of the Award Agreement, PNC grants to the Grantee named above **("Grantee")** a share-denominated cash-payable incentive award opportunity of performance units **(the "Incentive Performance Units" or "2015-2017 Incentive Performance Units")** of the number of share units set forth above **(the "Award")**. The Award is subject to acceptance by Grantee in accordance with Section 18 and is subject to the terms and conditions of the Award Agreement, including service, conduct and other conditions, corporate performance and other adjustments, forfeiture provisions and Committee determinations, and to the Plan.

3. Terms of Award.

This Award is subject to service, conduct-related and other conditions, corporate performance and other adjustments, forfeiture provisions, Committee determinations, and other conditions and provisions, all as set forth in the Award Agreement.

Incentive Performance Units are not transferable. The Incentive Performance Units are subject to forfeiture and adjustment until Final Award determination and vesting pursuant to Section 8 and are subject to upward or downward corporate performance and other adjustments from the initial number of share units, all in accordance with the terms of the Award Agreement.

Incentive Performance Units that are not forfeited pursuant to the service requirements or conduct-related or other provisions of Section 5 will be performance-adjusted in accordance with the corporate performance adjustment provisions of Sections 6 and 7 on the basis of annual A&L-related corporate performance factors that are used to generate an overall Performance Factor. The Performance Factor is then used to determine the calculated maximum performance-adjusted share units amount that is eligible for a Final Award determination in accordance with Section 8.

Generally, a Final Award determination will be made by the Compensation Committee (as defined in Section 15) at the end of an overall performance period of three years. In the event of Grantee's earlier death, a Final Award determination may in such circumstances be made at an earlier time. The Compensation Committee generally may determine to reduce the calculated maximum performance-adjusted amount in its discretion when it makes a Final Award determination, but it may not increase the calculated maximum amount. A Final Award determination will be made formulaically in the event of a Change of Control.

Any Final Award (as defined in Section 15) determined and vested in accordance with Section 8 will be settled and paid out in cash pursuant to and in accordance with the terms of Section 9, generally in an amount equal to the number of outstanding vested payout share units specified in the Final Award multiplied by the per share price of PNC common stock on the Final Award determination date. No shares of PNC common stock will be issued pursuant to the Award Agreement.

Incentive Performance Units that are forfeited by Grantee pursuant to and in accordance with the service, conduct or other provisions of Section 5, or that are not represented in a Final Award awarded and vested pursuant to Section 8, will be cancelled and therefore shall terminate without payment of any consideration by PNC.

4. No Dividend Equivalents.

This Incentive Performance Units Award doesnot include any related dividend equivalents.

5. Forfeiture Provisions: Termination Upon Failure to Meet Applicable Service, Conduct or Other Conditions

5.1 Termination of Award Upon Forfeiture of Share Units The Award is subject to the forfeiture provisions set forth in this Section 5. The Award will terminate with respect to all or a specified portion, as applicable, of the Incentive Performance Units evidenced by the Award Agreement upon the forfeiture and cancellation of such Incentive Performance Units, or specified portion thereof, pursuant to the terms and conditions of this Section 5, and neither Grantee nor any successors, heirs, assigns or legal representatives of Grantee will thereafter have any further rights or interest in such Incentive Performance Units, or specified portion thereof.

5.2 Forfeiture of Award Upon Failure to Meet Service Requirements If, at the time Grantee ceases to be employed by the Corporation, Grantee has failed to meet the service requirements set forth in this Section 5 with respect to the Award, then all then outstanding Incentive Performance Units will be forfeited by Grantee to PNC and cancelled without payment of any consideration by PNC as of Grantee's Termination Date (as defined in Section 15).

5.3 Service Requirements. Grantee will meet the service requirements of the Award if Grantee meets the conditions of any of the subclauses below. If more than one of the following subclauses is applicable, Grantee will have met the service requirements for the Award upon the first to occur of such conditions.

(i) Grantee continues to be an employee of the Corporation through and including the Final Award Date.

(ii) Grantee ceases to be an employee of the Corporation by reason of Grantee's death.

(iii) Grantee continues to be an employee of the Corporation until Grantee's Termination Date where Grantee's employment was not terminated by the Corporation for Cause (as defined in Section 15.10) and where Grantee's termination of employment as of such date qualifies as a Retirement (as defined in Section 15) **(a "Qualifying Retirement")**.

(iv) Grantee continues to be an employee of the Corporation until Grantee's Termination Date where Grantee's employment was not terminated by the Corporation for Cause and where Grantee's employment was terminated as of such date by the Corporation by reason of Grantee's Disability (as defined in Section 15) **(a "Qualifying Disability Termination")**.

(v) Grantee continues to be an employee of the Corporation until Grantee's Termination Date where Grantee's employment was terminated as of such date by the Corporation and such termination is an Anticipatory Termination (as defined in Section 15) **(a "Qualifying Anticipatory Termination")**.

(vi) Grantee continues to be an employee of the Corporation, including any successor entity, on January 2, 2018 where a Change of Control (as defined in Section 15) is consummated prior to a Committee-determined Final Award Date (as defined in Section 15) or where Grantee's employment with the Corporation was terminated after the Change of Control by the Corporation without Cause (as defined in Section 15.4) or by Grantee's voluntarily resignation from the Corporation for Good Reason (as defined in Section 15).

5.4 Forfeiture of Award Upon Termination for Cause or Pursuant to Detrimental Conduct Provisions

(a) Termination for Cause. In the event that Grantee's employment with the Corporation is terminated by the Corporation (a) for Cause (as defined in Section 15.10) prior to the Committee-determined Final Award Date and prior to the occurrence of a Change of Control, if any, or (b) for Cause (as defined in Section 15.4) after a Change of Control and prior to the Change-of-Control-determined Final Award Date, then all then outstanding Incentive Performance Units will be forfeited by Grantee to PNC and cancelled without payment of any consideration by PNC as of Grantee's Termination Date.

(b) Detrimental Conduct. At any time prior to the date that a Final Award determination is made and Grantee's Award vests as of the Final Award Date, or the date that the Incentive Performance Units expire unvested or are cancelled pursuant to other provisions of the Award Agreement, the Incentive Performance Units, or specified portion thereof, will be forfeited by Grantee to PNC and cancelled, without payment of any consideration by PNC, on the date and to the extent that PNC determines in its sole discretion to so cancel all or a specified portion of the Incentive Performance Units on the basis of its determination that Grantee has engaged in Detrimental Conduct as set forth in Section 15.20, whether such determination is made during the period of Grantee's employment with the Corporation or after Grantee's Termination Date; *provided, however,* that (i) Detrimental Conduct will not apply to conduct by or activities of successors to the Incentive Performance Units by will or the laws of descent and distribution in the event of Grantee's death; (ii) no determination that Grantee has engaged in Detrimental Conduct may be made between the time PNC enters into an agreement providing for a Change of Control and the time such agreement either terminates or results in a Change of Control, other than where such determination is based on or resulting from Grantee having committed Detrimental Conduct as described in Section 15.20(b) or in Section 15.20(c); and (iii) no determination that Grantee has engaged in Detrimental Conduct may be made after the occurrence of a Change of Control, other than where such determination is based on or resulting from Grantee having committed Detrimental Conduct as described in Section 15.20(b) or in Section 15.20(c).

5.5 Clawback, Adjustment or Recoupment. Incentive Performance Units shall be subject to rescission, cancellation or recoupment, in whole or in part, if and to the extent so provided under PNC's Incentive Compensation Adjustment and Clawback Policy, as in effect from time to time with respect to the Award, or any other applicable clawback, adjustment or similar policy in effect on or established after the Award Grant Date and to any clawback or recoupment that may be required by applicable law or regulation.

6. Performance Conditions and Related Annual Performance Factors.

6.1 General. Incentive Performance Units are subject to corporate performance conditions and adjustments, all as set forth in the Award Agreement unless and until amended prospectively by the Compensation Committee.

In the standard circumstances, corporate performance is measured over three performance years (calendar years 2015, 2016 and 2017) as provided in this Section 6; however, in certain circumstances, generally involving Grantee's death or a Change of Control, measurements may be made for fewer than three performance years and/or measurements for a performance year may involve less than a full four quarters or may be based on a quarter-end date other than December 31st, as the case may be, all as provided in Section 7.

Performance measurements and the generation of Annual Performance Factors based on the corporate performance condition for each applicable annual measurement period **("Performance Year")**, the generation of an overall Performance Factor for the Award, and the performance-adjustment of the Incentive Performance Units in varying circumstances are set forth in Sections 6 and 7.

All determinations made by the Compensation Committee or otherwise by PNC hereunder shall be made in its sole discretion and shall be final, binding and conclusive for all purposes on all parties, including without limitation Grantee.

6.2 A&L Unit-Related Corporate Performance Condition and Related Annual Performance Factor.

(a) General. For the corporate performance condition for this Award, corporate performance will be measured under the A&L Unit-Related Corporate Performance Metric, as specified in this Section 6.2 below, for each Performance Year in the Award and will generate an Annual Performance Factor that relates to each such Performance Year. The Annual Performance Factor for a given Performance Year can range from a low of 0.00% to a maximum of 200.00% based on the A&L Unit-Related Corporate Performance Metric, as described in this Section 6.2.

In the standard circumstances where Grantee continues to be an employee of the Corporation (or where Grantee's employment with the Corporation ceases by reason of a

Qualifying Retirement or a Qualifying Disability Termination) and there has not been a Change of Control and Grantee has not died or had a Qualifying Anticipatory Termination, the applicable performance measurement period for a Performance Year for purposes of this A&L Unit-Related Corporate Performance Metric will cover the full four quarters of the applicable Performance Year (January 1 through December 31) and the Annual Performance Factor for the given Performance Year will be calculated in accordance with this Section 6.2.

PNC will present information to the Compensation Committee with respect to the level of performance achieved with respect to the A&L Unit-Related Corporate Performance Metric for a given Performance Year as soon as practicable following the end of that performance period. The process of certification of the level of PNC's performance with respect to a given Performance Year will generally occur in late January or early February after the applicable year-end date.

For circumstances where there is a Change of Control or Grantee dies, in either case while Grantee is still an employee of the Corporation or following a Qualifying Retirement or a Qualifying Disability Termination, or where Grantee has a Qualifying Anticipatory Termination, the Annual Performance Factor with respect to an applicable Performance Year will be determined as set forth in Section 7 and this may in some circumstances include a performance period for a given Performance Year that covers fewer than four quarters.

(b) A&L Unit-Related Corporate Performance Metric. The Compensation Committee has determined that the corporate performance metric for this Award will be the levels of financial return from investing activities achieved by PNC's Asset & Liability Unit **("A&L Unit")** relative to the applicable Benchmark Performance Index (as specified below), all measured as set forth herein unless and until amended prospectively by the Compensation Committee.

Benchmark Performance Index. The Compensation Committee has determined that the applicable Benchmark Performance Index with respect to a given Performance Year in the overall performance period for the Award, whether the given covered Performance Year consists of a full calendar year or a shorter partial-year period as required by the Award Agreement, will be the benchmark performance index that PNC uses internally to evaluate the measured A&L Unit performance as in effect as of March 30 of that given year (or as of the last business day that occurs prior to March 30 if March 30 does not fall on a business day), so that, to the extent applicable:

(1) performance for the covered Performance Year consisting of calendar year 2015 (or shorter partial-year period of that calendar year if so specified by the Agreement) will be compared to PNC's internal performance benchmark index for the A&L Unit in effect on March 30, 2015;

(2) performance for the covered Performance Year consisting of calendar year 2016 (or shorter partial-year period of that calendar year if so specified by the Agreement) will be compared to PNC's internal performance benchmark index for the A&L Unit in effect on March 30, 2016; and

(3) performance for the covered Performance Year consisting of calendar year 2017 (or shorter partial-year period of that calendar year if so specified by the Agreement) will be compared to PNC's internal performance benchmark index for the A&L Unit in effect on March 30, 2017.

Measured A&L Unit Performance. The A&L Unit performance as measured for a given Performance Year with respect to the A&L Unit-Related Corporate Performance Metric will be expressed as the number of basis points by which the level of financial return from investing activities achieved by the A&L Unit for the applicable covered Performance Year period exceeds or falls short of the Benchmark Performance Index applicable to that covered period, with zero basis points indicating performance at the benchmark index level.

(c) Annual Performance Factor. The Compensation Committee also establishes the applicable A&L Unit-Related Corporate Performance Schedule for the 2015-2017 Incentive Performance Units. Unless and until amended prospectively by the Compensation Committee, the following A&L Unit-Related Corporate Performance Metric Schedule will be applied in order to generate an Annual Performance Factor for each applicable Performance Year in the applicable overall performance period.

For each applicable covered Performance Year, PNC will determine the measured A&L Unit performance for the covered period with respect to that year based on the level of financial return from investing activities achieved by the A&L Unit for that covered period and the comparison in basis points of such performance to the applicable Benchmark Performance Index, all as set forth in Section 6.2(a) and (b) above.

Once this measured A&L Unit performance for a given Performance Year has been calculated and expressed in basis points, the table that follows and interpolation are used to generate an Annual Performance Factor for the full or partial year period, as the case may be, in the given Performance Year based on such covered period performance. The Annual Performance Factor for the given Performance Year is the applicable payout percentage in the table, using interpolation for performance between the points indicated on that table, and rounded to the nearest one-hundredth, with 0.005% being rounded upward to 0.01%. In no event will the Annual Performance Factor be greater than 200.00% or less than 0.00%.

The table used for the A&L Unit-Related Corporate Performance Metric Schedule, as established by the Compensation Committee at the time it authorized these 2015-2017 Incentive Performance Units, is as follows.

A&L Unit-Related Corporate Performance Measure		
	Covered Performance Year Measured A&L Unit Performance Relative to Benchmark Performance Index for the Same Period (in basis points)	Annual Performance Factor (Payout Percentage) *
Maximum	+40 basis points or higher	200.00%
	+20 basis points	150.00%
	0 basis points (at benchmark) to -25 basis points	100.00%
	-35 basis points	40.00%
Minimum	-40 basis points or below	0.00%

* Consistent with the design of this compensation program, this schedule interpolates results for performance between the points indicated on this table. Where interpolation is impracticable or would not produce a meaningful result, the unadjusted percentage will be used.

Compensation Committee Negative Discretion. Once the Annual Performance Factor for A&L Unit performance relative to the applicable Benchmark Performance Index for the full year or partial-year covered period of a given Performance Year has been determined using the table above and interpolation, the Compensation Committee may decide, in its discretion, to reduce that percentage (as long as such decision is not made during a Change of Control Coverage Period, as defined in Section 15, or after the occurrence of a Change of Control) but may not increase it.

6.3 Overall Performance Factor in Standard Circumstances.

(a) General. In standard circumstances where Grantee continues to be an employee of the Corporation (or where Grantee's employment with the Corporation ceased by reason of a Qualifying Retirement or a Qualifying Disability Termination) and there has not been a Change of Control and Grantee has not died or had a Qualifying Anticipatory Termination, the overall Performance Factor for the Award will be calculated as set forth in this Section 6.3.

For circumstances where there is a Change of Control or Grantee dies, in either case while Grantee is still an employee of the Corporation or following a Qualifying Retirement or a Qualifying Disability Termination, or where Grantee has a Qualifying Anticipatory Termination, the Annual Performance Factors and the final overall Performance Factor with respect to the Award will be determined as set forth in Section 7.

(b) Overall Performance Factor. After presentation of information on performance results and calculations of the Annual Performance Factors by PNC to the Compensation Committee and certification of performance results, the overall Performance Factor for the Award will be determined.

In standard circumstances, the overall Performance Factor will be generated by taking the average of the Annual Performance Factors for the three Performance Years (2015, 2016 and 2017) for the Award.

Calculation of the overall Performance Factor for non-standard circumstances, where there is a Change of Control or Grantee dies, in either case while Grantee is still an employee of the Corporation or following a Qualifying Retirement or a Qualifying Disability Termination, or where Grantee has a Qualifying Anticipatory Termination, is set forth in Section 7.

The overall Performance Factor, whether calculated pursuant to Section 6 or Sections 6 and 7, as applicable, will be rounded to the nearestone-hundredth, with 0.005% being rounded upward to 0.01%, provided that the overall Performance Factor may in no event be greater than 200.00% or less than 0.00%.

7. Performance-Related Adjustments to Incentive Performance Units.

7.1 Performance Adjustment of Outstanding Share Units. Once the overall Performance Factor for the Incentive Performance Units has been determined in accordance with Section 6 and Section 7.3, as applicable, and provided that the Award has not been cancelled pursuant to any of the forfeiture provisions of Section 5, the number of outstanding share units in the Award will be performance adjusted as

applicable in accordance with this Section 7. The outstanding performance-adjusted Incentive Performance Units represent the maximum size of any Final Award that may be determined and vest pursuant to Section 8 where the Award has not been forfeited pursuant to Section 5.

Outstanding Incentive Performance Units will be performance-adjusted in accordance with Section 7.2 where Grantee is still an employee of the Corporation (or ceased to be an employee by reason of a Qualifying Retirement or Qualifying Disability) and where there has not been a Change of Control and Grantee has not died or had a Qualifying Anticipatory Termination, all as of the Final Award determination date set forth in Section 8.

Where Grantee has died (whether while an employee or after a Qualifying Retirement or Qualifying Disability) or ceased to be an employee by reason of a Qualifying Anticipatory Termination or where there has been a Change of Control, determination of the overall Performance Factor(s) and performance-adjustment of the Incentive Performance Units will be made in accordance with Section 7.3 at the time specified in Section 8.

The outstanding performance-adjusted Incentive Performance Units that are eligible to be the basis for a Final Award determination, provided that all of the other conditions of the Award Agreement are met, are sometimes referred to as the **"Calculated Maximum Payout Share Units"** and the percentage applied to the outstanding share units in order to arrive at the Calculated Maximum Payout Share Units is sometimes referred to as the **"Calculated Maximum Payout Percentage"** for the Award.

7.2 Standard Circumstances. Where, as of the Final Award determination date, Grantee is still an employee of the Corporation or ceased to be an employee by reason of a Qualifying Retirement or Qualifying Disability and there has not been a Change of Control and Grantee has not died or had a Qualifying Anticipatory Termination, the performance-adjusted number of share units in the Award will be equal to a percentage of the initial share units in the Award that remain outstanding, rounded to the nearest one-hundredth with 0.005 share units being rounded upward to 0.01 share units, where the percentage to be applied is equal to the overall Performance Factor as determined in accordance with Section 6.3(b). Only outstanding performance-adjusted share units in the Award are eligible to be the basis for a Final Award determination pursuant to Section 8 provided that all of the other conditions of the Award Agreement are met.

In non-standard circumstances, the performance-adjusted number of share units for the Award will be calculated as provided in Section 7.3.

7.3 Death, Qualifying Anticipatory Termination, and Change of Control

(a) Death. Where Grantee dies while an employee of the Corporation, or following a Qualifying Retirement or Qualifying Disability Termination, and the Award has not been forfeited pursuant to Section 5 and a Final Award determination is made by the Committee pursuant to Section 8.2 or a Final Award is determined pursuant to Section 8.3 due to the occurrence of a Change of Control, the maximum number of performance-adjusted share units eligible to be the basis for a Final Award determination (the Calculated Maximum Payout Share Units) in these circumstances will be determined as follows at the time specified in Section 8.

Where a Final Award determination is made by the Committee pursuant to Section 8.2, the maximum number of performance-adjusted share units that may be awarded by the Committee will be calculated by applying an overall Performance Factor calculated as provided below to the total number of share units outstanding at the time of Final Award determination, without proration.

After presentation of information on performance results and calculations of the applicable Annual Performance Factors by PNC to the Compensation Committee and certification of performance results, the overall Performance Factor to be applied to the outstanding share units in these circumstances will be calculated as the average of the Annual Performance Factor calculated in accordance with Section 6 as if Grantee were a continuing employee for each calendar Performance Year completed prior to Grantee's death, if any, and for the calendar Performance Year in which Grantee's death occurs (whether or not such calculations are completed prior to Grantee's death) and an Annual Performance Factor of 100.00% for each calendar Performance Year, if any, remaining in the portion of the Award performance period following the calendar year in which Grantee died, if any.

Where a Change of Control occurs after Grantee's death but prior to the time the Committee makes a Final Award determination pursuant to Section 8.2, either to approve a Final Award to Grantee of the Calculated Maximum Payout Share Units calculated as described above or of a lesser number of share units or of no units, a Change-of-Control-determined Final Award will be calculated as follows.

Where a Change of Control occurs after Grantee's death but prior to the time the Committee makes a Final Award determination, the number of outstanding performance-adjusted Incentive Performance Units eligible to be the basis for a Final Award determination in accordance with Section 8.3 will be either (1) or (2) as applicable: (1) if Grantee dies in the calendar year prior to the calendar year in which the Change of Control occurs, the same maximum number of outstanding performance-adjusted share units calculated as described above in this Section 7.3(a); or (2) if Grantee dies in the same calendar year in which the Change of Control occurs but prior to that Change of Control, the number of outstanding performance-adjusted share units calculated for both the first and second parts of a Final Award calculated in accordance with Section 7.3 (c) below as if Grantee were a continuing employee.

If Grantee dies after a Change of Control occurs, the provisions of Section 7.3(c) will continue to apply.

(b) Qualifying Anticipatory Termination. Where Grantee is no longer an employee of the Corporation and Grantee's termination of employment was a Qualifying Anticipatory Termination and the Award has not been forfeited pursuant to Section 5 and a Final Award determination is made by the Committee pursuant to Section 8.2 or a Final Award is determined pursuant to Section 8.3 due to the occurrence of a Change of Control, the maximum number of performance-adjusted share units eligible to be the basis for a Final Award determination (the Calculated Maximum Payout Share Units) in these circumstances will be determined as follows.

Where Grantee has not died prior to the Committee-determined Final Award Date or the Change-of-Control-determined Final Award Date, as the case may be, the Calculated Maximum Payout Share Units will be determined in the same manner and at the same time as if Grantee had remained an employee of the Corporation pursuant to Section 6 or Section 6 and Section 7.3(c), as applicable; *provided, however,* that if a Change of Control is pending but has not yet occurred at the Committee-determined Final Award Date, the Committee will have no discretion to reduce Grantee's Calculated Maximum Payout Share Units under these circumstances.

If Grantee dies following a Qualifying Anticipatory Termination but prior to the Committee-determined Final Award Date or the Change-of-Control-determined Final Award Date, as the case may be, the Calculated Maximum Payout Share Units will be determined pursuant to Section 7.3(a) in the same manner and at the same time as if Grantee had died at the same time but while an employee of the Corporation; *provided, however,* that if a Change of Control is pending but has not yet occurred at the Committee-determined Final Award Date, the Committee will have no discretion to reduce Grantee's Calculated Maximum Payout Share Units under these circumstances.

(c) Change of Control. Where a Change of Control occurs prior to the Committee-determined Final Award Date and Grantee remains eligible for a Final Award determined pursuant to Section 8.3 (that is, the Award has not been forfeited prior to the Change of Control date pursuant to Section 5 and, as of the day immediately prior to the Change of Control, Grantee is either still an employee of the Corporation or has had a Qualifying Retirement, a Qualifying Disability Termination or a Qualifying Anticipatory Termination) and Grantee has not died, the share units will be divided into two parts, and a Performance Factor will be determined separately for each part at the time specified in Section 8.3. The performance-adjusted share units in each part will be determined by applying the performance factor for that part to the share units in the same part, and the total performance-adjusted Incentive Performance Units will be the sum of the performance-adjusted share units in these two parts.

The number of Incentive Performance Units in the first part will be equal to the total outstanding share units multiplied by the number of full calendar quarters completed between January 1, 2015 and the Change of Control date (including, if applicable, the quarter completed on the Change of Control date if the Change of Control occurs on a quarter-end day), then divided by 12 (the number of quarters in the standard three year performance period for the Award). The remaining Incentive Performance Units will be in the second part.

The Performance Factor for the first part (the Pre-Change-of-Control Factor) will be calculated using the weighted average of the Annual Performance Factor or Factors for all calendar Performance Years completed prior to the Change of Control date and, provided that the Change of Control occurs on or after March 31st of such year, the Annual Performance Factor for the Performance Year in which the Change of Control occurs, each calculated as follows.

For purposes of calculating the Pre-Change-of-Control Factor, the Annual Performance Factor for any calendar Performance Year completed prior to the Change of Control will be the higher of 100.00% and the Annual Performance Factor for that year calculated in accordance with Section 6.2 as if there had not been a Change of Control.

The Annual Performance Factor for the Performance Year in which the Change of Control occurs will be the higher of 100.00% and an Annual Performance Factor calculated in the same manner as in Section 6.2 but using the full quarters of the year completed prior to or as of the Change of Control date as the Performance Year, whether that constitutes a full calendar year or a partial year. If, however, the Change of Control occurs prior to the end of the first quarter of such Performance Year, no Annual Performance Factor will be calculated for the Performance Year in which the Change of Control occurs for purposes of calculating the Pre-Change-of-Control Factor.

In generating the weighted average, the Annual Performance Factors in the numerator will be weighted based on the number of full quarters represented by that Performance Year (four quarters for a full calendar year and the number of full quarters completed by the Change of Control date for the Performance Year in which the Change of Control occurs), with the denominator being 12.

The resulting weighted average of the Annual Performance Factors for thepre-Change of Control period is the Pre-Change-of-Control Factor. This factor is then applied to the number of Incentive Performance Units in the first part to determine the performance-adjusted Incentive Performance Units in the first part.

The second part of performance-adjusted Incentive Performance Units is calculated by applying the Performance Factor for the second part (the Post-Change-of-Control Factor) to the number of Incentive Performance Units in the second part. The Post-Change-of-Control Factor will be 100.00%. This factor is then applied to the number of Incentive Performance Units in the second part to determine the performance-adjusted Incentive Performance Units in the second part.

In the event that Grantee dies prior to a Change of Control but the Change of Control occurs before the Committee makes a Final Award determination pursuant to Section 8.2, a Change-of-Control-determined Final Award will be calculated as described in clause (1) or (2), as applicable, of the fifth paragraph of Section 7.3(a). If Grantee dies following a Change of Control, the provisions of this Section 7.3(c) will continue to apply to the calculation of a Final Award.

In the event that Grantee ceased to be an employee of the Corporation by reason of a Qualifying Anticipatory Termination prior to the Change of Control, the provisions of Section 7.3(b) will apply.

7.4 Termination of Portions of Award Due to Performance Adjustments. The Incentive Performance Units in the Award that do not become Calculated Maximum Payout Share Units will be cancelled; that is, only the number of share units that remain outstanding and become Calculated Maximum Payout Share Units after the applicable corporate performance adjustments and any other adjustments for the Award have been made will be eligible to be the basis for a Final Award determination and become vested Payout Share Units in accordance with Section 8 provided that all of the other conditions of the Award Agreement are met.

8. Final Award Determination and Vesting.

8.1 General. A Final Award determination will be made by the Committee in accordance with Section 8.2 *provided, however,* that upon the occurrence of a Change of Control prior to the time the Committee has made a Final Award determination in accordance with Section 8.2, a Final Award determination will instead be made in accordance with Section 8.3, provided in either case that the Award has not been forfeited pursuant to Section 5 prior to the Final Award Date and remains outstanding.

Final Award determinations pursuant to Section 8.2 will be made by the Committee as soon as practicable after December 31, 2017 (and in any event, such that any payout of a Final Award is made no later than December 31, 2018); *provided, however,* that in the event of Grantee's death prior to a Change of Control, a Final Award determination pursuant to Section 8.2 will be made as soon as practicable after the end of the calendar year in which Grantee died, if earlier, and in any event such that any payout of a Final Award is made no later than December 31st of the year in which such Final Award determination is made, other than in unusual circumstances where a further delay thereafter would be permitted under Section 409A of the U.S. Internal Revenue Code, and if such a delay is permissible, as soon as practicable within such limits. Final Award determinations pursuant to Section 8.3 will be made as soon as practicable after the Change of Control occurs.

A Final Award may not exceed the Calculated Maximum Payout Share Units amount calculated in accordance with the applicable provisions of Sections 6 and 7. However, the Committee may exercise negative discretion to reduce the size of a Final

Award determined pursuant to Section 8.2, except as otherwise provided in Section 7.3(b) in certain circumstances involving a Qualifying Anticipatory Termination and except as otherwise provided in Sections 8.2(b) and 8.2(c) during a Change of Control Coverage Period or if a Change of Control has occurred, as applicable.

The Final Award, if any, will be fully vested as of the applicable vesting date, which will be (i) the Committee-determined Final Award Date if the Final Award is determined in accordance with Section 8.2, or (ii), the Change-of-Control-determined Final Award Date (which would be the date upon which the service requirements of Section 5.3 are satisfied), if the Final Award is determined in accordance with Section 8.3, as applicable.

A Final Award will be designated as a specified number of vested share units **("vested Payout Share Units")**. If the vested Payout Share Units include a fraction, the fraction will be eliminated by rounding down to the nearest whole share unit. Outstanding vested Payout Share Units will be paid out at the time and in the form set forth in the applicable subsection of Section 9. Section 9.2 will apply where Final Award determination and vesting occurs in accordance with Section 8 prior to a Change of Control, and Section 9.3 will apply where Final Award determination and vesting occurs in accordance with Section 8 subsequent to a Change of Control that occurs any time prior to a Committee-determined Final Award Date.

8.2 Certification of Performance Results and Committee Final Award Determination.

(a) General. Provided that Grantee remains an employee of the Corporation, or Grantee's termination of employment was a Qualifying Retirement, a Qualifying Disability Termination or a Qualifying Anticipatory Termination, and the 2015-2017 Incentive Performance Units remain outstanding such that Grantee remains eligible for consideration for a Final Award, and that a Change of Control has not occurred, the overall performance period for the Award will run from January 1, 2015 through December 31, 2017 and the process of certification of the levels of achievement of corporate performance, the calculation of the overall Performance Factor, the calculation of the Calculated Maximum Payout Share Units, and the determination of the Final Award, if any, by the Compensation Committee will occur in early 2018.

The time when the certification, calculation and Final Award determination process will take place is sometimes referred to as the **"scheduled award-determination period,"** and the date when a Final Award, if any, is determined and made by the Compensation Committee is sometimes referred to as the **"Committee-determined Final Award Date."**

In the event that Grantee dies while an employee of the Corporation (or following a Qualifying Retirement, a Qualifying Disability Termination or a Qualifying Anticipatory Termination) and prior to the regularly scheduled award date in early 2018, and the 2015-2017 Incentive Performance Units remain outstanding and have not been forfeited pursuant to Section 5, PNC will present information to the Compensation

Committee for purposes of Final Award determination early in the calendar year following the calendar year in which Grantee died if such time is earlier than in early 2018 and otherwise in early 2018.

Notwithstanding anything in this Section 8.2 to the contrary, if a Change of Control has occurred, Section 8.3 will apply.

(b) The Compensation Committee will have the authority to award to Grantee**("award")** as a Final Award such amount, denominated as a specified number of vested share units (vested Payout Share Units), as may be determined by the Compensation Committee, subject to the limitations set forth in the following paragraph, provided, that: (1) the 2015-2017 Incentive Performance Units are still outstanding; (2) Grantee is either still an employee of the Corporation, or Grantee's termination of employment was a Qualifying Retirement, a Qualifying Disability Termination or a Qualifying Anticipatory Termination, or Grantee died while an employee of the Corporation or after a Qualifying Retirement, a Qualifying Disability Termination or a Qualifying Anticipatory Termination; and (3) the applicable Calculated Maximum Payout Share Units amount is greater than zero.

The Final Award will not exceed the applicable Calculated Maximum Payout Share Units amount, as determined in accordance with the applicable provisions of Sections 6 and 7, and is subject to the exercise of negative discretion by the Compensation Committee to reduce or further reduce this calculated payout amount pursuant to Section 8.2(c), if applicable.

However, if a Change of Control Coverage Period has commenced and has not yet ended or if a Change of Control has occurred, the Compensation Committee will not have authority to exercise negative discretion to reduce or further reduce the payout amount below the full applicable Calculated Maximum Payout Share Units amount. If there has been a Change of Control, the Compensation Committee's authority is subject to Section 8.3.

The date on which the Compensation Committee makes its determination as to whether or not it will authorize an award and, if so, the size of a Final Award, if any, it authorizes within the Calculated Maximum Payout Share Units amount determined pursuant to the Award Agreement is sometimes referred to in the Award Agreement as the "**Committee-determined Final Award Date"** and is the vesting date for a Final Award awarded by the Committee pursuant to Section 8.2.

Payment of the Final Award, if any, will be made in accordance with Section 9. If Grantee dies after a Final Award is determined but before payment is made, payment of the Final Award will be made to Grantee's legal representative, as determined in good faith by PNC, in accordance with Section 12.

(c) Negative Discretion. Except during a Change of Control Coverage Period or after the occurrence of a Change of Control, the Compensation Committee may exercise negative discretion with respect to the 2015-2017 Incentive Performance Units

and may determine, in light of such Corporation or individual performance or other factors as the Compensation Committee may deem appropriate, that notwithstanding the levels of financial return from investing activities achieved by the A&L Unit relative to benchmark, the Compensation Committee will not award Grantee the full applicable Calculated Maximum Payout Share Units amount that the Compensation Committee is authorized to award pursuant to Section 8.2(b), or any of such amount.

It is anticipated that the Compensation Committee will take into account factors such as absolute A&L Unit financial performance, absolute trading results, cumulative performance relative to the benchmark, adherence to risk parameters, and Grantee's contributions to the success of other PNC businesses when deciding whether and the extent to which to exercise its negative discretion.

The Compensation Committee may use its negative discretion to reduce the size of the Final Award or to cancel the full applicable potential award amount. Among other things, the Compensation Committee may exercise its negative discretion such that a Final Award appropriately reflects considerations based on the totality of results over the full overall performance period, and may cancel the full applicable potential award amount if the Committee determines that the totality of performance results over the entire performance period adversely impacts the safety and soundness of PNC.

If the Compensation Committee so determines to exercise its negative discretion pursuant to this Section 8.2(c), the Final Award, if any, will be further reduced accordingly; *provided, however,* that the Compensation Committee will not have authority to exercise negative discretion if a Change of Control Coverage Period has commenced and has not yet ended or if a Change of Control has occurred.

(d) If a Change of Control occurs prior to the time the Compensation Committee makes a Final Award determination pursuant to Section 8.2, the Final Award will be determined in accordance with Section 8.3 rather than being determined by the Compensation Committee pursuant to Section 8.2, and the Compensation Committee will not have negative discretion to reduce the payout amount calculated pursuant to Section 8.3.

8.3 Change of Control Prior to a Committee-Determined Final Award Date.

(a) Notwithstanding anything in the Agreement to the contrary, upon a Change of Control at any time prior to a Committee-determined Final Award Date pursuant to Section 8.2 and provided that the 2015-2017 Incentive Performance Units are still outstanding as of the end of the day immediately preceding the day on which the Change of Control occurs and have not already terminated or been terminated in accordance with the service, conduct or other provisions of Section 5, Grantee will be awarded a Final Award (the vested Payout Share Units); *provided, that*: (1) Grantee is still an employee of the Corporation on January 2, 2018; (2) Grantee's termination of employment was a Qualifying Retirement or a Qualifying Disability Termination; (3) Grantee died while an employee of the Corporation or after a circumstance set forth in

(a)(2) immediately above; or (4) Grantee was terminated by the Corporation without Cause (as defined in Section 15.4) or voluntarily resigned from the Corporation for Good Reason after the Change of Control.

If this Section 8.3 is applicable, and a Final Award is awarded pursuant to Section 8.3, then neither vesting nor payout will not be accelerated by reason of a Change of Control. Rather, vesting will occur upon satisfaction of the service conditions set forth in Section 5.3 and Section 8.3(a) above and payout would occur as soon as practicable after January 2, 2018. The date of such payment is sometimes referred to in the Agreement as the "**Change-of-Control-determined Final Award Date**."

The amount of vested Payout Share Units in the Final Award (the Calculated Maximum Payout Share Units calculated in accordance with the provisions of Sections 6 and 7 applicable in these circumstances) will be calculated as of the date of the Change of Control once the final data necessary for the award determination is available.

(b) The Compensation Committee may not exercise any further negative discretion pursuant to Section 8.2(c) or otherwise exercise discretion pursuant to the Award Agreement in any way that would serve to reduce a Final Award calculated pursuant to this Section 8.3.

8.4 Final Award Vested; Termination of Any Unawarded 2015-2017 Incentive Performance Units Once a Final Award determination has been made by the Compensation Committee pursuant to Section 8.2 or by virtue of the application of Section 8.3, the outstanding share units represented in the Final Award are vested as of the applicable Final Award Date (as defined in Section 15).

The share-denominated incentive award opportunity represented by the 2015-2017 Incentive Performance Units will terminate as to any portion of the Incentive Performance Units not so awarded pursuant to Section 8.2 or Section 8.3, as applicable.

Termination of all or a portion of the 2015-2017 Incentive Performance Units as unawarded pursuant to this Section 8.4, or pursuant to the provisions of Section 5, if applicable, will in no way affect Grantee's covenants or the other provisions of Sections 16 and 17.

9. Settlement of Vested Performance-Adjusted Share Units.

9.1 Settlement. A Final Award of vested Payout Share Units awarded pursuant to Section 8 will be paid out at the time and in the form set forth in the applicable subsection of this Section 9. Section 9.2 will apply where Final Award determination and vesting occurs pursuant to Section 8.2, and Section 9.3 will apply where Final Award determination and vesting occurs pursuant to Section 8.3. In no event will payment be made prior to vesting or later than December 31, 2018.

A Final Award, if any, will be fully vested as of the applicable vesting date, which will be the Committee-determined Final Award Date or the Change-of-Control-determined Final Award Date, as applicable, and will be paid solely in cash. PNC will deliver any cash payable pursuant to this Section 9 to, or at the proper direction of, Grantee or Grantee's legal representative, as determined in good faith by the Compensation Committee, at the applicable time specified in Section 9.2 or Section 9.3, as the case may be. Delivery of payment pursuant to the Award will not be made unless and until all applicable tax withholding requirements with respect to such payment have been satisfied.

In the event that Grantee is deceased, payment will be delivered to the executor or administrator of Grantee's estate or to Grantee's other legal representative, as determined in good faith by the Compensation Committee.

9.2 Settlement Where Vesting Occurs Prior to Change of Control.

(a) Payout Timing. Payment will be made to Grantee in settlement of an outstanding vested Final Award awarded pursuant to Section 8.2 as soon as practicable after the vesting date (the Committee-determined Final Award Date) set forth in Section 8.2 for such Award, generally within 30 days but no later than December 31st of the calendar year in which the vesting date occurs, other than in unusual circumstances where a further delay thereafter would be permitted under Section 409A of the U.S. Internal Revenue Code, and if such a delay is permissible, as soon as practicable within such limits. No interest shall be paid with respect to any such payments made pursuant to this Section 9.2.

(b) Form of Payout. Payment in settlement of such Final Award will be made entirely in cash at the applicable time set forth in Section 9.2(a) above, and will be in an amount equal to the number of outstanding vested Payout Share Units specified in the Final Award multiplied by the then current Fair Market Value (as defined in Section 15) of a share of PNC common stock on the Committee-determined Final Award Date or as otherwise provided pursuant to Section 11, if applicable. Payment will not be made pursuant to the Award unless and until all applicable tax withholding requirements with respect to such payment have been satisfied.

(c) Disputes. If there is a dispute regarding payment of a Final Award amount, PNC will settle the undisputed portion of the award amount, if any, within the time frame set forth above in this Section 9.2, and will settle any remaining portion as soon as practicable after such dispute is finally resolved but in any event within the time period permitted under Section 409A of the U.S. Internal Revenue Code.

9.3 Settlement Where Vesting Occurs On or After a Change of Control.

(a) Payout Timing. Payment will be made to Grantee in settlement of an outstanding vested Final Award awarded pursuant to Section 8.3 upon the Change-of-Control-determined Final Award Date. Generally this will be within 30 days after January 2, 2018, but no later than December 31, 2018, other than in unusual

circumstances where a further delay thereafter would be permitted under Section 409A of the U.S. Internal Revenue Code, and if such a delay is permissible, as soon as practicable within such limits. No interest shall be paid with respect to any such payments made pursuant to this Section 9.3.

(b) Form of Payment. Payment of the Final Award will be made entirely in cash at the applicable time set forth in Section 9.3 above, and will be in an amount equal to the number of vested Payout Share Units specified in the Final Award multiplied by the Fair Market Value (as defined in Section 15) of a share of PNC common stock on the date of the Change of Control or by the per share value provided pursuant to Section 11 as applicable.

(c) Disputes. If there is a dispute regarding payment of a final award amount, PNC will settle the undisputed portion of the award amount, if any, within the time frame set forth in the applicable subsection of Section 9.3(a), and will settle any remaining portion as soon as practicable after such dispute is finally resolved but in any event within the time period permitted under Section 409A of the U.S. Internal Revenue Code.

10. No Rights as a Shareholder.

Grantee will have no rights as a shareholder of PNC by virtue of this Award.

11. Capital Adjustments.

11.1 Except as otherwise provided in Section 11.2, if applicable, if corporate transactions such as stock dividends, stock splits, spin-offs,split-offs, recapitalizations, mergers, consolidations or reorganizations of or by PNC ("Corporate Transactions") occur prior to the time a Final Award, if any, is paid, the Compensation Committee or its delegate shall make those adjustments, if any, in the number, class or kind of Incentive Performance Units then outstanding under the Award that it deems appropriate in its discretion to reflect Corporate Transactions such that the rights of Grantee are neither enlarged nor diminished as a result of such Corporate Transactions, including without limitation measuring the value per share unit of any share-denominated award amount authorized for payment to Grantee pursuant to Section 9 by reference to the per share value of the consideration payable to a PNC common shareholder in connection with such Corporate Transactions.

All determinations hereunder shall be made by the Compensation Committee or its delegate in its sole discretion and shall be final, binding and conclusive for all purposes on all parties, including without limitation Grantee.

11.2 Upon the occurrence of a Change of Control, (a) the number, class and kind of Incentive Performance Units then outstanding under the Award will automatically be adjusted to reflect the same changes as are made to outstanding shares of PNC common stock generally, and (b) the value per share unit to be used in calculating the amount described in Section 9.3(b) of any award that is awarded to Grantee in

accordance with Section 8.3 will be measured by reference to the per share value of the consideration payable to a PNC common shareholder in connection with such Corporate Transaction or Transactions if applicable.

12. Prohibitions Against Sale, Assignment, *etc.*; Payment to Legal Representative.

(a) Incentive Performance Units may not be sold, assigned, transferred, exchanged, pledged, or otherwise alienated or hypothecated.

(b) If Grantee is deceased at the time any outstanding Final Award authorized by the Agreement is to be paid in accordance with the terms of Section 9, such payment shall be made to the executor or administrator of Grantee's estate or to Grantee's other legal representative as determined in good faith by PNC.

(c) Any payment made in good faith by PNC to Grantee's executor, administrator or other legal representative, or retained by PNC for taxes pursuant to Section 13, shall extinguish all right to payment hereunder.

13. Withholding Taxes; Payment Upon Inclusion Under Section 409A.

Where all applicable withholding tax obligations have not previously been satisfied, PNC will, at the time any such obligation arises in connection herewith, retain an amount sufficient to satisfy the minimum amount of taxes then required to be withheld by the Corporation in connection therewith from amounts then payable hereunder to Grantee.

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

If Grantee desires to have an additional amount withheld above the required minimum, up to Grantee's W-4 obligation if higher, and if PNC so permits, Grantee may elect to satisfy this additional withholding by payment of cash. If Grantee's W-4 obligation does not exceed the required minimum withholding in connection herewith, no additional withholding may be made.

It is the intention of the parties that the 2015-2017 Incentive Performance Units award and the Agreement comply with the provisions of Section 409A to the extent, if any, that such provisions are applicable to the Agreement. In the event that, notwithstanding such intention, the arrangement fails to meet the requirements of Section 409A and the regulations promulgated thereunder, then PNC may at that time permit the acceleration of the time for payment to Grantee under the Award Agreement notwithstanding any of the other provisions of the Agreement, but any such accelerated payment may not exceed the amount required to be included in Grantee's income as a

result of the failure to comply with the requirements of Section 409A and the regulations promulgated thereunder. For purposes of this provision, an amount will be deemed to have been included in Grantee's income if the amount is timely reported on Form W-2 or Form 1099-MISC as appropriate.

14. Employment.

Neither the granting of the 2015-2017 Incentive Performance Units nor the calculation, determination and payment of any Final Award authorized hereunder nor any term or provision of the Award Agreement shall constitute or be evidence of any understanding, expressed or implied, on the part of PNC or any subsidiary to employ Grantee for any period or in any way alter Grantee's status as an employee at will.

15. Certain Definitions.

Except where the context otherwise indicates, the following definitions apply for purposes of the Agreement.

15.1 "A&L Unit" means the Asset & Liability Unit of PNC.

15.2 "Agreement" or "Award Agreement."

"Agreement" or **"Award Agreement"** means the 2015-2017 A&L-Related Cash-Payable Incentive Performance Units Award Agreement between PNC and Grantee evidencing the Incentive Performance Units award granted to Grantee pursuant to the Plan.

15.3 "Annual Performance Factor" has the meaning set forth in Section 6.

15.4 "Anticipatory Termination." If Grantee's employment with the Corporation is terminated by the Corporation other than for Cause as defined in this Section 15.4, death or Disability prior to the date on which a Change of Control occurs, and if it is reasonably demonstrated by Grantee that such termination of employment (i) was at the request of a third party that has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control, such a termination of employment is an **"Anticipatory Termination."**

For purposes of this Section 15.4 (and for a termination of employment with the Corporation after a Change of Control that occurs prior to a Committee-Determined Final Award Date), "**Cause**" shall mean:

(a) the willful and continued failure of Grantee to substantially perform Grantee's duties with the Corporation (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to Grantee by the Board or the CEO that specifically identifies the manner in which the Board or the CEO believes that Grantee has not substantially performed Grantee's duties; or

(b) the willful engaging by Grantee in illegal conduct or gross misconduct that is materially and demonstrably injurious to PNC or any of its subsidiaries.

For purposes of the preceding clauses (a) and (b), no act or failure to act, on the part of Grantee, shall be considered willful unless it is done, or omitted to be done, by Grantee in bad faith and without reasonable belief that Grantee's action or omission was in the best interests of the Corporation. Any act, or failure to act, based upon the instructions or prior approval of the Board, the CEO or Grantee's superior or based upon the advice of counsel for the Corporation, shall be conclusively presumed to be done, or omitted to be done, by Grantee in good faith and in the best interests of the Corporation.

The cessation of employment of Grantee will be *deemed* to be a termination of Grantee's employment with the Corporation for Cause for purposes of this Section 15.4 only if and when there shall have been delivered to Grantee, as part of the notice of Grantee's termination, a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board, at a Board meeting called and held for the purpose of considering such termination, finding on the basis of clear and convincing evidence that, in the good faith opinion of the Board, Grantee is guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail. Such resolution shall be adopted only after (i) reasonable notice of such Board meeting is provided to Grantee, together with written notice that PNC believes that Grantee is guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail, and (ii) Grantee is given an opportunity, together with counsel, to be heard before the Board.

15.5 "Award" means the Incentive Performance Units award granted to Grantee pursuant to the Plan and evidenced by the Agreement.

15.6 "Award Grant Date" means the Award Grant Date set forth on page 1 of the Agreement.

15.7 "Benchmark Performance Index" has the meaning set forth in Section 6.2(b).

15.8 "Board" means the Board of Directors of PNC.

15.9 "Calculated Maximum Payout Share Units" and "Calculated Maximum Payout Percentage" have the respective meanings specified in Section 7.1.

15.10 "Cause" and "termination for Cause."

Except as otherwise required by Section 15.4, **"Cause"** means:

(a) the willful and continued failure of Grantee to substantially perform Grantee's duties with the Corporation (other than any such failure resulting from incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to Grantee by PNC that specifically identifies the manner in which it is believed that Grantee has not substantially performed Grantee's duties;

(b) a material breach by Grantee of (1) any code of conduct of PNC or any code of conduct of a subsidiary of PNC that is applicable to Grantee or (2) other written policy of PNC or other written policy of a subsidiary of PNC that is applicable to Grantee, in either case required by law or established to maintain compliance with applicable law;

(c) any act of fraud, misappropriation, material dishonesty, or embezzlement by Grantee against PNC or any of its subsidiaries or any client or customer of PNC or any of its subsidiaries;

(d) any conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or entry by Grantee into a pre-trial disposition with respect to, the commission of a felony; or

(e) entry of any order against Grantee, by any governmental body having regulatory authority with respect to the business of PNC or any of its subsidiaries, that relates to or arises out of Grantee's employment or other service relationship with the Corporation.

The cessation of employment of Grantee will be deemed to have been a termination of Grantee's employment with the Corporation for Cause for purposes of the Agreement only if and when PNC, by PNC's CEO or his or her designee (or, if Grantee is the CEO, the Board), determines that Grantee is guilty of conduct described in clause (a), (b) or (c) above or that an event described in clause (d) or (e) above has occurred with respect to Grantee and, if so, determines that the termination of Grantee's employment with the Corporation will be deemed to have been for Cause.

15.11 "CEO" means the chief executive officer of PNC.

15.12 "Change of Control" means:

(a) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended **(the "Exchange Act"))** **(a "Person")** becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then-outstanding shares of common stock of PNC **(the "Outstanding PNC Common Stock")** or (B) the combined voting power of the then-outstanding voting securities of PNC entitled to vote generally in the election of directors **(the "Outstanding PNC Voting Securities")**; *provided, however,* that, for purposes of this Section 15.12(a), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from PNC, (2) any

acquisition by PNC, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by PNC or any company controlled by, controlling or under common control with PNC **(an "Affiliated Company")**, (4) any acquisition pursuant to an Excluded Combination (as defined in Section 15.12(c)) or (5) an acquisition of beneficial ownership representing between 20% and 40%, inclusive, of the Outstanding PNC Voting Securities or Outstanding PNC Common Stock shall not be considered a Change of Control if the Incumbent Board as of immediately prior to any such acquisition approves such acquisition either prior to or immediately after its occurrence;

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

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving PNC or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of PNC, or the acquisition of assets or stock of another entity by PNC or any of its subsidiaries (each, **a "Business Combination"**), excluding, however, a Business Combination following which all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns PNC or all or substantially all of PNC's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities, as the case may be (such a Business Combination, **an "Excluded Combination"**); or

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

15.13 "Change of Control Coverage Period" means a period commencing on the occurrence of a Change of Control Triggering Event and ending upon the earlier to occur of (a) the date of a Change of Control Failure and (b) the date of a Change of Control.

After the termination of any Change of Control Coverage Period, another Change of Control Coverage Period will commence upon the occurrence of another Change of Control Triggering Event.

For purposes of the Award Agreement, **"Change of Control Triggering Event"** shall mean the occurrence of either of the following: (i) the Board or PNC's shareholders approve a Business Combination, other than an Excluded Combination, described in subsection (c) of the definition of Change of Control contained in Section 15.12; or (ii) the commencement of a proxy contest in which any Person seeks to replace or remove a majority of the members of the Board.

For purposes of the Award Agreement, **"Change of Control Failure"** shall mean: (x) with respect to a Change of Control Triggering Event described in clause (i) of the definition above, PNC's shareholders vote against the transaction approved by the Board or the agreement to consummate the transaction is terminated; or (y) with respect to a Change of Control Triggering Event described in clause (ii) of the definition above, the proxy contest fails to replace or remove a majority of the members of the Board.

15.14 "Change-of-Control-determined Final Award Date" has the meaning set forth in Section 8.3.

15.15 "Committee-determined Final Award Date" has the meaning set forth in Section 8.2.

15.16 "Compensation Committee" or "Committee" means the Personnel and Compensation Committee of the Board or such person or persons as may be designated or appointed by that committee as its delegate or designee.

15.17 "Competitive Activity."

"Competitive Activity" while Grantee is an employee of the Corporation means any participation in, employment by, ownership of any equity interest exceeding one percent (1%) in, or promotion or organization of, any Person other than PNC or any of its subsidiaries (1) engaged in business activities similar to some or all of the business activities of PNC or any subsidiary or (2) engaged in business activities that Grantee knows PNC or any subsidiary intends to enter within the next twelve (12) months, in either case whether Grantee is acting as agent, consultant, independent contractor, employee, officer, director, investor, partner, shareholder, proprietor or in any other individual or representative capacity therein.

"Competitive Activity" on or after Grantee's Termination Date means any participation in, employment by, ownership of any equity interest exceeding one percent (1%) in, or promotion or organization of, any Person other than PNC or any of its

subsidiaries (a) engaged in business activities similar to some or all of the business activities of PNC or any subsidiary as of Grantee's Termination Date or (b) engaged in business activities that Grantee knows PNC or any subsidiary intends to enter within the first twelve (12) months after Grantee's Termination Date or, if later and if applicable, after the date specified in subsection (a), clause (ii) of the definition of Detrimental Conduct in Section 15.20, in either case whether Grantee is acting as agent, consultant, independent contractor, employee, officer, director, investor, partner, shareholder, proprietor or in any other individual or representative capacity therein.

For purposes of Competitive Activity as defined in this Section 15.17, and for purposes of the definition of competitive activity in any other PNC restricted share unit or in any PNC restricted stock, stock option, or other equity-based award or awards held by Grantee, however, the term subsidiary or subsidiaries shall not include companies in which the Corporation holds an interest pursuant to its merchant banking authority.

15.18 "Consolidated Subsidiary" means a corporation, bank, partnership, business trust, limited liability company or other form of business organization that (1) is a consolidated subsidiary of PNC under U.S. generally accepted accounting principles and (2) satisfies the definition of "service recipient" under Section 409A of the U.S. Internal Revenue Code.

15.19 "Corporation" means PNC and its Consolidated Subsidiaries.

15.20 "Detrimental Conduct" means:

(a) Grantee has engaged, without the prior written consent of PNC (with consent to be given or withheld at PNC's sole discretion), in any Competitive Activity as defined in Section 15.17 in the continental United States at any time during the period of Grantee's employment with the Corporation and extending through (and including) the first (1st) anniversary of the later of (i) Grantee's Termination Date and, if different, (ii) the first date after Grantee's Termination Date as of which Grantee ceases to have a service relationship with the Corporation;

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

(c) any conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or any entry by Grantee into a pre-trial disposition with respect to, the commission of a felony that relates to or arises out of Grantee's employment or other service relationship with the Corporation.

Grantee will be deemed to have engaged in Detrimental Conduct for purposes of the Agreement only if and when the Compensation Committee or other PNC Designated Person, as applicable, determines that Grantee has engaged in conduct described in clause (a) or clause (b) above or that an event described in clause (c)

above has occurred with respect to Grantee and, if so, (1) determines in its sole discretion that Grantee will be deemed to have engaged in Detrimental Conduct for purposes of the Agreement and (2) determines in its sole discretion to cancel all or a specified portion of the Incentive Performance Units that have not yet vested in accordance with Section 8 on the basis of such determination that Grantee has engaged in Detrimental Conduct.

15.21 "Disabled" or "Disability" means, except as may otherwise be required by Section 409A of the U.S. Internal Revenue Code, that Grantee either (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving (and has received for at least three months) income replacement benefits under any Corporation-sponsored disability benefit plan. If Grantee has been determined to be eligible for U.S. Social Security disability benefits, Grantee shall be presumed to be Disabled as defined herein.

15.22 "Fair Market Value" as it relates to a share of PNC common stock as of any given date means (a) the reported closing price on the New York Stock Exchange (or such successor reporting system as PNC may select) for a share of PNC common stock on such date, or, if no PNC common stock trades have been reported on such exchange for that day, such closing price on the next preceding day for which there were reported trades or, if the Committee has so acted, (b) fair market value as determined using such other reasonable method adopted by the Committee in good faith for such purpose that uses actual transactions in PNC common stock as reported by a national securities exchange or the Nasdaq National Market, provided that such method is consistently applied. When determining Fair Market Value under this Award or any currently outstanding award under the Plan held by Grantee, the Fair Market Value will be rounded to the nearest cent.

15.23 "Final Award" means the final award, if any, (1) awarded to Grantee by the Compensation Committee in accordance with Section 8.2, or (2) awarded to Grantee by the Compensation Committee in accordance with Section 8.3, and in either case authorized to be paid out to Grantee in accordance with Section 9.

15.24 "Final Award Date" means: (1) the date on which the Compensation Committee makes its determination as to whether or not it will authorize payout of a final award, and if so, as to the size of the Final Award, if any, it authorizes pursuant to Section 8.2 (sometimes referred to as the **"Committee-determined Final Award Date"**); or (2) if a Change of Control has occurred prior to the Committee-determined Final Award Date and a Final Award has been authorized pursuant to Section 8.3, the date upon which the service requirements of Section 5.3 are satisfied (sometimes referred to as the **"Change-of-Control-determined Final Award Date"**).

15.25 "GAAP" or "U.S. generally accepted accounting principles" means accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

Grantee's mental or physical incapacity following the occurrence of an event described above in clauses (a) through (e) shall not affect Grantee's ability to terminate employment for Good Reason, and Grantee's death following delivery of a notice of termination for Good Reason shall not affect Grantee's estate's entitlement to severance payments benefits provided hereunder upon a termination of employment for Good Reason.

15.27 "Grantee" means the person to whom the Incentive Performance Units award is granted, and is identified as Grantee on page 1 of the Agreement.

15.28 "Incentive Performance Units" or "2015-2017 Incentive Performance Units" means the share-denominated incentive award opportunity performance units of the number of share units specified as the Share Units on page 1 of the Agreement, subject to capital adjustments pursuant to Section 11 if any, granted to Grantee pursuant to the Plan and evidenced by the Agreement.

15.29 "Internal Revenue Code" or "U.S. Internal Revenue Code" means the United States Internal Revenue Code of 1986 as amended, and the rules and regulations promulgated thereunder.

15.30 "Payout Share Units."

"Calculated Maximum Payout Share Units" has the meaning specified in Section 7.1, and **"vested Payout Share Units"** has the meaning specified in Section 8.1.

15.31 "Performance Factor" has the meaning set forth in Section 6.3 and Section 7.3, as applicable.

15.32 "Performance Year" has the meaning set forth in Section 6.1.

15.33 "Person" has the meaning specified in the definition of Change of Control in Section 15.12(a).

15.34 "Plan" means The PNC Financial Services Group, Inc. 2006 Incentive Award Plan as amended from time to time.

15.35 "PNC" means The PNC Financial Services Group, Inc.

15.36 "PNC Designated Person" or "Designated Person" will be: (a) the Compensation Committee or its delegate if Grantee is (or was when Grantee ceased to be an employee of the Corporation) either a member of the Corporate Executive Group (or equivalent successor classification) or subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to PNC securities (or both); or (b) the Compensation Committee, the CEO, or the Chief Human Resources Officer of PNC, or any other individual or group as may be designated by one of the foregoing to act as Designated Person for purposes of the Agreement.

15.37 "Qualifying Retirement," "Qualifying Disability Termination" and "Qualifying Anticipatory Termination" have the meanings specified in Section 5.3(iii), Section 5.3(iv), and Section 5.3(v), respectively.

15.38 "Retires" or "Retirement." Grantee **"Retires"** if Grantee's employment with the Corporation terminates at any time and for any reason (other than termination by reason of Grantee's death or by the Corporation for Cause and, if the Committee or the CEO or his or her designee so determines prior to such divestiture, other than by reason of termination in connection with a divestiture of assets or a divestiture of one or more subsidiaries of the Corporation) on or after the first date on which Grantee has both attained at least age fifty-five (55) and completed five (5) years of service, where a year of service is determined in the same manner as the determination of a year of vesting service calculated under the provisions of The PNC Financial Services Group, Inc. Pension Plan.

If Grantee **"Retires"** as defined herein, the termination of Grantee's employment with the Corporation is sometimes referred to as**"Retirement"** and such Grantee's Termination Date is sometimes also referred to as Grantee's **"Retirement Date."**

15.39 "SEC" means the United States Securities and Exchange Commission.

15.40 "Section 409A" means Section 409A of the U.S. Internal Revenue Code.

15.41 "Service relationship" or "having a service relationship with the Corporation" means being engaged by the Corporation in any capacity for which Grantee receives compensation from the Corporation, including but not limited to acting for compensation as an employee, consultant, independent contractor, officer, director or advisory director.

15.42 "Termination Date" means Grantee's last date of employment with the Corporation. If Grantee is employed by a Consolidated Subsidiary that ceases to be a subsidiary of PNC or ceases to be a consolidated subsidiary of PNC under U.S. generally accepted accounting principles and Grantee does not continue to be employed by PNC or a Consolidated Subsidiary, then for purposes of the Agreement, Grantee's employment with the Corporation terminates effective at the time this occurs.

16. Grantee Covenants.

16.1 General. Grantee and PNC acknowledge and agree that Grantee has received adequate consideration with respect to enforcement of the provisions of Sections 16 and 17 by virtue of receiving the 2015-2017 Incentive Performance Units award (regardless of whether a Final Award is ultimately determined and paid or the size of such Final Award, if any); that such provisions are reasonable and properly required for the adequate protection of the business of PNC and its subsidiaries; and that enforcement of such provisions will not prevent Grantee from earning a living.

16.2 Non-Solicitation; No-Hire. Grantee agrees to comply with the provisions of subsections (a) and (b) of this Section 16.2 while employed by the Corporation and for a period of one year after Grantee's Termination Date regardless of the reason for such termination of employment.

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

(b) No-Hire. Grantee shall not, directly or indirectly, either for Grantee's own benefit or purpose or for the benefit or purpose of any Person other than PNC or any of its subsidiaries, employ or offer to employ, call on, or actively interfere with PNC's or any subsidiary's relationship with, or attempt to divert or entice away, any employee of PNC or any of its subsidiaries, nor shall Grantee assist any other Person in such activities.

Notwithstanding the above, if Grantee's employment with the Corporation is terminated by the Corporation and such termination is an Anticipatory Termination, then commencing immediately after such Termination Date, the provisions of subsections (a) and (b) of this Section 16.2 shall no longer apply and shall be replaced with the following subsection (c):

(c) No-Hire. Grantee agrees that Grantee shall not, for a period of one year after Grantee's Termination Date, employ or offer to employ, solicit, actively interfere with PNC's or any PNC affiliate's relationship with, or attempt to divert or entice away, any officer of PNC or any PNC affiliate.

16.3 Confidentiality. During Grantee's employment with the Corporation, and thereafter regardless of the reason for termination of such employment, Grantee shall not disclose or use in any way any confidential business or technical information or trade secret acquired in the course of such employment, all of which is the exclusive and valuable property of the Corporation whether or not conceived of or prepared by Grantee, other than (a) information generally known in the Corporation's industry or acquired from public sources, (b) as required in the course of employment by the Corporation, (c) as required by any court, supervisory authority, administrative agency or applicable law, or (d) with the prior written consent of PNC.

16.4 Ownership of Inventions. Grantee shall promptly and fully disclose to PNC any and all inventions, discoveries, improvements, ideas or other works of inventorship or authorship, whether or not patentable, that have been or will be conceived and/or reduced to practice by Grantee during the term of Grantee's employment with the Corporation, whether alone or with others, and that are (a) related directly or indirectly to the business or activities of PNC or any of its subsidiaries or (b) developed with the use of any time, material, facilities or other resources of PNC or any subsidiary

("Developments"). Grantee agrees to assign and hereby does assign to PNC or its designee all of Grantee's right, title and interest, including copyrights and patent rights, in and to all Developments. Grantee shall perform all actions and execute all instruments that PNC or any subsidiary shall deem necessary to protect or record PNC's or its designee's interests in the Developments. The obligations of this Section 16.4 shall be performed by Grantee without further compensation and shall continue beyond Grantee's Termination Date.

17. Enforcement Provisions.

Grantee understands and agrees to the following provisions regarding enforcement of the Agreement.

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

17.2 Equitable Remedies. A breach of the provisions of any of Sections 16.2, 16.3 or 16.4 will cause the Corporation irreparable harm, and the Corporation will therefore be entitled to issuance of immediate, as well as permanent, injunctive relief restraining Grantee, and each and every person and entity acting in concert or participating with Grantee, from initiation and/or continuation of such breach.

17.3 Tolling Period. If it becomes necessary or desirable for the Corporation to seek compliance with the provisions of Section 16.2 by legal proceedings, the period during which Grantee shall comply with said provisions will extend for a period of twelve (12) months from the date the Corporation institutes legal proceedings for injunctive or other relief.

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

17.5 Severability. The restrictions and obligations imposed by Sections 16.2, 16.3, 16.4, 17.1 and 17.7 are separate and severable, and it is the intent of Grantee and PNC that if any restriction or obligation imposed by any of these provisions is deemed by a court of competent jurisdiction to be void for any reason whatsoever, the remaining provisions, restrictions and obligations shall remain valid and binding upon Grantee.

17.6 Reform. In the event any of Sections 16.2, 16.3 and 16.4 are determined by a court of competent jurisdiction to be unenforceable because unreasonable either as to length of time or area to which said restriction applies, it is the intent of Grantee and PNC that said court reduce and reform the provisions thereof so as to apply the greatest limitations considered enforceable by the court.

17.7 Waiver of Jury Trial. Each of Grantee and PNC hereby waives any right to trial by jury with regard to any suit, action or proceeding under or in connection with any of Sections 16.2, 16.3 and 16.4.

17.8 Compliance with U.S. Internal Revenue Code Section 409A. It is the intention of the parties that the Award and the Agreement comply with the provisions of Section 409A of the U.S. Internal Revenue Code to the extent, if any, that such provisions are applicable to the Agreement, and the Agreement will be administered by PNC in a manner consistent with this intent.

If any payments or benefits hereunder may be deemed to constitute nonconforming deferred compensation subject to taxation under the provisions of Section 409A of the U.S. Internal Revenue Code, Grantee agrees that PNC may, without the consent of Grantee, modify the Agreement and the Award to the extent and in the manner PNC deems necessary or advisable or take such other action or actions, including an amendment or action with retroactive effect, that PNC deems appropriate in order either to preclude any such payments or benefits from being deemed "deferred compensation" within the meaning of Section 409A of the U.S. Internal Revenue Code or to provide such payments or benefits in a manner that complies with the provisions of Section 409A of the U.S. Internal Revenue Code such that they will not be taxable thereunder.

17.9 Applicable Law; Clawback, Adjustment or Recoupment. Notwithstanding anything in the Agreement, PNC will not be required to comply with any term, covenant or condition of the Agreement if and to the extent prohibited by law, including but not limited to Federal banking and securities regulations, or as otherwise directed by one or more regulatory agencies having jurisdiction over PNC or any of its subsidiaries.

Further, to the extent applicable to Grantee, the Award, and any right to receive and retain any Shares or other value pursuant to the Award, shall be subject to rescission, cancellation or recoupment, in whole or in part, if and to the extent so provided under PNC's Incentive Compensation Adjustment and Clawback Policy, as in effect from time to time with respect to the Award, or any other applicable clawback, adjustment or similar policy in effect on or established after the Award Grant Date and to any clawback or recoupment that may be required by applicable law or regulation.

17.10 Subject to the Plan and Interpretations. In all respects the Award and the Agreement are subject to the terms and conditions of the Plan, which has been made

available to Grantee and is incorporated herein by reference; *provided, however,* the terms of the Plan shall not be considered an enlargement of any benefits under the Agreement. Further, the Award and the Agreement are subject to any interpretation of, and any rules and regulations issued by, the Compensation Committee, or its delegate or under the authority of the Compensation Committee, whether made or issued before or after the Award Grant Date.

17.11 Headings; Entire Agreement. Headings used in the Agreement are provided for reference and convenience only, shall not be considered part of the Agreement, and shall not be employed in the construction of the Agreement. The Agreement constitutes the entire agreement between Grantee and PNC with respect to the subject matters addressed herein, and supersedes all other discussions, negotiations, correspondence, representations, understandings and agreements between the parties concerning the subject matters hereof.

17.12 Modification. Modifications or adjustments to the terms of this Agreement may be made by PNC as permitted in accordance with the Plan or as provided for in this Agreement. No other modification of the terms of this Agreement shall be effective unless embodied in a separate, subsequent writing signed by Grantee and by an authorized representative of PNC.

18. Acceptance of Award; PNC Right to Cancel; Effectiveness of Agreement.

If Grantee does not accept the Award by executing and delivering a copy of the Agreement to PNC, without altering or changing the terms thereof in any way, within 30 days of receipt by Grantee of a copy of the Agreement, PNC may, in its sole discretion, withdraw its offer and cancel the Award at any time prior to Grantee's delivery to PNC of an unaltered and unchanged copy of the Agreement executed by Grantee. Otherwise, upon execution and delivery of the Agreement by both PNC and Grantee, the Agreement is effective as of the Award Grant Date.

IN WITNESS WHEREOF, PNC has caused the Agreement to be signed on its behalf as of the Award Grant Date.

THE PNC FINANCIAL SERVICES GROUP, INC.

By: /s/ William S. Demchak

Chief Executive Officer

ATTEST:

By: /s/ Christi Davis

Corporate Secretary

ACCEPTED AND AGREED TO by GRANTEE

_____

Grantee

THE PNC FINANCIAL SERVICES GROUP, INC.
2006 INCENTIVE AWARD PLAN

* * *

CORPORATE EXECUTIVE GROUP
2015-2017 INCENTIVE PERFORMANCE UNITS
AWARD AGREEMENT

* * *

GRANTEE:	**[Name]**
AWARD GRANT DATE:	**February 13, 2015**
SHARE UNITS:	**[Whole number of share units]**

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1. Definitions.

Certain terms used in this Corporate Executive Group 2015-2017 Incentive Performance Units Award Agreement **(the "Agreement" or "Award Agreement")** are defined in Section 15 or elsewhere in the Agreement, and such definitions will apply except where the context otherwise indicates.

In the Agreement, **"PNC"** means The PNC Financial Services Group, Inc., **"Corporation"** means PNC and its Consolidated Subsidiaries, and **"Plan"** means The PNC Financial Services Group, Inc. 2006 Incentive Award Plan as amended from time to time.

2. 2015-2017 Incentive Performance Units with Related Dividend Equivalents Award.

Pursuant to the Plan and subject to the terms and conditions of the Award Agreement, PNC grants to the Grantee named above **("Grantee")** a Share-denominated incentive award opportunity of performance units **(the "Incentive Performance Units" or "2015-2017 Incentive Performance Units")** of the number of share units set forth above, together with the opportunity to receive related dividend equivalents to the extent provided herein **("Dividend Equivalents")**, payable in cash, with respect to those share units **(together, the "Award")**. The Award is subject to acceptance by Grantee in accordance with Section 18 and is subject to the terms and conditions of the Award Agreement, including service, conduct and other conditions, corporate performance, risk performance and other adjustments, forfeiture provisions and Committee determinations, and to the Plan.

3. Terms of Award.

This Award is subject to service, conduct-related and other conditions, corporate performance, risk performance and other adjustments, forfeiture provisions, Committee determinations, and other conditions and provisions, all as set forth in the Award Agreement.

Incentive Performance Units and Dividend Equivalents are not transferable. The Incentive Performance Units and related Dividend Equivalents are subject to forfeiture and adjustment until Final Award determination and vesting pursuant to Section 8 and are subject to upward or downward corporate performance adjustments and to downward risk performance and other adjustments from the initial number of share units, or share units to which they relate in the case of Dividend Equivalents, all in accordance with the terms of the Award Agreement.

Incentive Performance Units that are not forfeited pursuant to the service requirements or conduct-related or other provisions of Section 5 will be performance-adjusted in accordance with the corporate and risk performance adjustment provisions of Sections 6 and 7 on the basis of four separate annual factors (two corporate performance-related and two risk performance-related) that are used to generate overall Annual Performance Factors, which in turn are used to generate an overall Performance Factor. The Performance Factor is then used to determine the calculated maximum performance-adjusted share units and related dividend equivalents amount that is eligible for a Final Award determination in accordance with Section 8.

Generally, Final Award determinations will be made by the Compensation Committee (as defined in Section 15) at the end of an overall performance period of three years. In the event of Grantee's earlier death, a Final Award determination may in such circumstances be made at an earlier time. The Compensation Committee generally may determine to reduce the calculated maximum performance-adjusted amount in its discretion when it makes a Final Award determination, but it may not increase the calculated maximum amount. A Final Award determination will be made formulaically in the event of a Change of Control.

Any Final Award (as defined in Section 15) determined and vested in accordance with Section 8 will be settled and paid out, generally in shares of PNC common stock, or a combination of stock and cash, for the share units portion of the award and cash for the related dividend equivalents, all pursuant to and in accordance with the terms of Section 9.

Related Dividend Equivalents will be accrued and will be subject to the same forfeiture, performance-adjustment, and Final Award determination and vesting conditions as the Incentive Performance Units to which they relate. Outstanding

performance-adjusted Dividend Equivalents that vest in accordance with Section 8 will be paid out in cash at the same time that their related outstanding vested Incentive Performance Units are settled and paid out, all in accordance with the terms of Section 9.

Incentive Performance Units that are forfeited by Grantee pursuant to and in accordance with the service, conduct or other provisions of Section 5, or that are not represented in a Final Award awarded and vested pursuant to Section 8, will be cancelled, together with the Dividend Equivalents that relate to those Incentive Performance Units, and therefore shall terminate without payment of any consideration by PNC.

4. Dividend Equivalents.

The Dividend Equivalents portion of the Award represents the opportunity to receive a payout in cash of an amount equal to the cash dividends that would have been paid, without interest or reinvestment, between the Award Grant Date and the Committee-determined Final Award Date or the Change-of-Control-determined Final Award Date (each as defined in Section 15), whichever first occurs, on the number of shares of PNC common stock determined as specified below had such shares been issued and outstanding shares on the Award Grant Date and thereafter through the Committee-determined Final Award Date or the Change-of-Control-determined Final Award Date, as the case may be. The specified number for purposes of the preceding sentence will be the number equal to the corporate and risk performance-adjusted number of share units that are outstanding and represented in the Final Award, if any, determined and vested in accordance with Section 8 (the vested Payout Share Units), whether such Final Award is determined by the Committee (as defined in Section 15) pursuant to Section 8.2 or in accordance with Section 8.3 by reason of the occurrence of a Change of Control, as applicable.

Dividend Equivalents are subject to the same service requirements, conduct and other conditions, forfeiture events, corporate and risk performance-based and other payout size adjustments, and Final Award payout determinations as the Incentive Performance Units to which they relate, all as set forth in Sections 5, 6, 7 and 8. Dividend Equivalents will not vest, be settled and paid unless and until their related Incentive Performance Units vest, are settled, and are paid out. Outstanding accrued performance-adjusted Dividend Equivalents that so vest and settle will be paid in cash in accordance with Section 9.

5. Forfeiture Provisions: Termination Upon Failure to Meet Applicable Service, Conduct or Other Conditions

5.1 Termination of Award Upon Forfeiture of Share Units The Award is subject to the forfeiture provisions set forth in this Section 5. The Award will terminate with respect to all or a specified portion, as applicable, of the Incentive Performance Units and related Dividend Equivalents evidenced by the Award Agreement upon the forfeiture and cancellation of such Incentive Performance Units and related Dividend Equivalents, or specified portion thereof, pursuant to the terms and conditions of this

Section 5, and neither Grantee nor any successors, heirs, assigns or legal representatives of Grantee will thereafter have any further rights or interest in either such Incentive Performance Units or related Dividend Equivalents, or specified portion thereof.

5.2 Forfeiture of Award Upon Failure to Meet Service Requirements If, at the time Grantee ceases to be employed by the Corporation, Grantee has failed to meet the service requirements set forth in this Section 5 with respect to the Award, then all then outstanding Incentive Performance Units, together with the Dividend Equivalents related to such Incentive Performance Units, will be forfeited by Grantee to PNC and cancelled without payment of any consideration by PNC as of Grantee's Termination Date (as defined in Section 15).

5.3 Service Requirements. Grantee will meet the service requirements of the Award if Grantee meets the conditions of any of the subclauses below. If more than one of the following subclauses is applicable, Grantee will have met the service requirements for the Award upon the first to occur of such conditions.

(i) Grantee continues to be an employee of the Corporation through and including the Final Award Date.

(ii) Grantee ceases to be an employee of the Corporation by reason of Grantee's death.

(iii) Grantee continues to be an employee of the Corporation until Grantee's Termination Date where Grantee's employment was not terminated by the Corporation for Cause (as defined in Section 15.10) and where Grantee's termination of employment as of such date qualifies as a Retirement (as defined in Section 15) **(a "Qualifying Retirement")**.

(iv) Grantee continues to be an employee of the Corporation until Grantee's Termination Date where Grantee's employment was not terminated by the Corporation for Cause and where Grantee's employment was terminated as of such date by the Corporation by reason of Grantee's Disability (as defined in Section 15) **(a "Qualifying Disability Termination")**.

(v) Grantee continues to be an employee of the Corporation until Grantee's Termination Date where Grantee's employment was terminated as of such date by the Corporation and such termination is an Anticipatory Termination (as defined in Section 15) **(a "Qualifying Anticipatory Termination")**.

(vi) Grantee continues to be an employee of the Corporation, including any successor entity (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Corporation, on January 2, 2018 where a Change of Control (as defined in Section 15) is consummated prior to a Committee-determined

Final Award Date (as defined in Section 15) or where Grantee's employment with the Corporation was terminated after the Change of Control by the Corporation without Cause (as defined in Section 15.3) or by Grantee's voluntarily resignation from the Corporation for Good Reason (as defined in Section 15).

5.4 Forfeiture of Award Upon Termination for Cause or Pursuant to Detrimental Conduct Provisions

(a) Termination for Cause. In the event that Grantee's employment with the Corporation is terminated by the Corporation (a) for Cause (as defined in Section 15.10) prior to the Committee-determined Final Award Date and prior to the occurrence of a Change of Control, if any, or (b) for Cause (as defined in Section 15.3) after a Change of Control and prior to the Change-of-Control-determined Final Award Date, then all then outstanding Incentive Performance Units, together with all accrued Dividend Equivalents related to such then outstanding Incentive Performance Units, will be forfeited by Grantee to PNC and cancelled without payment of any consideration by PNC as of Grantee's Termination Date.

(b) Detrimental Conduct. At any time prior to the date that a Final Award determination is made and the Award vests, or the date that the Incentive Performance Units and related Dividend Equivalents expire unvested or are cancelled pursuant to other provisions of the Award Agreement, the Incentive Performance Units and related Dividend Equivalents, or specified portion thereof, will be forfeited by Grantee to PNC and cancelled, without payment of any consideration by PNC, on the date and to the extent that PNC determines in its sole discretion to so cancel all or a specified portion of the Incentive Performance Units and related Dividend Equivalents on the basis of its determination that Grantee has engaged in Detrimental Conduct as set forth in Section 15.18, whether such determination is made during the period of Grantee's employment with the Corporation or after Grantee's Termination Date; *provided, however,* that (i) Detrimental Conduct will not apply to conduct by or activities of successors to the Incentive Performance Units and related Dividend Equivalents by will or the laws of descent and distribution in the event of Grantee's death; (ii) no determination that Grantee has engaged in Detrimental Conduct may be made between the time PNC enters into an agreement providing for a Change of Control and the time such agreement either terminates or results in a Change of Control, other than where such determination is based on or resulting from Grantee having committed Detrimental Conduct as described in Section 15.18(b) or in Section 15.18(c); and (iii) no determination that Grantee has engaged in Detrimental Conduct may be made after the occurrence of a Change of Control, other than where such determination is based on or resulting from Grantee having committed Detrimental Conduct as described in Section 15.18(b) or in Section 15.18(c).

5.5 Clawback, Adjustment or Recoupment. Incentive Performance Units and related Dividend Equivalents shall be subject to rescission, cancellation or recoupment, in whole or in part, if and to the extent so provided under PNC's Incentive

Compensation Adjustment and Clawback Policy, as in effect from time to time with respect to the Award, or any other applicable clawback, adjustment or similar policy in effect on or established after the Award Grant Date and to any clawback or recoupment that may be required by applicable law or regulation.

6. Performance Conditions and Related Annual Performance Factors.

6.1 General. Incentive Performance Units and related Dividend Equivalents are subject to corporate and risk performance conditions and adjustments, all as set forth in the Award Agreement unless and until amended prospectively by the Compensation Committee.

In the standard circumstances, corporate and risk performance is measured over three performance years (calendar years 2015, 2016 and 2017) as provided in this Section 6; however, in certain circumstances, generally involving Grantee's death or a Change of Control, measurements may be made for fewer than three performance years and/or measurements for a performance year may involve less than a full four quarters or may be based on a quarter-end date other than December 31st, as the case may be, all as provided in Section 7.

Performance measurements and the generation of annual performance factors based on each corporate and risk performance condition, the generation of an overall Annual Performance Factor based on these component annual factors for each applicable annual measurement period **("Performance Year")**, the generation of an overall Performance Factor for the Award, and the performance-adjustment of the Incentive Performance Units and related accrued Dividend Equivalents in varying circumstances are set forth in Sections 6 and 7.

All determinations made by the Compensation Committee or otherwise by PNC hereunder shall be made in its sole discretion and shall be final, binding and conclusive for all purposes on all parties, including without limitation Grantee.

6.2 First Corporate Performance Condition and Related Annual Performance Factor.

(a) General. For the First Corporate Performance Condition, corporate performance will be measured under the Relative EPS Growth Corporate Performance Metric (also sometimes referred to as the First Corporate Performance Metric), as specified in this Section 6.2 below, for each Performance Year in the Award and will generate an Annual EPS Growth Performance Factor that relates to each such Performance Year. The Annual EPS Growth Performance Factor for a given Performance Year can range from a low of 0.00% to a maximum of 125.00% based on the First Corporate Performance Metric, as described in this Section 6.2.

In the standard circumstances where Grantee continues to be an employee of the Corporation (or where Grantee's employment with the Corporation ceases by reason of a

Qualifying Retirement or a Qualifying Disability Termination) and there has not been a Change of Control and Grantee has not died or had a Qualifying Anticipatory Termination, the applicable performance measurement period for a Performance Year for purposes of this First Corporate Performance Metric will cover the full four quarters of the applicable Performance Year (January 1 through December 31) and the Annual EPS Growth Performance Factor for the given Performance Year will be calculated in accordance with this Section 6.2.

PNC will present information to the Compensation Committee with respect to PNC's level of performance with respect to the Relative EPS Growth Corporate Performance Metric for a given Performance Year as soon as practicable following the end of that performance period. The process of certification of the level of PNC's performance with respect to a given Performance Year will generally occur in late January or early February after the applicable year-end date.

For circumstances where there is a Change of Control or Grantee dies, in either case while Grantee is still an employee of the Corporation or following a Qualifying Retirement or a Qualifying Disability Termination, or where Grantee has a Qualifying Anticipatory Termination, the Annual EPS Growth Performance Factor with respect to an applicable Performance Year will be determined as set forth in Section 7 and this may in some circumstances include a performance period for a given Performance Year that covers fewer than four quarters.

(b) First Corporate Performance Metric. The Compensation Committee has determined that the First Corporate Performance Metric for this Award will be PNC EPS growth relative to similar performance of PNC's Peers (as specified below), all measured as set forth herein unless and until amended prospectively by the Compensation Committee.

EPS growth. EPS growth with respect to a given Performance Year means the growth or decline, as the case may be, in EPS achieved by PNC or other Peer for the given covered period of that Performance Year as compared to EPS for the comparable period of the prior calendar year, expressed as a percentage (with a positive percentage for growth over the comparable prior year period EPS and a negative percentage for decline from the comparable prior year period EPS, as the case may be) rounded to the nearest one-hundredth, with 0.005% being rounded upward to 0.01%.

EPS. EPS for this purpose means the publicly-reported diluted earnings per share of PNC or other Peer for the given covered period or period of comparison, as the case may be, in each case as adjusted, on an after-tax basis, for the impact, as applicable to EPS, of the items set forth in the definition **"Earnings, EPS and ROCE Adjustments"** as specified in Section 15.21, rounded to the nearest cent with $0.005 being rounded upward to $0.01.

Peer Group. The Peer Group is determined by the Compensation Committee and may be reset by the Compensation Committee annually but no later than the 90th day of

that year. EPS growth performance measurements for a given covered performance period will be made with respect to the Peers in the Peer Group as they exist on the last day of that covered period taking into account Peer name changes and the elimination from the Peer Group of any members that have been eliminated since the beginning of the year due, for example, to consolidations, mergers or other material corporate reorganizations.

Unless and until reset prospectively by the Compensation Committee, the Peer Group will consist of the following members: PNC; BB&T Corporation; Bank of America Corporation; Capital One Financial, Inc.; Fifth Third Bancorp; JPMorgan Chase; KeyCorp; M&T Bank; Regions Financial Corporation; SunTrust Banks, Inc.; U.S. Bancorp; and Wells Fargo & Co.

Rankings. The performance of PNC and each of the other Peers, as such Peer Group exists as of the last day of a given covered period, is measured for the given covered performance period with respect to the First Corporate Performance Metric — Relative EPS Growth Corporate Performance — as set forth above. This performance is measured annually for each applicable Performance Year (which may consist of a full calendar year or a shorter partial-year period as required by the Award Agreement) in the applicable overall performance period.

After measuring EPS growth for PNC and its Peers for the covered performance period with respect to a given year, PNC and its Peers will be ranked for that covered period based on their respective EPS growth performances, in each case as adjusted as set forth in the following paragraph.

Rankings Adjustments. When ranking PNC's and the other Peers' EPS growth performance for a given Performance Year, a Peer that had positive adjusted earnings (as set forth above) for that covered year or partial year period will be ranked above any Peer that had a loss (*i.e.*, negative adjusted earnings) for that covered year or partial year period or that had a loss either for that covered period or for the comparable period of the comparison year.

(c) Annual EPS Growth Performance Factor. The Compensation Committee also establishes the applicable Relative EPS Growth Corporate Performance Schedule (sometimes referred to herein as the First Corporate Performance Metric Schedule) for the 2015-2017 Incentive Performance Units. Unless and until amended prospectively by the Compensation Committee, the following First Corporate Performance Metric Schedule will be applied in order to generate an Annual EPS Growth Performance Factor for each applicable Performance Year in the applicable overall performance period.

Once PNC and other Peer EPS growth and relative rankings with respect to such performance have been measured and calculated for a given Performance Year in accordance with Section 6.2(a) and (b) above, the table that follows and interpolation are used to generate an Annual EPS Growth Performance Factor for that given full or partial year period, as the case may be, based on such relative covered period performance. The Annual EPS Growth Performance Factor for the given Performance Year is the

applicable unadjusted payout percentage in the table, adjusted as indicated in the footnotes to that table, and rounded to the nearest one-hundredth, with 0.005% being rounded upward to 0.01%. In no event will the Annual EPS Growth Performance Factor be greater than 125.00% or less than 0.00%.

The table used for this First Corporate Performance Metric Schedule, as established by the Compensation Committee at the time it authorized the 2015-2017 Incentive Performance Units, is as follows.

Relative EPS Growth
Corporate Performance Measure

	Peer Group Position with respect to Covered Period EPS Growth Performance	Unadjusted Payout Percentage *
Maximum	#1	125.00%
	#2	125.00%
	#3	125.00%
	#4	120.00%
	#5	115.00%
	#6	105.00%
	#7	95.00%
	#8	80.00%
	#9	60.00%
	#10	40.00%
Minimum	#11	0%
	#12	0%

* Consistent with the design of this compensation program and approach taken in prior years, this schedule interpolates results to arrive at final annual corporate performance potential payout percentages for relative EPS growth corporate performance. In other words, the final annual corporate performance payout percentage for the relative EPS growth corporate performance metric for a given covered period will depend both on PNC's relative covered period EPS growth performance ranking (which generates a payout percentage range between the midpoints of the payout percentages for the rank below and the rank above PNC) and on PNC's performance for that covered period relative to the EPS growth performance of the peers ranked immediately above and below PNC (which determines the adjusted payout percentage within this range). Where interpolation is impracticable or would not produce a meaningful result, the unadjusted percentage will be used.

The calculated payout percentage for the First Corporate Performance Metric with respect to a given full or partial year Performance Year depends both on PNC's relative covered period ranking achieved with respect to that performance metric and on PNC's covered period performance for that metric relative to the comparable performance of the

Peers ranking immediately above and below PNC (other than where PNC ranks #1 or ranks near the bottom at #11 or #12). This calculated percentage is rounded to the nearest one-hundredth, with 0.005% being rounded upward to 0.01%.

For example, if PNC achieves a #5 covered period ranking, the schedule indicates that the payout percentage for this rank would be between 110.00% (which is the mid-point between 105.00% and 115.00% in the table) and 117.50% (which is the mid-point between 115.00% and 120.00% in the table). The final calculated payout percentage, and thus the Annual EPS Growth Performance Factor, depends on how PNC's EPS growth for the covered period compares to the covered period EPS growth of the Peers ranking immediately above and below PNC, in this example the performance of the Peers ranking #4 and #6.

At the other end of the scale, if for example PNC achieves a #10 covered period ranking (the lowest ranking that would generate a payout percentage above zero) for the Relative EPS Growth Corporate Performance Metric, the schedule indicates that the payout percentage for this rank would be between 20.00% and 50.00% and the final calculated payout percentage (the Annual EPS Growth Performance Factor) would be determined based on the comparison of PNC's covered period performance for that corporate performance metric to that of the Peers ranking #9 and #11; *provided, however,* that in any case where interpolation is impracticable or would not produce a meaningful result, the unadjusted percentage will be used.

Compensation Committee Negative Discretion. Once the Annual EPS Growth Performance Factor for PNC's relative performance with respect to the Relative EPS Growth Corporate Performance Criteria for the given full year or partial-year covered period of a given Performance Year has been determined using the table above and interpolation, the Compensation Committee may decide, in its discretion, to reduce that percentage (as long as such decision is not made during a Change of Control Coverage Period, as defined in Section 15, or after the occurrence of a Change of Control) but may not increase it.

6.3 Second Corporate Performance Condition and Related Annual Performance Factor.

(a) General. For the Second Corporate Performance Condition, corporate performance will be measured under the ROCE-Related Corporate Performance Metric (also sometimes referred to as the Second Corporate Performance Metric), as specified in this Section 6.3 below, for each Performance Year in the Award and will generate an Annual ROCE-Related Performance Factor that relates to each such Performance Year. The Annual ROCE-Related Performance Factor for a given Performance Year can range from a low of 0.00% to a maximum of 125.00% based on the Second Corporate Performance Metric, as described in this Section 6.3.

In the standard circumstances where Grantee continues to be an employee of the Corporation (or where Grantee's employment with the Corporation ceases by reason of a Qualifying Retirement or a Qualifying Disability Termination) and there has not been a

Change of Control and Grantee has not died or had a Qualifying Anticipatory Termination, the applicable performance measurement period for a Performance Year for purposes of this Second Corporate Performance Metric will cover the full four quarters of the applicable Performance Year (January 1 through December 31) and the Annual ROCE-Related Performance Factor for the given Performance Year will be calculated in accordance with Section 6.3.

PNC will present information to the Compensation Committee with respect to PNC's level of performance with respect to the ROCE-Related Corporate Performance Metric for a given Performance Year as soon as practicable following the end of that performance period. The process of certification of the level of PNC's performance with respect to a given Performance Year will generally occur in late January or early February after the applicable year-end date.

For circumstances where there is a Change of Control or Grantee dies, in either case while Grantee is still an employee of the Corporation or following a Qualifying Retirement or a Qualifying Disability Termination, or where Grantee has a Qualifying Anticipatory Termination, the Annual ROCE-Related Performance Factor with respect to an applicable Performance Year will be determined as set forth in Section 7 and this may in some circumstances include a performance period for a given Performance Year that covers fewer than four quarters.

(b) Second Corporate Performance Metric. The Compensation Committee has determined that the Second Corporate Performance Metric for this Award will be PNC ROCE relative to the level of ROCE performance specified by the Committee as of the beginning of that calendar year to serve as the ROCE hurdle with respect to the given year (as specified below), all measured as set forth herein unless and until amended prospectively by the Compensation Committee.

"ROCE" with respect to a given year means the ROCE achieved by PNC for the given covered period of that year and may be a positive or negative return, as the case may be. **"ROCE"** for this purpose means the publicly-reported return on average common shareholders' equity of PNC for the given covered period of the year, as adjusted, on an after-tax basis, for the impact, as applicable to ROCE, of the items set forth in the definition **"Earnings, EPS and ROCE Adjustments"** as specified in Section 15.21, expressed as a percentage rounded to the nearest one-hundredth, with 0.005% being rounded upward to 0.01%.

"ROCE hurdle" with respect to a given Performance Year will be the level of ROCE performance specified by the Compensation Committee as the ROCE hurdle for that calendar year as established by the Committee no later than March 30th of that Performance Year for purposes of comparison PNC's ROCE to such hurdle for this Award. For the 2015 Performance Year, this hurdle as approved by the Compensation Committee is related to PNC's cost of common equity and is set at 7.40%.

(c) Annual ROCE-Related Performance Factor. The Compensation Committee also establishes the applicableROCE-Related Corporate Performance

Schedule (sometimes referred to herein as the Second Corporate Performance Metric Schedule) for the 2015-2017 Incentive Performance Units. Unless and until amended prospectively by the Compensation Committee, the following Second Corporate Performance Metric Schedule will be applied in order to generate an Annual ROCE-Related Performance Factor for each applicable Performance Year in the applicable overall performance period.

After measuring the level of PNC's ROCE performance for a given Performance Year in accordance with Section 6.3(a) and (b) above, this amount is then compared to the Committee-specified ROCE hurdle level for that calendar year. ROCE performance expressed as a percentage of the applicable ROCE hurdle level, rounded to the nearest one-hundredth, with 0.005% being rounded upward to 0.01%, is then used to generate an Annual ROCE-Related Performance Factor with respect to that covered period using the Second Corporate Performance Metric Schedule as follows.

The table that follows and interpolation are used to generate an AnnualROCE-Related Performance Factor for the full or partial year period, as the case may be, in a given Performance Year based on such covered period ROCE performance compared to the applicable ROCE hurdle for that Performance Year. The Annual ROCE-Related Performance Factor will be the applicable payout percentage in the table, adjusted as indicated in the footnotes to that table, and rounded to the nearest one-hundredth, with 0.005% being rounded upward to 0.01%.

The table used for this Second Corporate Performance Metric Schedule, as established by the Compensation Committee at the time it authorized the 2015-2017 Incentive Performance Units, is as follows. The following table assigns an Annual ROCE-Related Performance Factor with respect to ROCE-related performance for the applicable covered period. Percentages for performance between the points indicated on the table are interpolated. The final annual payout percentage with respect to the ROCE-related corporate performance measure for a given covered period is rounded to the nearestone-hundredth, with 0.005% being rounded upward to 0.01%. This percentage, which cannot go above 125.00% or below 0.00%, is the Annual ROCE-Related Performance Factor for the given Performance Year.

ROCE-Related Corporate Performance Measure		
	PNC's Return on Average Common Shareholders' Equity as a Percentage of the Committee-Specified ROCE Hurdle	Payout Percentage *
Maximum	110.00% or greater	125.00%
	105.00%	100.00%
	100.00%	75.00%
	75.00%	50.00%
Minimum	50.00% or less	0.00%

* Consistent with the design of this compensation program, this schedule interpolates results for performance between the points indicated on this table. Where interpolation is impracticable or would not produce a meaningful result, the unadjusted percentage will be used.

Compensation Committee Negative Discretion. Once the Annual ROCE-Related Performance Factor for PNC's performance with respect to the ROCE-Related Corporate Performance Criteria for the given full year or partial-year covered period of a given Performance Year has been determined using the table above and interpolation, the Compensation Committee may decide, in its discretion, to reduce that percentage (as long as such decision is not made during a Change of Control Coverage Period, or after the occurrence of a Change of Control) but may not increase it.

6.4 First Risk Performance Condition and Related Annual Performance Factor. For the First Risk Performance Condition, risk performance will be measured under the Tier 1 Risk-Based Performance Metric (also sometimes referred to as the First Risk Performance Metric), as specified below, for each Performance Year in the Award and will generate an Annual Tier 1 Risk-Based Performance Factor that relates to each such Performance Year. The Annual Tier 1 Risk-Based Performance Factor for a given Performance Year could be either 100.00% or 0.00% based on the First Risk Performance Metric, as described below.

The First Risk Performance Metric for this Award, the Tier 1 Risk-Based Performance Metric, is whether PNC has, as of the applicable performance measurement date for that Performance Year, met or exceeded the required Tier 1 risk-based capital ratio established by PNC's primary Federal bank holding company regulator for well-capitalized institutions as then in effect and applicable to PNC.

In the standard circumstances where Grantee continues to be an employee of the Corporation (or where Grantee's employment with the Corporation ceases by reason of a Qualifying Retirement or a Qualifying Disability Termination) and there has not been a Change of Control and Grantee has not died or had a Qualifying Anticipatory Termination, the applicable performance measurement date for a Performance Year for purposes of this First Risk Performance Metric will be the year-end date of the applicable Performance Year. For example, for the 2016 Performance Year, the specified Tier 1 risk-based capital ratio will be the ratio as of December 31, 2016, except as otherwise provided in Section 7 where applicable under the circumstances.

The process of certification of the level of PNC's performance with respect to the Tier 1 Risk-Based Performance Metric will occur as soon as practicable after the applicable performance measurement date (in the case of determinations made in standard circumstances pursuant to this Section 6.4, after the applicable year-end date). PNC will present information to the Compensation Committee with respect to (1) the minimum specified Tier 1 risk-based capital ratio PNC is required to achieve in order to meet the required Tier 1 risk-based capital ratio established by PNC's primary Federal bank holding company regulator for well-capitalized institutions as then in effect and applicable to PNC and (2) the applicable Tier 1 risk-based capital ratio achieved by PNC with respect to the Performance Year, which will be based on PNC's publicly reported financial results for the period ending on the applicable performance measurement date. In standard circumstances, this will generally be the public release of earnings results for PNC's fourth quarter that occurs after the year-end measurement date, so that the Compensation Committee will be able to make its determination in late January or early February following the applicable performance year-end.

In the standard circumstances, the Annual Tier 1 Risk-Based Performance Factor for a Performance Year will be 100.00% if, as of the applicable performance measurement date for that performance period, PNC has met or exceeded the required Tier 1 risk-based capital ratio established by PNC's primary Federal bank holding company regulator for well-capitalized institutions as then in effect and applicable to PNC. If PNC has <u>not</u> met or exceeded such required ratio, the Annual Tier 1 Risk-Based Performance Factor for that performance period will be 0.00%.

If the Annual Tier 1 Risk-Based Performance Factor with respect to a given Performance Year is 0.00%, this would mean that the Award has failed to meet the risk performance condition with respect to that Performance Year and the overall Annual Performance Factor that relates to that Performance Year will be 0.00%.

If the Annual Tier 1 Risk-Based Performance Factor with respect to a given Performance Year is 100.00%, this will reflect no downward adjustment for performance with respect to this risk metric for that performance period.

For circumstances where there is a Change of Control or Grantee dies, in either case while Grantee is still an employee of the Corporation or following a Qualifying Retirement or a Qualifying Disability Termination, or where Grantee has a Qualifying Anticipatory Termination, the Annual Tier 1 Risk-Based Performance Factor with respect to a given Performance Year will be determined as set forth in Section 7.

6.5 Second Risk Performance Condition and Related Annual Performance Factor.

(a) Annual Risk Review Performance Factor. Risk performance will be measured under the Second Risk Performance Condition, as specified below, for each Performance Year in the Award and will generate an Annual Risk Review Performance Factor that relates to such Performance Year.

The Annual Risk Review Performance Factor for a given Performance Year could range from 100.00%, reflecting no downward adjustment for performance with respect to this risk metric for that Performance Year, to an Annual Risk Review Performance Factor reflecting a downward adjustment to a specified percentage amount for this Factor, to an Annual Risk Review Performance Factor of 0.00%, all as further provided in this Section 6.

In the standard circumstances where Grantee continues to be an employee of the Corporation (or where Grantee's employment with the Corporation ceases by reason of a Qualifying Retirement or a Qualifying Disability Termination) and there has not been a Change of Control and Grantee has not died or had a Qualifying Anticipatory Termination, the Annual Risk Review Performance Factor with respect to an applicable Performance Year will be determined as follows.

(1) If an Annual Risk Performance Review is not required with respect to the applicable Performance Year by the Risk Performance Review Criteria set forth in Section 6.5(c) below as applicable for that Performance Year, then the Annual Risk Review Performance Factor for that Performance Year will be 100.00%, effective as of the date it is determined that an Annual Risk Performance Review will not be conducted with respect to that Performance Year.

(2) If an Annual Risk Performance Review is triggered by the provisions of Section 6.5(c) and is conducted, as set forth in Section 6.5(b) below, with respect to the applicable Performance Year, then the Annual Risk Review Performance Factor for that Performance Year will be as determined by the Compensation Committee as part of such review, effective as of the Compensation Committee determination date, and will be in the range of 100.00% down to 0.00%.

(3) If the Compensation Committee-determined Annual Risk Review Performance Factor with respect to a given Performance Year is 0.00%, the overall Annual Performance Factor that relates to that Performance Year will be 0.00%.

For circumstances where there is a Change of Control or Grantee dies, in either case while Grantee is still an employee of the Corporation or following a Qualifying Retirement or a Qualifying Disability Termination, or where Grantee has a Qualifying Anticipatory Termination, the Annual Risk Review Performance Factor with respect to a given Performance Year will be determined as set forth in Section 7.

(b) Annual Risk Performance Review. In general, while the Award is outstanding an Annual Risk Performance Review will be conducted with respect to any Performance Year for which such review is triggered as set forth in Section 6.5(c) below. Any such determination in accordance with Section 6.5(c) that an Annual Risk Performance Review will be conducted with respect to a given Performance Year will generally be made shortly after the close of the applicable Performance Year, but no later than the 45th day following the close of such year.

When an Annual Risk Performance Review is required by Section 6.5(c) with respect to a given completed Performance Year, either by action of the Compensation Committee or because the specific performance-metric-based review trigger is met, or a combination thereof, such review will be conducted shortly after the close of such calendar Performance Year but no later than the end of the first quarter following such close.

As part of such review, the Compensation Committee will consider whether, in its discretion, downward adjustment for risk performance with respect to the applicable Performance Year would be appropriate as applied to Grantee and, if so, will reflect such adjustment in the Annual Risk Review Performance Factor for that Performance Year. An Annual Risk Review Performance Factor as determined by the Compensation Committee will be in the range of 100.00% down to 0.00%. A downward adjustment for risk performance would be reflected in an Annual Risk Review Performance Factor with respect to that Performance Year of less than 100.00%. A Factor of 0.00% would mean that the Award has failed to meet this risk performance condition with respect to that Performance Year and the overall Annual Performance Factor that relates to that Performance Year will be 0.00%.

If the Compensation Committee determines in its discretion that it would not be appropriate to apply a downward adjustment for risk performance for such Performance Year to Grantee's Incentive Performance Units and related Dividend Equivalents, that determination would be reflected in an Annual Risk Review Performance Factor for that Performance Year of 100.00%.

(c) Risk Performance Review Criteria. Unless and until amended prospectively by the Compensation Committee, the Risk Performance Review Criteria for a given Performance Year are as set forth below.

An Annual Risk Performance Review is required with respect to a given Performance Year if triggered byeither or both of the following criteria: (1) the Compensation Committee requires a review in its discretion; or (2) PNC's return on economic capital, with specified adjustments ("ROEC"), is less than the applicable Compensation Committee-specified ROEC hurdle amount.

For purposes of this Award Agreement, "**ROEC"** will have the meaning set forth in Section 15.43. The "**ROEC hurdle"** for a given risk Performance Year will be the risk performance hurdle specified for that Performance Year by the Compensation Committee no later than March 30th of that Performance Year for purposes of comparison of ROEC to such hurdle for this Award. For the 2015 Performance Year, this hurdle as approved by the Compensation Committee is related to PNC's cost of capital and is set at 7.76%.

The Compensation Committee also approved a hurdle related to PNC's cost of capital set at 7.76% for the 2015 performance year for purposes of comparison of ROEC to such hurdle for the 2013 and 2014 Incentive Performance Unit awards to members of PNC's Corporate Executive Group.

6.6 Overall Annual Performance Factor and Overall Performance Factor in Standard Circumstances. In standard circumstances where Grantee continues to be an employee of the Corporation (or where Grantee's employment with the Corporation ceased by reason of a Qualifying Retirement or a Qualifying Disability Termination) and there has not been a Change of Control and Grantee has not died or had a Qualifying Anticipatory Termination, the overall Annual Performance Factor for a given Performance Year and the overall Performance Factor for the Award will be calculated as set forth in this Section 6.6.

For circumstances where there is a Change of Control or Grantee dies, in either case while Grantee is still an employee of the Corporation or following a Qualifying Retirement or a Qualifying Disability Termination, or where Grantee has a Qualifying Anticipatory Termination, the component Annual Performance Factors, the overall Annual Performance Factors, and the final overall Performance Factor with respect to the Award will be determined as set forth in Section 7.

(a) Overall Annual Performance Factor. In standard circumstances, once the four annual performance factors (the Annual EPS Growth Performance Factor, the Annual ROCE-Related Performance Factor, the Annual Tier 1 Risk-Based Performance Factor, and the Annual Risk Review Performance Factor) have been determined for a given Performance Year in accordance with the applicable provisions of Section 6, the overall Annual Performance Factor for that Performance Year will be calculated as follows.

The Annual EPS Growth Performance Factor for a given Performance Year and the Annual ROCE-Related Performance Factor for that same Performance Year will be averaged to generate the overall Annual Corporate Performance Factor for that Performance Year. This overall Annual Corporate Performance Factor is the maximum size that the overall Annual Performance Factor for a given year can reach and cannot exceed 125.00%. The risk-based factors can reduce the overall corporate factor but cannot increase it.

Once an overall Annual Corporate Performance Factor has been determined for the Performance Year, the Annual Tier 1 Risk-Based Performance Factor for that same Performance Year will be applied as a percentage to that overall corporate factor.

If the applicable Annual Tier 1 Risk-Based Performance Factor is 0.00%, the overall Annual Corporate Performance Factor with respect to that same Performance Year will be 0.00%. If the applicable Annual Tier 1 Risk-Based Performance Factor with respect to that Performance Year is 100.00%, there will be no downward adjustment to the overall Annual Corporate Performance Factor for this first risk performance factor, and the second risk performance factor, the Annual Risk Review Performance Factor, for the same Performance Year will then be applied.

Assuming that the overall Annual Performance Factor is not determined to be 0.00% as a result of application of the first risk performance factor, the Annual Risk Review Performance Factor for the Performance Year, which can range from 0.00% to 100.00%, will then be applied as a percentage of the overall Annual Corporate Performance Factor for the same Performance Year to generate the overall Annual Performance Factor for that Performance Year.

For example, if for a given Performance Year the Annual EPS Growth Performance Factor and the Annual ROCE-Related Performance Factor are 115.00% and 95.00%, respectively, resulting in an overall Annual Corporate Performance Factor of 105.00%, the Annual Tier 1 Risk-Based Performance Factor is 100.00%, and the Annual Risk Review Performance Factor is 95.00%, the overall Annual Performance Factor for that Performance Year would be 99.75%.

If both risk performance factors are 100.00%, there is no downward adjustment to the overall corporate performance factor for risk performance and the overall Annual Performance Factor would be the same percentage as the overall Annual Corporate Performance Factor for that Performance Year.

If either risk performance factor for an applicable Performance Year is 0.00%, the overall Annual Performance Factor with respect to that same Performance Year will be 0.00%.

Calculation of the overall Annual Performance Factor for non-standard circumstances, where there is a Change of Control or Grantee dies, in either case while

Grantee is still an employee of the Corporation or following a Qualifying Retirement or a Qualifying Disability Termination, or where Grantee has a Qualifying Anticipatory Termination, is set forth in Section 7.

An overall Annual Performance Factor, whether calculated pursuant to Section 6.6 or Section 6.6 and Section 7.3, as applicable, will be rounded to the nearest one-hundredth, with 0.005% being rounded upward to 0.01%, provided that an overall Annual Performance Factor may not in any event be greater than 125.00% or less than 0.00%.

(b) Overall Performance Factor. After presentation of information on performance results and calculations of the component and overall annual performance factors by PNC to the Compensation Committee and certification of performance results, the overall Performance Factor for the Award will be determined.

In standard circumstances, the overall Performance Factor will be generated by taking the average of the overall Annual Performance Factors for the three Performance Years (2015, 2016 and 2017) for the Award.

Calculation of the overall Performance Factor for non-standard circumstances, where there is a Change of Control or Grantee dies, in either case while Grantee is still an employee of the Corporation or following a Qualifying Retirement or a Qualifying Disability Termination, or where Grantee has a Qualifying Anticipatory Termination, is set forth in Section 7.

The overall Performance Factor, whether calculated pursuant to Section 6.6 or Section 6.6 and Section 7.3, as applicable, will be rounded to the nearest one-hundredth, with 0.005% being rounded upward to 0.01%, provided that the overall Performance Factor may in no event be greater than 125.00% or less than 0.00%.

7. Performance-Related Adjustments to Incentive Performance Units and Dividend Equivalents.

7.1 Performance Adjustment of Outstanding Share Units. Once the overall Performance Factor for the Incentive Performance Units and related Dividend Equivalents has been determined in accordance with Section 6 and Section 7.3, as applicable, and provided that the Award has not been cancelled pursuant to any of the forfeiture provisions of Section 5, the number of outstanding share units in the Award will be performance adjusted as applicable in accordance with this Section 7. The outstanding performance-adjusted Incentive Performance Units and performance-adjusted Dividend Equivalents represent the maximum size of any Final Award that may be determined and vest pursuant to Section 8 where the Award has not been forfeited pursuant to Section 5.

Outstanding Incentive Performance Units and related Dividend Equivalents will be performance-adjusted in accordance with Section 7.2 where Grantee is still an

employee of the Corporation (or ceased to be an employee by reason of a Qualifying Retirement or Qualifying Disability) and where there has not been a Change of Control and Grantee has not died or had a Qualifying Anticipatory Termination, all as of the Final Award Determination Date set forth in Section 8.

Where Grantee has died (whether while an employee or after a Qualifying Retirement or Qualifying Disability) or ceased to be an employee by reason of a Qualifying Anticipatory Termination or where there has been a Change of Control, determination of the overall Performance Factor(s) and performance-adjustment of the Incentive Performance Units and related Dividend Equivalents will be made in accordance with Section 7.3 at the time specified in Section 8.

The outstanding performance-adjusted Incentive Performance Units that are eligible to be the basis for a Final Award determination, provided that all of the other conditions of the Award Agreement are met, are sometimes referred to as the **"Calculated Maximum Payout Share Units"** and the percentage applied to the outstanding share units in order to arrive at the Calculated Maximum Payout Share Units is sometimes referred to as the **Calculated Maximum Payout Percentage** for the Award.

Dividend Equivalents will be subject to the same overall Performance Factor and performance adjustment that is applied to the Incentive Performance Units to which they relate. Performance-adjusted Dividend Equivalents are sometimes referred to as **"the Dividend Equivalents related to the Calculated Maximum Payout Share Units."**

7.2 Standard Circumstances. Where, as of the Final Award Determination Date, Grantee is still an employee of the Corporation or ceased to be an employee by reason of a Qualifying Retirement or Qualifying Disability and there has not been a Change of Control and Grantee has not died or had a Qualifying Anticipatory Termination, the performance-adjusted number of share units in the Award will be equal to a percentage of the initial share units in the Award that remain outstanding, rounded to the nearest one-hundredth with 0.005 share units being rounded upward to 0.01 share units, where the percentage to be applied is equal to the overall Performance Factor as determined in accordance with Section 6.6(b). Only outstanding performance-adjusted share units in the Award are eligible to be the basis for a Final Award determination pursuant to Section 8 provided that all of the other conditions of the Award Agreement are met.

In non-standard circumstances, the performance-adjusted number of share units for the Award will be calculated as provided in Section 7.3.

7.3 Death, Qualifying Anticipatory Termination, and Change of Control.

(a) Death. Where Grantee dies while an employee of the Corporation, or following a Qualifying Retirement or Qualifying Disability Termination, and the Award has not been forfeited pursuant to Section 5 and a Final Award determination is made by

the Committee pursuant to Section 8.2 or a Final Award is determined pursuant to Section 8.3 due to the occurrence of a Change of Control, the maximum number of performance-adjusted share units eligible to be the basis for a Final Award determination (the Calculated Maximum Payout Share Units) in these circumstances will be determined as follows at the time specified in Section 8.

Where a Final Award determination is made by the Committee pursuant to Section 8.2, the maximum number of performance-adjusted share units that may be awarded by the Committee will be calculated by applying an overall Performance Factor calculated as provided below to the total number of share units outstanding at the time of Final Award determination, without proration.

After presentation of information on performance results and calculations of the applicable component and overall annual performance factors by PNC to the Compensation Committee and certification of performance results, the overall Performance Factor to be applied to the outstanding share units in these circumstances will be calculated as the average of the overall Annual Performance Factor calculated in accordance with Section 6 as if Grantee were a continuing employee for each calendar Performance Year completed prior to Grantee's death, if any, and for the calendar Performance Year in which Grantee's death occurs (whether or not such calculations are completed prior to Grantee's death) and an overall Annual Performance Factor of 100.00% for each calendar Performance Year, if any, remaining in the portion of the Award performance period following the calendar year in which Grantee died, if any.

Where a Change of Control occurs after Grantee's death but prior to the time the Committee makes a Final Award determination pursuant to Section 8.2, either to approve a Final Award to Grantee of the Calculated Maximum Payout Share Units calculated as described above or of a lesser number of share units or of no units, a Change-of-Control-determined Final Award will be calculated as follows.

Where a Change of Control occurs after Grantee's death but prior to the time the Committee makes a Final Award determination, the number of outstanding performance-adjusted Incentive Performance Units eligible to be the basis for a Final Award determination in accordance with Section 8.3 will be either (1) or (2) as applicable: (1) if Grantee dies in the calendar year prior to the calendar year in which the Change of Control occurs, the same maximum number of outstanding performance-adjusted share units calculated as described above in this Section 7.3(a); or (2) if Grantee dies in the same calendar year in which the Change of Control occurs but prior to that Change of Control, the number of outstanding performance-adjusted share units calculated for both the first and second parts of a Final Award calculated in accordance with Section 7.3(c) below as if Grantee were a continuing employee.

Dividend Equivalents cease to accrue as of the Final Award Date and will be performance-adjusted using the same performance factor applied to the Incentive Performance Units to which they relate; *provided, however,* that in the event that clause (2) of the preceding paragraph is applicable, the provisions of Section 7.3(c) with respect to the factor applicable to Dividend Equivalents will remain applicable in this case as well.

If Grantee dies after a Change of Control occurs, the provisions of Section 7.3(c) will continue to apply.

(b) Qualifying Anticipatory Termination. Where Grantee is no longer an employee of the Corporation and Grantee's termination of employment was a Qualifying Anticipatory Termination and the Award has not been forfeited pursuant to Section 5 and a Final Award determination is made by the Committee pursuant to Section 8.2 or a Final Award is determined pursuant to Section 8.3 due to the occurrence of a Change of Control, the maximum number of performance-adjusted share units eligible to be the basis for a Final Award determination (the Calculated Maximum Payout Share Units) in these circumstances will be determined as follows.

Where Grantee has not died prior to the Committee-determined Final Award Date or the Change-of-Control-determined Final Award Date, as the case may be, the Calculated Maximum Payout Share Units will be determined in the same manner and at the same time as if Grantee had remained an employee of the Corporation pursuant to Section 6 or Section 6 and Section 7.3(c), as applicable; *provided, however,* that if a Change of Control is pending but has not yet occurred at the Committee-determined Final Award Date, the Committee will have no discretion to reduce Grantee's Calculated Maximum Payout Share Units under these circumstances.

If Grantee dies following a Qualifying Anticipatory Termination but prior to the Committee-determined Final Award Date or the Change-of-Control-determined Final Award Date, as the case may be, the Calculated Maximum Payout Share Units will be determined pursuant to Section 7.3(a) in the same manner and at the same time as if Grantee had died at the same time but while an employee of the Corporation; *provided, however,* that if a Change of Control is pending but has not yet occurred at the Committee-determined Final Award Date, the Committee will have no discretion to reduce Grantee's Calculated Maximum Payout Share Units under these circumstances.

(c) Change of Control. Where a Change of Control occurs prior to the Committee-determined Final Award Date and Grantee remains eligible for a Final Award determined pursuant to Section 8.3 (that is, the Award has not been forfeited prior to the Change of Control date pursuant to Section 5 and, as of the day immediately prior to the Change of Control, Grantee is either still an employee of the Corporation or has had a Qualifying Retirement, a Qualifying Disability Termination or a Qualifying Anticipatory Termination) and Grantee has not died, the share units will be divided into two parts, and a Performance Factor will be determined separately for each part at the time specified in Section 8.3. The performance-adjusted share units in each part will be determined by applying the performance factor for that part to the share units in the same part, and the total performance-adjusted Incentive Performance Units will be the sum of the performance-adjusted share units in these two parts.

The number of Incentive Performance Units in the first part will be equal to the total outstanding share units multiplied by the number of full calendar quarters completed between January 1, 2015 and the Change of Control date (including, if applicable, the quarter completed on the Change of Control date if the Change of Control occurs on a quarter-end day), then divided by 12 (the number of quarters in the standard three year performance period for the Award). The remaining Incentive Performance Units will be in the second part.

The Performance Factor for the first part (the Pre-Change-of-Control Factor) will be calculated using the weighted average of the overall Annual Performance Factor or Factors for all calendar Performance Years completed prior to the Change of Control date and, provided that the Change of Control occurs on or after March 31st of such year, the overall Annual Performance Factor for the Performance Year in which the Change of Control occurs, each calculated as follows.

For purposes of calculating the Pre-Change-of-Control Factor, the overall Annual Performance Factor for any calendar Performance Year completed prior to the Change of Control will begin with an Annual Corporate Performance Factor of the higher of 100.00% and the overall Annual Corporate Performance Factor for that year calculated in accordance with Sections 6.2, 6.3 and 6.6 as if there had not been a Change of Control, and will then apply the Annual Tier 1 Risk-Based Performance Factor and the Annual Risk Review Performance Factor for that same Performance Year calculated in accordance with Sections 6.4 and 6.5 as if there had not been a Change of Control to arrive at the overall Annual Performance Factor for that calendar Performance Year.

The overall Annual Performance Factor for the Performance Year in which the Change of Control occurs will begin with an Annual Corporate Performance Factor of the higher of 100.00% and a corporate factor calculated in the same manner as in Sections 6.2, 6.3 and 6.6 but using the full quarters of the year completed prior to or as of the Change of Control date as the Performance Year, whether that constitutes a full calendar year or a partial year, and will then apply an Annual Tier 1 Risk-Based Performance Factor calculated in the same manner as in Section 6.4 but based on PNC's Tier 1 risk-based capital ratio as of the last quarter-end prior to the Change of Control date (or, if the Change of Control occurs on a quarter-end date and if such information is available with respect to and applicable for such date, on the Change of Control date) and an Annual Risk Review Performance Factor that is the same as the Annual Risk Review Performance Factor applicable to the prior calendar Performance Year if an Annual Risk Review Performance Factor had previously been determined for that year in accordance with clause (1) or (2) of Section 6.5(a) above, as applicable, prior to the Change of Control, or if none 100.00%; *provided, however,* if the Change of Control occurs prior to the end of the first quarter of such Performance Year, no Annual Performance Factor will be calculated for the Performance Year in which the Change of Control occurs for purposes of calculating the Pre-Change-of-Control Factor.

In generating the weighted average, the Annual Performance Factors in the numerator will be weighted based on the number of full quarters represented by that

Performance Year (four quarters for a full calendar year and the number of full quarters completed by the Change of Control date for the Performance Year in which the Change of Control occurs), with the denominator being 12.

The resulting weighted average of the overall Annual Performance Factors for the pre-Change of Control period is the Pre-Change-of-Control Factor. This factor is then applied to the number of Incentive Performance Units in the first part to determine the performance-adjusted Incentive Performance Units in the first part.

The second part of performance-adjusted Incentive Performance Units is calculated by applying the Performance Factor for the second part (the Post-Change-of-Control Factor) to the number of Incentive Performance Units in the second part. The Post-Change-of-Control Factor will be the factor generated by beginning with a Corporate Performance Factor of 100.00% and then applying a Tier 1 Risk-Based Performance Factor calculated in the same manner as an Annual Tier 1 Risk-Based Performance Factor in accordance with Section 6 but based on PNC's Tier 1 risk-based capital ratio as of the last quarter-end prior to the Change of Control Date (or, if the Change of Control occurs on a quarter-end date [and if such information is available with respect to and applicable for such date,] on the Change of Control Date) and applying a Risk Review Performance Factor of 100.00%. This factor is then applied to the number of Incentive Performance Units in the second part to determine the performance-adjusted Incentive Performance Units in the second part.

Dividend Equivalents cease to accrue as of the end of the day immediately preceding the day upon which a Change of Control occurs. The Dividend Equivalents related to the performance-adjusted Incentive Performance Units in both the first and second parts will be performance-adjusted using the same performance factor as was applied to the Incentive Performance Units in the first part (the Pre-Change-of-Control Performance Factor).

In the event that Grantee dies prior to a Change of Control but the Change of Control occurs before the Committee makes a Final Award determination pursuant to Section 8.2, a Change-of-Control-determined Final Award will be calculated as described in clause (1) or (2), as applicable, of the fifth paragraph of Section 7.3(a). If Grantee dies following a Change of Control, the provisions of this Section 7.3(c) will continue to apply to the calculation of a Final Award.

In the event that Grantee ceased to be an employee of the Corporation by reason of a Qualifying Anticipatory Termination prior to the Change of Control, the provisions of Section 7.3(b) will apply.

7.4 Termination of Portions of Award Due to Performance Adjustments. The Incentive Performance Units in the Award that do not become Calculated Maximum Payout Share Units will be cancelled; that is, only the number of share units that remain outstanding and become Calculated Maximum Payout Share Units after the applicable corporate and risk performance adjustments and any other adjustments for the Award

have been made will be eligible to be the basis for a Final Award determination and become vested Payout Share Units in accordance with Section 8 provided that all other conditions of the Award Agreement are met.

Dividend Equivalents that had accrued with respect to any Incentive Performance Units that do not become Calculated Maximum Payout Share Units and are cancelled will also be cancelled as Dividend Equivalents are subject to the same performance and other adjustments that are applied to the Incentive Performance Units to which they relate.

8. Final Award Determination and Vesting.

8.1 General. A Final Award determination will be made by the Committee in accordance with Section 8.2*provided, however,* that upon the occurrence of a Change of Control prior to the time the Committee has made a Final Award determination in accordance with Section 8.2, a Final Award determination will instead be made in accordance with Section 8.3, provided in either case that the Award has not been forfeited pursuant to Section 5 prior to the Final Award Date and remains outstanding.

Final Award determinations pursuant to Section 8.2 will be made by the Committee as soon as practicable after December 31, 2017 (and in any event, such that any payout of a Final Award is made no later than December 31, 2018); *provided, however,* that in the event of Grantee's death prior to a Change of Control, a Final Award determination pursuant to Section 8.2 will be made as soon as practicable after the end of the calendar year in which Grantee died, if earlier, and in any event such that any payout of a Final Award is made no later than December 31st of the year in which such Final Award determination is made, other than in unusual circumstances where a further delay thereafter would be permitted under Section 409A of the U.S. Internal Revenue Code, and if such a delay is permissible, as soon as practicable within such limits. Final Award determinations pursuant to Section 8.3 will be made as soon as practicable after the Change of Control occurs.

A Final Award may not exceed the Calculated Maximum Payout Share Units and performance-adjusted Dividend Equivalents amount calculated in accordance with the applicable provisions of Sections 6 and 7. However, the Committee may exercise negative discretion to reduce the size of a Final Award determined pursuant to Section 8.2, except as otherwise provided in Section 7.3(b) in certain circumstances involving a Qualifying Anticipatory Termination and except as otherwise provided in Sections 8.2(b) and 8.2(c) during a Change of Control Coverage Period or if a Change of Control has occurred, as applicable.

The Final Award, if any, will be fully vested as of the applicable vesting date, which will be (i) the Committee-determined Final Award Date if the Final Award is determined in accordance with Section 8.2, or (ii), the Change-of-Control-determined Final Award Date (which would be the date upon which the service requirements of Section 5.3 are satisfied), if the Final Award is determined in accordance with Section 8.3, as applicable.

Final Awards will be designated as a specified number of vested share units **("vested Payout Share Units")** and the accrued Dividend Equivalents related to such share units (related Dividend Equivalents). If the vested Payout Share Units include a fraction, the fraction will be eliminated by rounding down to the nearest whole share unit. Outstanding vested Payout Share Units and related Dividend Equivalents will be paid out at the time and in the form set forth in the applicable subsection of Section 9. Section 9.2 will apply where Final Award determination and vesting occurs in accordance with Section 8 prior to a Change of Control, and Section 9.3 will apply where Final Award determination and vesting occurs in accordance with Section 8 subsequent to a Change of Control that occurs any time prior to a Committee-determined Final Award Date.

8.2 Certification of Performance Results and Committee Final Award Determination.

(a) General. Provided that Grantee remains an employee of the Corporation, or Grantee's termination of employment was a Qualifying Retirement, a Qualifying Disability Termination or a Qualifying Anticipatory Termination, and the 2015-2017 Incentive Performance Units and related Dividend Equivalents remain outstanding such that Grantee remains eligible for consideration for a Final Award, and that a Change of Control has not occurred, the overall performance period for the Award will run from January 1, 2015 through December 31, 2017 and the process of certification of the levels of achievement of corporate and risk performance, the calculation of the overall Performance Factor, the calculation of the Calculated Maximum Payout Share Units and related Dividend Equivalents amount, and the determination of the Final Award, if any, by the Compensation Committee will occur in early 2018.

The time when the certification, calculation and Final Award determination process will take place is sometimes referred to as the **"scheduled award-determination period,"** and the date when a Final Award, if any, is determined and made by the Compensation Committee is sometimes referred to as the **"Committee-determined Final Award Date."**

In the event that Grantee dies while an employee of the Corporation (or following a Qualifying Retirement, a Qualifying Disability Termination or a Qualifying Anticipatory Termination) and prior to the regularly scheduled award date in early 2018, and the 2015-2017 Incentive Performance Units and related Dividend Equivalents remain outstanding and have not been forfeited pursuant to Section 5, PNC will present information to the Compensation Committee for purposes of Final Award determination early in the calendar year following the calendar year in which Grantee died if such time is earlier than in early 2018 and otherwise in early 2018.

Notwithstanding anything in this Section 8.2 to the contrary, if a Change of Control has occurred, Section 8.3 will apply.

(b) The Compensation Committee will have the authority to award to Grantee **("award")** as a Final Award such amount, denominated as a specified number of vested

share units and the accrued Dividend Equivalents related to such share units (vested Payout Share Units with related Dividend Equivalents), as may be determined by the Compensation Committee, subject to the limitations set forth in the following paragraph, provided, that: (1) the 2015-2017 Incentive Performance Units and related Dividend Equivalents are still outstanding; (2) Grantee is either still an employee of the Corporation, or Grantee's termination of employment was a Qualifying Retirement, a Qualifying Disability Termination or a Qualifying Anticipatory Termination, or Grantee died while an employee of the Corporation or after a Qualifying Retirement, a Qualifying Disability Termination or a Qualifying Anticipatory Termination; and (3) the applicable Calculated Maximum Payout Share Units and related Dividend Equivalents amount is greater than zero.

The Final Award will not exceed the applicable Calculated Maximum Payout Share Units and related Dividend Equivalents amount, as determined in accordance with the applicable provisions of Sections 6 and 7, and is subject to the exercise of negative discretion by the Compensation Committee to reduce or further reduce this calculated payout amount pursuant to Section 8.2(c), if applicable.

However, if a Change of Control Coverage Period has commenced and has not yet ended or if a Change of Control has occurred, the Compensation Committee will not have authority to exercise negative discretion to reduce or further reduce the payout amount below the full applicable Calculated Maximum Payout Share Units and related Dividend Equivalents amount. If there has been a Change of Control, the Compensation Committee's authority is subject to Section 8.3.

The date on which the Compensation Committee makes its determination as to whether or not it will authorize an award and, if so, the size of a Final Award, if any, it authorizes within the Calculated Maximum Payout Share Units and related Dividend Equivalents amount determined pursuant to the Award Agreement is sometimes referred to in the Award Agreement as the "**Committee-determined Final Award Date"** and is the vesting date for a Final Award awarded by the Committee pursuant to Section 8.2.

Payment of the Final Award, if any, will be made in accordance with Section 9. If Grantee dies after a Final Award is determined but before payment is made, payment of the Final Award will be made to Grantee's legal representative, as determined in good faith by PNC, in accordance with Section 12.

(c) Negative Discretion. Except during a Change of Control Coverage Period or after the occurrence of a Change of Control, the Compensation Committee may exercise negative discretion with respect to the 2015-2017 Incentive Performance Units and related Dividend Equivalents and may determine, in light of such Corporation or individual performance or other factors as the Compensation Committee may deem appropriate, that notwithstanding the levels of corporate and risk performance achieved by PNC, the Compensation Committee will not award Grantee the full applicable Calculated Maximum Payout Share Units and related Dividend Equivalents amount that the Compensation Committee is authorized to award pursuant to Section 8.2(b), or any of such amount.

The Compensation Committee may use its negative discretion to reduce the size of the Final Award or to cancel the full applicable potential award amount. Among other things, the Compensation Committee may exercise its negative discretion such that a Final Award appropriately reflects considerations based on the totality of results over the full overall performance period, and may cancel the full applicable potential award amount if the Committee determines that the totality of performance results over the entire performance period adversely impacts the safety and soundness of PNC.

If the Compensation Committee so determines to exercise its negative discretion pursuant to this Section 8.2(c), the Final Award, if any, will be further reduced accordingly; *provided, however,* that the Compensation Committee will not have authority to exercise negative discretion if a Change of Control Coverage Period has commenced and has not yet ended or if a Change of Control has occurred.

(d) If a Change of Control occurs prior to the time the Compensation Committee makes a Final Award determination pursuant to Section 8.2, the Final Award will be determined in accordance with Section 8.3 rather than being determined by the Compensation Committee pursuant to Section 8.2, and the Compensation Committee will not have negative discretion to reduce the payout amount calculated pursuant to Section 8.3.

8.3 Change of Control Prior to a Committee-Determined Final Award Date.

(a) Notwithstanding anything in the Agreement to the contrary, upon a Change of Control at any time prior to a Committee-determined Final Award Date pursuant to Section 8.2 and provided that the 2015-2017 Incentive Performance Units and related Dividend Equivalents are still outstanding as of the end of the day immediately preceding the day on which the Change of Control occurs and have not already terminated or been terminated in accordance with the service, conduct or other provisions of Section 5, Grantee will be awarded a Final Award (the vested Payout Share Units); *provided, that*: (1) Grantee is still an employee of the Corporation on January 2, 2018; (2) Grantee's termination of employment was a Qualifying Retirement or a Qualifying Disability Termination; (3) Grantee died while an employee of the Corporation or after a circumstance set forth in (a)(2) immediately above; or (4) Grantee was terminated by the Corporation without Cause (as defined in Section 15.3) or voluntarily resigned from the Corporation for Good Reason after the Change of Control.

If this Section 8.3 is applicable, and a Final Award is awarded pursuant to Section 8.3, then neither vesting nor payout will not be accelerated by reason of a Change of Control. Rather, vesting will occur upon satisfaction of the service conditions set forth in Section 5.3 and Section 8.3(a) above and payout would occur as soon as practicable after January 2, 2018. The date of such payment is sometimes referred to in the Agreement as the "**Change-of-Control-determined Final Award Date**."

Once vested, this Final Award will be payable to Grantee or Grantee's legal representative at the Change-of-Control-determined Final Award Date in the manner set forth in Section 9.

The amount of vested Payout Share Units in the Final Award (the Calculated Maximum Payout Share Units calculated in accordance with the provisions of Sections 6 and 7 applicable in these circumstances) and related Dividend Equivalents will be calculated as of the date of the Change of Control once the final data necessary for the award determination is available.

(b) The Compensation Committee may not exercise any further negative discretion pursuant to Section 8.2(c) or otherwise exercise discretion pursuant to the Award Agreement in any way that would serve to reduce a Final Award calculated pursuant to this Section 8.

8.4 Final Award Vested; Termination of Any Unawarded 2015-2017 Incentive Performance Units and Related Dividend Equivalents Once a Final Award determination has been made by the Compensation Committee pursuant to Section 8.2 is calculated by virtue of the application of Section 8.3, the outstanding share units and related Dividend Equivalents represented in the Final Award are vested as of the applicable Final Award Date (as defined in Section 15).

The share-denominated incentive award opportunity represented by the 2015-2017 Incentive Performance Units and related Dividend Equivalents will terminate as to any portion of the Incentive Performance Units and related Dividend Equivalents not so awarded pursuant to Section 8.2 or Section 8.3, as applicable.

Termination of all or a portion of the 2015-2017 Incentive Performance Units and related Dividend Equivalents as unawarded pursuant to this Section 8.4, or pursuant to the forfeiture provisions of Section 5, if applicable, will in no way affect Grantee's covenants or the other provisions of Sections 16 and 17.

9. Settlement of Vested Performance-Adjusted Share Units and Related Dividend Equivalents.

9.1 Settlement. A Final Award of vested Payout Share Units and related Dividend Equivalents awarded pursuant to Section 8 will be paid out at the time and in the form set forth in the applicable subsection of this Section 9. Section 9.2 will apply where Final Award determination and vesting occurs pursuant to Section 8.2, and Section 9.3 will apply where Final Award determination and vesting occurs pursuant to Section 8.3. In no event will payment be made prior to vesting or later than December 31, 2018.

A Final Award, if any, will be fully vested as of the applicable vesting date, which will be the Committee-determined Final Award Date or the Change-of-Control-determined Final Award Date, as applicable; therefore, any shares of PNC common stock

issued pursuant to this Section 9 will be fully vested at the time of issuance. PNC will issue any such shares and deliver any cash payable pursuant to this Section 9 to, or at the proper direction of, Grantee or Grantee's legal representative, as determined in good faith by the Compensation Committee, at the applicable time specified in Section 9.2 or Section 9.3, as the case may be.

Delivery of shares and/or other payment pursuant to the Award will not be made unless and until all applicable tax withholding requirements with respect to such payment have been satisfied.

In the event that Grantee is deceased, payment will be delivered to the executor or administrator of Grantee's estate or to Grantee's other legal representative, as determined in good faith by the Compensation Committee.

9.2 Settlement Where Vesting Occurs Prior to Change of Control.

(a) Payout Timing. Payment will be made to Grantee in settlement of an outstanding vested Final Award awarded pursuant to Section 8.2 as soon as practicable after the vesting date (the Committee-determined Final Award Date) set forth in Section 8.2 for such Award, generally within 30 days but no later than December 31st of the calendar year in which the vesting date occurs, other than in unusual circumstances where a further delay thereafter would be permitted under Section 409A of the U.S. Internal Revenue Code, and if such a delay is permissible, as soon as practicable within such limits. No interest shall be paid with respect to any such payments made pursuant to this Section 9.2.

(b) Form of Payout. Payment in settlement of such outstanding vested Payout Share Units will be made at the applicable time set forth in Section 9.2(a) above, and except as otherwise provided in Section 11, will be made first by delivery to Grantee of that number of whole shares of PNC common stock equal to the number of outstanding vested Payout Share Units specified in the Final Award, up to and including the number of the whole share units specified on page 1 of the Agreement as the Share Units (as adjusted for capital adjustments, if any, pursuant to Section 11, if applicable). This is the maximum number of shares of PNC common stock that may be paid with respect to the Award. If the number of outstanding vested Payout Share Units exceeds this specified number, the remaining outstanding vested Payout Share Units will be settled in cash (sometimes referred to in the Agreement as payment in **"Cash Share-Equivalents"**). This cash payment amount will be equal to the number of such remaining outstanding vested Payout Share Units multiplied by the then current Fair Market Value (as defined in Section 15) of a share of PNC common stock on the Committee-determined Final Award Date or as otherwise provided pursuant to Section 11, if applicable.

No fractional shares will be delivered to Grantee. If the outstanding vested Payout Share Units to be settled in shares include a fractional interest, such fractional interest will be eliminated by rounding down to the nearest whole share unit.

Dividend Equivalents related to the vested Payout Share Units awarded pursuant to the provisions of Section 8.2 will be settled by payment to Grantee in cash at the same time as the time set forth in Section 9.2(a) above for payment of the vested Payout Share Units to which they relate.

Delivery of shares and/or other payment pursuant to the Award will not be made unless and until all applicable tax withholding requirements with respect to such payment have been satisfied.

(c) Disputes. If there is a dispute regarding payment of a Final Award amount, PNC will settle the undisputed portion of the award amount, if any, within the time frame set forth above in this Section 9.2, and will settle any remaining portion as soon as practicable after such dispute is finally resolved but in any event within the time period permitted under Section 409A of the U.S. Internal Revenue Code.

9.3 Settlement Where Vesting Occurs On or After a Change of Control.

(a) Payout Timing. Payment will be made to Grantee in settlement of an outstanding vested Final Award awarded pursuant to Section 8.3 upon the Change-of-Control-determined Final Award Date. Generally this will be within 30 days after January 2, 2018, but no later than December 31, 2018, other than in unusual circumstances where a further delay thereafter would be permitted under Section 409A of the U.S. Internal Revenue Code, and if such a delay is permissible, as soon as practicable within such limits. No interest shall be paid with respect to any such payments made pursuant to this Section 9.3.

(b) Form of Payment. Payment in settlement of such outstanding vested Payout Share Units will be made at the applicable time set forth in Section 9.3(a) above, generally, all in cash, made at the applicable time set forth in Section 9.3 above, and will be in an amount equal to the number of vested Payout Share Units specified in the Final Award multiplied by the Fair Market Value (as defined in Section 15) of a share of PNC common stock on the date of the Change of Control or by the per share value provided pursuant to Section 11 as applicable. The related Dividend Equivalents base amount will be an amount equivalent to the amount of the cash dividends Grantee would have received, without interest on or reinvestment of such amounts, had Grantee been the record holder of a number of issued and outstanding shares of PNC common stock equal to the number of vested Payout Share Units in the Final Award for the period beginning on the Award Grant Date and up to the date of the Change of Control, subject to adjustment if any pursuant to Section 11.

(c) Disputes. If there is a dispute regarding payment of a final award amount, PNC will settle the undisputed portion of the award amount, if any, within the time frame set forth in the applicable subsection of Section 9.3(a), and will settle any remaining portion as soon as practicable after such dispute is finally resolved but in any event within the time period permitted under Section 409A of the U.S. Internal Revenue Code.

10. No Rights as Shareholder Until Issuance of Shares.

Grantee will have no rights as a shareholder of PNC by virtue of this Award unless and until a Final Award, if any, is awarded and shares of PNC stock, if any, are issued and delivered to Grantee in respect thereof pursuant to Section 9.

11. Capital Adjustments.

11.1 Except as otherwise provided in Section 11.2, if applicable, if corporate transactions such as stock dividends, stock splits, spin-offs,split-offs, recapitalizations, mergers, consolidations or reorganizations of or by PNC (**"Corporate Transactions"**) occur prior to the time a Final Award, if any, is paid, the Compensation Committee or its delegate shall make those adjustments, if any, in the number, class or kind of Incentive Performance Units and related Dividend Equivalents then outstanding under the Award that it deems appropriate in its discretion to reflect Corporate Transactions such that the rights of Grantee are neither enlarged nor diminished as a result of such Corporate Transactions, including without limitation (a) measuring the value per share unit of any share-denominated award amount authorized for payment to Grantee pursuant to Section 9 by reference to the per share value of the consideration payable to a PNC common shareholder in connection with such Corporate Transactions and (b) authorizing payment of the entire value of any Final Award amount authorized for payment to Grantee pursuant to Section 9 to be paid in cash at the applicable time specified in Section 9.

All determinations hereunder shall be made by the Compensation Committee or its delegate in its sole discretion and shall be final, binding and conclusive for all purposes on all parties, including without limitation Grantee.

11.2 Upon the occurrence of a Change of Control, (a) the number, class and kind of Incentive Performance Units and related Dividend Equivalents then outstanding under the Award will automatically be adjusted to reflect the same changes as are made to outstanding shares of PNC common stock generally, (b) the value per share unit to be used in calculating the amount described in Section 9.3(b) of any award that is awarded to Grantee in accordance with Section 8.3 will be measured by reference to the per share value of the consideration payable to a PNC common shareholder in connection with such Corporate Transaction or Transactions if applicable, and (c) if the effect of the Corporate Transaction or Transactions on a PNC common shareholder is to convert that shareholder's holdings into consideration that does not consist solely (other than as to a minimal amount) of shares of PNC common stock, then the entire value of any payment to be made to Grantee pursuant to Section 8.3 and Section 9 will be made solely in cash at the applicable time specified by Section 9.

12. Prohibitions Against Sale, Assignment, *etc.*; Payment to Legal Representative.

(a) Incentive Performance Units and related Dividend Equivalents may not be sold, assigned, transferred, exchanged, pledged, or otherwise alienated or hypothecated.

(b) If Grantee is deceased at the time any outstanding Final Award authorized by the Agreement is to be paid in accordance with the terms of Section 9, such delivery of shares and/or other payment shall be made to the executor or administrator of Grantee's estate or to Grantee's other legal representative as determined in good faith by PNC.

(c) Any delivery of shares or other payment made in good faith by PNC to Grantee's executor, administrator or other legal representative, or retained by PNC for taxes pursuant to Section 13, shall extinguish all right to payment hereunder.

13. Withholding Taxes; Payment Upon Inclusion Under Section 409A.

Where all applicable withholding tax obligations have not previously been satisfied, PNC will, at the time any such obligation arises in connection herewith, retain an amount sufficient to satisfy the minimum amount of taxes then required to be withheld by the Corporation in connection therewith from amounts then payable hereunder to Grantee or, if none, from other compensation then payable to Grantee, or as otherwise determined by PNC.

Unless the Compensation Committee or other PNC Designated Person determines otherwise, the Corporation will retain whole shares of PNC common stock from any amounts then payable to Grantee hereunder, or pursuant to any other outstanding Restricted Share Units previously awarded to Grantee under the Plan **("Prior Awards")**, in the form of shares of PNC common stock, and will withhold cash from any amounts then payable to Grantee hereunder that are settled in cash.

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

For purposes of this Section 13, shares of PNC common stock retained to satisfy applicable withholding tax requirements will be valued at their Fair Market Value (as defined in Section 15) on the date the tax withholding obligation arises.

If Grantee desires to have an additional amount withheld above the required minimum, up to Grantee's W-4 obligation if higher, and if PNC so permits, Grantee may elect to satisfy this additional withholding by payment of cash. The Corporation will not retain shares for this purpose. If Grantee's W-4 obligation does not exceed the required minimum withholding in connection herewith, no additional withholding may be made.

It is the intention of the parties that the 2015-2017 Incentive Performance Units and related Dividend Equivalents award and the Agreement comply with the provisions of Section 409A to the extent, if any, that such provisions are applicable to the Agreement. In the event that, notwithstanding such intention, the arrangement fails to

meet the requirements of Section 409A and the regulations promulgated thereunder, then PNC may at that time permit the acceleration of the time for payment to Grantee under the Award Agreement notwithstanding any of the other provisions of the Agreement, but any such accelerated payment may not exceed the amount required to be included in Grantee's income as a result of the failure to comply with the requirements of Section 409A and the regulations promulgated thereunder. For purposes of this provision, an amount will be deemed to have been included in Grantee's income if the amount is timely reported on Form W-2 or Form 1099-MISC as appropriate.

14. Employment.

Neither the granting of the 2015-2017 Incentive Performance Units and related Dividend Equivalents nor the calculation, determination and payment of any Final Award authorized hereunder nor any term or provision of the Award Agreement shall constitute or be evidence of any understanding, expressed or implied, on the part of PNC or any subsidiary to employ Grantee for any period or in any way alter Grantee's status as an employee at will.

15. Certain Definitions.

Except where the context otherwise indicates, the following definitions apply for purposes of the Agreement.

15.1 "Agreement" or "Award Agreement."

"Agreement" or **"Award Agreement"** means the Corporate Executive Group 2015-2017 Incentive Performance Units Award Agreement between PNC and Grantee evidencing the Incentive Performance Units and related Dividend Equivalents award granted to Grantee pursuant to the Plan.

15.2 "Annual EPS Growth Performance Factor," "Annual ROCE-Related Performance Factor," "overall Annual Corporate Performance Factor," "Annual Tier 1 Risk-Based Performance Factor," "Annual Risk Review Performance Factor," and "overall Annual Performance Factor" have the respective meanings set forth in Section 6.

15.3 "Anticipatory Termination." If Grantee's employment with the Corporation is terminated by the Corporation other than for Cause as defined in this Section 15.3, death or Disability prior to the date on which a Change of Control occurs, and if it is reasonably demonstrated by Grantee that such termination of employment (i) was at the request of a third party that has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control, such a termination of employment is an **"Anticipatory Termination."**

For purposes of this Section 15.3 (and for a termination of employment with the Corporation after a Change of Control that occurs prior to a Committee-Determined Final Award Date), "**Cause**" shall mean:

(a) the willful and continued failure of Grantee to substantially perform Grantee's duties with the Corporation (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to Grantee by the Board or the CEO that specifically identifies the manner in which the Board or the CEO believes that Grantee has not substantially performed Grantee's duties; or

(b) the willful engaging by Grantee in illegal conduct or gross misconduct that is materially and demonstrably injurious to PNC or any of its subsidiaries.

For purposes of the preceding clauses (a) and (b), no act or failure to act, on the part of Grantee, shall be considered willful unless it is done, or omitted to be done, by Grantee in bad faith and without reasonable belief that Grantee's action or omission was in the best interests of the Corporation. Any act, or failure to act, based upon the instructions or prior approval of the Board, the CEO or Grantee's superior or based upon the advice of counsel for the Corporation, shall be conclusively presumed to be done, or omitted to be done, by Grantee in good faith and in the best interests of the Corporation.

The cessation of employment of Grantee will be *deemed* to be a termination of Grantee's employment with the Corporation for Cause for purposes of this Section 15.3 only if and when there shall have been delivered to Grantee, as part of the notice of Grantee's termination, a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board, at a Board meeting called and held for the purpose of considering such termination, finding on the basis of clear and convincing evidence that, in the good faith opinion of the Board, Grantee is guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail. Such resolution shall be adopted only after (i) reasonable notice of such Board meeting is provided to Grantee, together with written notice that PNC believes that Grantee is guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail, and (ii) Grantee is given an opportunity, together with counsel, to be heard before the Board.

15.4 "Award" means the Incentive Performance Units and related Dividend Equivalents award granted to Grantee pursuant to the Plan and evidenced by the Agreement.

15.5 "Award Grant Date" means the Award Grant Date set forth on page 1 of the Agreement.

15.6 "Board" means the Board of Directors of PNC.

15.7 "Calculated Maximum Payout Share Units" and "Calculated Maximum Payout Percentage" have the respective meanings specified in Section 7.1.

15.8 "Cause" and "termination for Cause."

Except as otherwise required by Section 15.3, **"Cause"** means:

(a) the willful and continued failure of Grantee to substantially perform Grantee's duties with the Corporation (other than any such failure resulting from incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to Grantee by PNC that specifically identifies the manner in which it is believed that Grantee has not substantially performed Grantee's duties;

(b) a material breach by Grantee of (1) any code of conduct of PNC or any code of conduct of a subsidiary of PNC that is applicable to Grantee or (2) other written policy of PNC or other written policy of a subsidiary of PNC that is applicable to Grantee, in either case required by law or established to maintain compliance with applicable law;

(c) any act of fraud, misappropriation, material dishonesty, or embezzlement by Grantee against PNC or any of its subsidiaries or any client or customer of PNC or any of its subsidiaries;

(d) any conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or entry by Grantee into a pre-trial disposition with respect to, the commission of a felony; or

(e) entry of any order against Grantee, by any governmental body having regulatory authority with respect to the business of PNC or any of its subsidiaries, that relates to or arises out of Grantee's employment or other service relationship with the Corporation.

The cessation of employment of Grantee will be deemed to have been a termination of Grantee's employment with the Corporation for Cause for purposes of the Agreement only if and when PNC, by PNC's CEO or his or her designee (or, if Grantee is the CEO, the Board), determines that Grantee is guilty of conduct described in clause (a), (b) or (c) above or that an event described in clause (d) or (e) above has occurred with respect to Grantee and, if so, determines that the termination of Grantee's employment with the Corporation will be deemed to have been for Cause.

15.9 "CEO" means the chief executive officer of PNC.

15.10 "Change of Control" means:

(a) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended **(the "Exchange Act")**)

(a "Person") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then-outstanding shares of common stock of PNC **(the "Outstanding PNC Common Stock")** or (B) the combined voting power of the then-outstanding voting securities of PNC entitled to vote generally in the election of directors **(the "Outstanding PNC Voting Securities")**; *provided, however,* that, for purposes of this Section 15.10(a), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from PNC, (2) any acquisition by PNC, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by PNC or any company controlled by, controlling or under common control with PNC **(an "Affiliated Company")**, (4) any acquisition pursuant to an Excluded Combination (as defined in Section 15.10(c)) or (5) an acquisition of beneficial ownership representing between 20% and 40%, inclusive, of the Outstanding PNC Voting Securities or Outstanding PNC Common Stock shall not be considered a Change of Control if the Incumbent Board as of immediately prior to any such acquisition approves such acquisition either prior to or immediately after its occurrence;

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

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving PNC or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of PNC, or the acquisition of assets or stock of another entity by PNC or any of its subsidiaries (each, **a "Business Combination"**), excluding, however, a Business Combination following which all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns PNC or all or substantially all of PNC's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities, as the case may be (such a Business Combination, **an "Excluded Combination"**); or

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

15.11 "Change of Control Coverage Period" means a period commencing on the occurrence of a Change of Control Triggering Event and ending upon the earlier to occur of (a) the date of a Change of Control Failure and (b) the date of a Change of Control.

After the termination of any Change of Control Coverage Period, another Change of Control Coverage Period will commence upon the occurrence of another Change of Control Triggering Event.

For purposes of the Award Agreement, **"Change of Control Triggering Event"** shall mean the occurrence of either of the following: (i) the Board or PNC's shareholders approve a Business Combination, other than an Excluded Combination, described in subsection (c) of the definition of Change of Control contained in Section 15.10; or (ii) the commencement of a proxy contest in which any Person seeks to replace or remove a majority of the members of the Board.

For purposes of the Award Agreement, **"Change of Control Failure"** shall mean: (x) with respect to a Change of Control Triggering Event described in clause (i) of the definition above, PNC's shareholders vote against the transaction approved by the Board or the agreement to consummate the transaction is terminated; or (y) with respect to a Change of Control Triggering Event described in clause (ii) of the definition above, the proxy contest fails to replace or remove a majority of the members of the Board.

15.12 "Change-of-Control-determined Final Award Date" has the meaning set forth in Section 8.3.

15.13 "Committee-determined Final Award Date" has the meaning set forth in Section 8.2.

15.14 "Compensation Committee" or "Committee" means the Personnel and Compensation Committee of the Board or such person or persons as may be designated or appointed by that committee as its delegate or designee.

15.15 "Competitive Activity."

"Competitive Activity" while Grantee is an employee of the Corporation means any participation in, employment by, ownership of any equity interest exceeding one percent (1%) in, or promotion or organization of, any Person other than PNC or any of its subsidiaries (1) engaged in business activities similar to some or all of the business activities of PNC or any subsidiary or (2) engaged in business activities that Grantee knows PNC or any subsidiary intends to enter within the next twelve (12) months, in either case whether Grantee is acting as agent, consultant, independent contractor, employee, officer, director, investor, partner, shareholder, proprietor or in any other individual or representative capacity therein.

"Competitive Activity" on or after Grantee's Termination Date means any participation in, employment by, ownership of any equity interest exceeding one percent (1%) in, or promotion or organization of, any Person other than PNC or any of its subsidiaries (a) engaged in business activities similar to some or all of the business activities of PNC or any subsidiary as of Grantee's Termination Date or (b) engaged in business activities that Grantee knows PNC or any subsidiary intends to enter within the first twelve (12) months after Grantee's Termination Date or, if later and if applicable, after the date specified in subsection (a), clause (ii) of the definition of Detrimental Conduct in Section 15.18, in either case whether Grantee is acting as agent, consultant, independent contractor, employee, officer, director, investor, partner, shareholder, proprietor or in any other individual or representative capacity therein.

For purposes of Competitive Activity as defined in this Section 15.15, and for purposes of the definition of competitive activity in any other PNC restricted share unit or in any PNC restricted stock, stock option, or other equity-based award or awards held by Grantee, however, the term subsidiary or subsidiaries shall not include companies in which the Corporation holds an interest pursuant to its merchant banking authority.

15.16 "Consolidated Subsidiary" means a corporation, bank, partnership, business trust, limited liability company or other form of business organization that (1) is a consolidated subsidiary of PNC under U.S. generally accepted accounting principles and (2) satisfies the definition of "service recipient" under Section 409A of the U.S. Internal Revenue Code.

15.17 "Corporation" means PNC and its Consolidated Subsidiaries.

15.18 "Detrimental Conduct" means:

(a) Grantee has engaged, without the prior written consent of PNC (with consent to be given or withheld at PNC's sole discretion), in any Competitive Activity as defined in Section 15.15 in the continental United States at any time during the period of Grantee's employment with the Corporation and extending through (and including) the first (1st) anniversary of the later of (i) Grantee's Termination Date and, if different, (ii) the first date after Grantee's Termination Date as of which Grantee ceases to have a service relationship with the Corporation;

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

(c) any conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or any entry by Grantee into a pre-trial disposition with respect to, the commission of a felony that relates to or arises out of Grantee's employment or other service relationship with the Corporation.

Grantee will be deemed to have engaged in Detrimental Conduct for purposes of the Agreement only if and when the Compensation Committee or other PNC Designated Person, as applicable, determines that Grantee has engaged in conduct described in clause (a) or clause (b) above or that an event described in clause (c) above has occurred with respect to Grantee and, if so, (1) determines in its sole discretion that Grantee will be deemed to have engaged in Detrimental Conduct for purposes of the Agreement and (2) determines in its sole discretion to cancel all or a specified portion of the Incentive Performance Units that have not yet vested in accordance with Section 8 and of the Dividend Equivalents related to such Incentive Performance Units on the basis of such determination that Grantee has engaged in Detrimental Conduct.

15.19 "Disabled" or "Disability" means, except as may otherwise be required by Section 409A of the U.S. Internal Revenue Code, that Grantee either (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving (and has received for at least three months) income replacement benefits under any Corporation-sponsored disability benefit plan. If Grantee has been determined to be eligible for U.S. Social Security disability benefits, Grantee shall be presumed to be Disabled as defined herein.

15.20 "Dividend Equivalents" means the opportunity to receive dividend equivalents granted to Grantee pursuant to the Plan in connection with the Incentive Performance Units to which they relate and evidenced by the Award Agreement.

15.21 "Earnings, EPS and ROCE Adjustments." For purposes of measuring EPS growth performance for PNC and the other Peers for purposes of the First Corporate Performance Condition, measuring PNC's ROCE (return on average common shareholders' equity) for purposes of the Second Corporate Performance Condition, and measuring PNC's ROEC (return on economic capital) for purposes of the Second Risk Performance Condition, publicly-reported earnings or EPS performance results, as applicable, will be adjusted, on an after-tax basis, for the impact of any of the following where such impact occurs during the covered period of a given Performance Year in the applicable overall performance period or, where applicable for purposes of the EPS growth metric, during the prior year comparison period for a given year:

- extraordinary items (as such term is used under GAAP);
- items resulting from a change in tax law;
- discontinued operations;
- acquisition costs and merger integration costs;

- any costs or expense arising from specified Visa litigation (including Visa-litigation-related expenses/charges recorded for obligations to Visa with respect to the costs of specified litigation or the gains/reversal of expense recognized in connection with such obligations) and any other gains recognized on the redemption or sale of Visa shares as applicable;
- acceleration of the accretion of any remaining issuance discount in connection with the redemption of any preferred stock, and any other charges or benefits related to the redemption of trust preferred or other preferred securities;
- and, in PNC's case, the net impact on PNC of significant gains or losses related to BlackRock transactions (similar to the adjustment provided for in the 2010 Incentive Performance Units awards to members of PNC's Corporate Executive Group that included adjusting 2009 comparison period results to exclude the 4th quarter 2009 gain related to BlackRock's acquisition of Barclays Global Investors, for purposes of the 2010 covered performance period EPS growth comparison).

In the case of the relative EPS growth metric, there will be an additional adjustment for the impact of any stock splits (whether in the form of a stock split or a stock dividend). In the case of the ROCE performance metric, there will be an additional adjustment for the impact of any goodwill.

All of these adjustments will be made, with respect to both PNC and, where applicable, the other Peers, on the basis of, and only where such amounts can be reasonably determined from, publicly-disclosed financial information. After-tax adjustments for PNC and, where applicable, the other Peers will be calculated using the same methodology for making such adjustments on an after-tax basis.

The Compensation Committee may also take into account other adjustments applied on a consistent basis but only if the effect of such adjustment or adjustments would be to reduce the Calculated Maximum Payout Share Units amounts prior to making its Final Award payout determinations.

15.22 "EPS" and "EPS growth" have the respective meanings specified in Section 6.2(b).

15.23 "Fair Market Value" as it relates to a share of PNC common stock as of any given date means (a) the reported closing price on the New York Stock Exchange (or such successor reporting system as PNC may select) for a share of PNC common stock on such date, or, if no PNC common stock trades have been reported on such exchange for that day, such closing price on the next preceding day for which there were reported trades or, if the Committee has so acted, (b) fair market value as determined using such other reasonable method adopted by the Committee in good faith for such purpose that uses actual transactions in PNC common stock as reported by a national securities exchange or the Nasdaq National Market, provided that such method is consistently applied. When determining Fair Market Value under this Award or any currently outstanding award under the Plan held by Grantee, the Fair Market Value will be rounded to the nearest cent.

15.24 "Final Award" means the final award, if any, (1) awarded to Grantee by the Compensation Committee in accordance with Section 8.2, or (2) awarded to Grantee by the Compensation Committee in accordance with Section 8.3, and in either case authorized to be paid out to Grantee in accordance with Section 9.

15.25 "Final Award Date" means: (1) the date on which the Compensation Committee makes its determination as to whether or not it will authorize payout of a final award, and if so, as to the size of the Final Award, if any, it authorizes pursuant to Section 8.2 (sometimes referred to as the **"Committee-determined Final Award Date"**); or (2) if a Change of Control has occurred prior to the Committee-determined Final Award Date and a Final Award has been authorized pursuant to Section 8.3, the date upon which the service requirements of Section 5.3 are satisfied (sometimes referred to as the **"Change-of-Control-determined Final Award Date"**).

15.26 "GAAP" or "U.S. generally accepted accounting principles" means accounting principles generally accepted in the United States of America.

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

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

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

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

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

(e) the failure by the Corporation to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the

business and/or assets of the Corporation to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform it if no such succession had taken place.

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

Grantee's mental or physical incapacity following the occurrence of an event described above in clauses (a) through (e) shall not affect Grantee's ability to terminate employment for Good Reason, and Grantee's death following delivery of a notice of termination for Good Reason shall not affect Grantee's estate's entitlement to severance payments benefits provided hereunder upon a termination of employment for Good Reason.

15.28 "Grantee" means the person to whom the Incentive Performance Units with related Dividend Equivalents award is granted, and is identified as Grantee on page 1 of the Agreement.

15.29 "Incentive Performance Units" or "2015-2017 Incentive Performance Units" means the share-denominated incentive award opportunity performance units of the number of share units specified as the Share Units on page 1 of the Agreement, subject to capital adjustments pursuant to Section 11 if any, granted to Grantee pursuant to the Plan and evidenced by the Agreement.

15.30 "Internal Revenue Code" or "U.S. Internal Revenue Code" means the United States Internal Revenue Code of 1986 as amended, and the rules and regulations promulgated thereunder.

15.31 "Payout Share Units."

"Calculated Maximum Payout Share Units" has the meaning specified in Section 7.1, and **"vested Payout Share Units"** has the meaning specified in Section 8.1.

15.32 "Peer Group" and "Peer."

"Peer Group" means the group of financial institutions, including PNC, designated by the Compensation Committee as PNC's Peer Group as applicable in accordance with Section 6.2(b).

A member of the Peer Group, including PNC, is sometimes referred to as a **"Peer."**

15.33 "Performance Factor" has the meaning set forth in Section 6.6 and Section 7.3, as applicable.

15.34 "Performance Year" has the meaning set forth in Section 6.1.

15.35 "Person" has the meaning specified in the definition of Change of Control in Section 15.10(a).

15.36 "Plan" means The PNC Financial Services Group, Inc. 2006 Incentive Award Plan as amended from time to time.

15.37 "PNC" means The PNC Financial Services Group, Inc.

15.38 "PNC Designated Person" or "Designated Person" will be: (a) the Compensation Committee or its delegate if Grantee is (or was when Grantee ceased to be an employee of the Corporation) either a member of the Corporate Executive Group (or equivalent successor classification) or subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to PNC securities (or both); or (b) the Compensation Committee, the CEO, or the Chief Human Resources Officer of PNC, or any other individual or group as may be designated by one of the foregoing to act as Designated Person for purposes of the Agreement.

15.39 "Prior Awards" has the meaning set forth in Section 13.

15.40 "Qualifying Retirement," "Qualifying Disability Termination" and "Qualifying Anticipatory Termination" have the meanings specified in Section 5.3(iii), Section 5.3(iv), and Section 5.3(v), respectively.

15.41 "Retires" or "Retirement." Grantee **"Retires"** if Grantee's employment with the Corporation terminates at any time and for any reason (other than termination by reason of Grantee's death or by the Corporation for Cause and, if the Committee or the CEO or his or her designee so determines prior to such divestiture, other than by reason of termination in connection with a divestiture of assets or a divestiture of one or more subsidiaries of the Corporation) on or after the first date on which Grantee has both attained at least age fifty-five (55) and completed five (5) years of service, where a year of service is determined in the same manner as the determination of a year of vesting service calculated under the provisions of The PNC Financial Services Group, Inc. Pension Plan.

If Grantee **"Retires"** as defined herein, the termination of Grantee's employment with the Corporation is sometimes referred to as**"Retirement"** and such Grantee's Termination Date is sometimes also referred to as Grantee's **"Retirement Date."**

15.42 "ROCE" and "ROCE hurdle." "ROCE" (return on average common shareholders' equity) and**"ROCE hurdle"** have the meanings set forth in Section 6.3(b).

15.43 "ROEC" and "ROEC hurdle." For purposes of the Risk Performance Review Criteria specified in Section 6.5(c), PNC's**"ROEC"** (return on economic capital) for a given performance year will be calculated as earnings for the applicable performance year, divided by average economic capital for the same calendar year, calculated to two places to the right of the decimal, rounded to the nearest hundredth with 0.005 being rounded upward to 0.01, and "**ROEC hurdle"** has the meaning set forth in Section 6.5(c).

Earnings. Earnings will mean PNC's publicly-reported earnings for the applicable calendar year adjusted, on an after-tax basis, for the impact, as applicable to earnings, of the items set forth in the definition "Earnings, EPS and ROCE Adjustments" as specified in Section 15.21.

Economic Capital. Economic capital will mean total economic capital for PNC on a consolidated basis as that term is used by PNC for its internal measurement purposes. Average economic capital for the applicable calendar year will mean such average economic capital as calculated by PNC for internal purposes.

15.44 "SEC" means the United States Securities and Exchange Commission.

15.45 "Section 409A" means Section 409A of the U.S. Internal Revenue Code.

15.46 "Service relationship" or "having a service relationship with the Corporation" means being engaged by the Corporation in any capacity for which Grantee receives compensation from the Corporation, including but not limited to acting for compensation as an employee, consultant, independent contractor, officer, director or advisory director.

15.47 "Share" means a share of PNC common stock.

15.48 "Termination Date" means Grantee's last date of employment with the Corporation. If Grantee is employed by a Consolidated Subsidiary that ceases to be a subsidiary of PNC or ceases to be a consolidated subsidiary of PNC under U.S. generally accepted accounting principles and Grantee does not continue to be employed by PNC or a Consolidated Subsidiary, then for purposes of the Agreement, Grantee's employment with the Corporation terminates effective at the time this occurs.

16. Grantee Covenants.

16.1 General. Grantee and PNC acknowledge and agree that Grantee has received adequate consideration with respect to enforcement of the provisions of Sections 16 and 17 by virtue of receiving the 2015-2017 Incentive Performance Units and Dividend Equivalents award (regardless of whether a Final Award is ultimately determined and paid or the size of such Final Award, if any); that such provisions are reasonable and properly required for the adequate protection of the business of PNC and its subsidiaries; and that enforcement of such provisions will not prevent Grantee from earning a living.

16.2 Non-Solicitation; No-Hire. Grantee agrees to comply with the provisions of subsections (a) and (b) of this Section 16.2 while employed by the Corporation and for a period of one year after Grantee's Termination Date regardless of the reason for such termination of employment.

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

(b) No-Hire. Grantee shall not, directly or indirectly, either for Grantee's own benefit or purpose or for the benefit or purpose of any Person other than PNC or any of its subsidiaries, employ or offer to employ, call on, or actively interfere with PNC's or any subsidiary's relationship with, or attempt to divert or entice away, any employee of PNC or any of its subsidiaries, nor shall Grantee assist any other Person in such activities.

Notwithstanding the above, if Grantee's employment with the Corporation is terminated by the Corporation and such termination is an Anticipatory Termination, then commencing immediately after such Termination Date, the provisions of subsections (a) and (b) of this Section 16.2 shall no longer apply and shall be replaced with the following subsection (c):

(c) No-Hire. Grantee agrees that Grantee shall not, for a period of one year after Grantee's Termination Date, employ or offer to employ, solicit, actively interfere with PNC's or any PNC affiliate's relationship with, or attempt to divert or entice away, any officer of PNC or any PNC affiliate.

16.3 Confidentiality. During Grantee's employment with the Corporation, and thereafter regardless of the reason for termination of such employment, Grantee shall not disclose or use in any way any confidential business or technical information or trade secret acquired in the course of such employment, all of which is the exclusive and valuable property of the Corporation whether or not conceived of or prepared by Grantee, other than (a) information generally known in the Corporation's industry or acquired from public sources, (b) as required in the course of employment by the Corporation, (c) as required by any court, supervisory authority, administrative agency or applicable law, or (d) with the prior written consent of PNC.

16.4 Ownership of Inventions. Grantee shall promptly and fully disclose to PNC any and all inventions, discoveries, improvements, ideas or other works of inventorship or authorship, whether or not patentable, that have been or will be conceived and/or reduced to practice by Grantee during the term of Grantee's employment with the Corporation, whether alone or with others, and that are (a) related directly or indirectly to the business or activities of PNC or any of its subsidiaries or (b) developed with the use of any time, material, facilities or other resources of PNC or any subsidiary **("Developments")**. Grantee agrees to assign and hereby does assign to PNC or its designee all of Grantee's right, title and interest, including copyrights and patent rights, in and to all Developments. Grantee shall perform all actions and execute all instruments that PNC or any subsidiary shall deem necessary to protect or record PNC's or its designee's interests in the Developments. The obligations of this Section 16.4 shall be performed by Grantee without further compensation and shall continue beyond Grantee's Termination Date.

17. Enforcement Provisions.

Grantee understands and agrees to the following provisions regarding enforcement of the Agreement.

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

17.2 Equitable Remedies. A breach of the provisions of any of Sections 16.2, 16.3 or 16.4 will cause the Corporation irreparable harm, and the Corporation will therefore be entitled to issuance of immediate, as well as permanent, injunctive relief restraining Grantee, and each and every person and entity acting in concert or participating with Grantee, from initiation and/or continuation of such breach.

17.3 Tolling Period. If it becomes necessary or desirable for the Corporation to seek compliance with the provisions of Section 16.2 by legal proceedings, the period during which Grantee shall comply with said provisions will extend for a period of twelve (12) months from the date the Corporation institutes legal proceedings for injunctive or other relief.

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

17.5 Severability. The restrictions and obligations imposed by Sections 16.2, 16.3, 16.4, 17.1 and 17.7 are separate and severable, and it is the intent of Grantee and PNC that if any restriction or obligation imposed by any of these provisions is deemed by a court of competent jurisdiction to be void for any reason whatsoever, the remaining provisions, restrictions and obligations shall remain valid and binding upon Grantee.

17.6 Reform. In the event any of Sections 16.2, 16.3 and 16.4 are determined by a court of competent jurisdiction to be unenforceable because unreasonable either as to length of time or area to which said restriction applies, it is the intent of Grantee and PNC that said court reduce and reform the provisions thereof so as to apply the greatest limitations considered enforceable by the court.

17.7 Waiver of Jury Trial. Each of Grantee and PNC hereby waives any right to trial by jury with regard to any suit, action or proceeding under or in connection with any of Sections 16.2, 16.3 and 16.4.

17.8 Compliance with U.S. Internal Revenue Code Section 409A. It is the intention of the parties that the Award and the Agreement comply with the provisions of Section 409A of the U.S. Internal Revenue Code to the extent, if any, that such provisions are applicable to the Agreement, and the Agreement will be administered by PNC in a manner consistent with this intent.

If any payments or benefits hereunder may be deemed to constitute nonconforming deferred compensation subject to taxation under the provisions of Section 409A of the U.S. Internal Revenue Code, Grantee agrees that PNC may, without the consent of Grantee, modify the Agreement and the Award to the extent and in the manner PNC deems necessary or advisable or take such other action or actions, including an amendment or action with retroactive effect, that PNC deems appropriate in order either to preclude any such payments or benefits from being deemed "deferred compensation" within the meaning of Section 409A of the U.S. Internal Revenue Code or to provide such payments or benefits in a manner that complies with the provisions of Section 409A of the U.S. Internal Revenue Code such that they will not be taxable thereunder.

17.9 Applicable Law; Clawback, Adjustment or Recoupment. Notwithstanding anything in the Agreement, PNC will not be required to comply with any term, covenant or condition of the Agreement if and to the extent prohibited by law, including but not limited to Federal banking and securities regulations, or as otherwise directed by one or more regulatory agencies having jurisdiction over PNC or any of its subsidiaries.

Further, to the extent applicable to Grantee, the Award, and any right to receive and retain any Shares or other value pursuant to the Award, shall be subject to rescission,

cancellation or recoupment, in whole or in part, if and to the extent so provided under PNC's Incentive Compensation Adjustment and Clawback Policy, as in effect from time to time with respect to the Award, or any other applicable clawback, adjustment or similar policy in effect on or established after the Award Grant Date and to any clawback or recoupment that may be required by applicable law or regulation.

17.10 Subject to the Plan and Interpretations. In all respects the Award and the Agreement are subject to the terms and conditions of the Plan, which has been made available to Grantee and is incorporated herein by reference; *provided, however,* the terms of the Plan shall not be considered an enlargement of any benefits under the Agreement. Further, the Award and the Agreement are subject to any interpretation of, and any rules and regulations issued by, the Compensation Committee, or its delegate or under the authority of the Compensation Committee, whether made or issued before or after the Award Grant Date.

17.11 Headings; Entire Agreement. Headings used in the Agreement are provided for reference and convenience only, shall not be considered part of the Agreement, and shall not be employed in the construction of the Agreement. The Agreement constitutes the entire agreement between Grantee and PNC with respect to the subject matters addressed herein, and supersedes all other discussions, negotiations, correspondence, representations, understandings and agreements between the parties concerning the subject matters hereof.

17.12 Modification. Modifications or adjustments to the terms of this Agreement may be made by PNC as permitted in accordance with the Plan or as provided for in this Agreement. No other modification of the terms of this Agreement shall be effective unless embodied in a separate, subsequent writing signed by Grantee and by an authorized representative of PNC.

18. Acceptance of Award; PNC Right to Cancel; Effectiveness of Agreement.

If Grantee does not accept the Award by executing and delivering a copy of the Agreement to PNC, without altering or changing the terms thereof in any way, within 30 days of receipt by Grantee of a copy of the Agreement, PNC may, in its sole discretion, withdraw its offer and cancel the Award at any time prior to Grantee's delivery to PNC of an unaltered and unchanged copy of the Agreement executed by Grantee. Otherwise, upon execution and delivery of the Agreement by both PNC and Grantee, the Agreement is effective as of the Award Grant Date.

IN WITNESS WHEREOF, PNC has caused the Agreement to be signed on its behalf as of the Award Grant Date.

THE PNC FINANCIAL SERVICES GROUP, INC.

By: /s/ William S. Demchak

Chief Executive Officer

ATTEST:

By: /s/ Christi Davis

Corporate Secretary

ACCEPTED AND AGREED TO by GRANTEE

_____

Grantee

EXHIBIT 10.52

10.52 – Standard Annual Incentive Deferral Plan Program
2015 Cash-Payable Restricted Share Units

THE PNC FINANCIAL SERVICES GROUP, INC.
2006 INCENTIVE AWARD PLAN

* * *

STANDARD ANNUAL INCENTIVE DEFERRAL PLAN PROGRAM
2015 CASH-PAYABLE RESTRICTED SHARE UNITS
AWARD AGREEMENT

* * *

GRANTEE:	**[Name]**
DESIGNATED MARKER DATE:	**March 6, 2015**
RESTRICTED SHARE UNITS:	**[Number] share units**

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1. Definitions. Certain terms used in this Standard Annual Incentive Deferral Plan Program 2015 Cash-Payable Restricted Share Units Award Agreement **(the "Agreement" or "Award Agreement")** are defined in Section 12 or elsewhere in the Agreement, and such definitions will apply except where the context otherwise indicates.

In the Agreement, **"PNC"** means The PNC Financial Services Group, Inc., **"Corporation"** means PNC and its Consolidated Subsidiaries, **"Plan"** means The PNC Financial Services Group, Inc. 2006 Incentive Award Plan as amended from time to time, and **"Annual Incentive Deferral Plan"** means The PNC Financial Services Group, Inc. Annual Incentive Deferral Plan as amended from time to time.

2. Restricted Share Units with Related Dividend Equivalents Award. Pursuant to the Plan and in accordance with the Annual Incentive Deferral Plan, and subject to the terms and conditions of the Award Agreement, PNC awards to the Grantee named above **("Grantee")** a cash-payable share-denominated award opportunity of restricted share units **("Restricted Share Units")** of the number of restricted share units set forth above, together with the opportunity to receive related dividend equivalents to the extent provided herein **("Dividend Equivalents")**, payable in cash, with respect to those share units **(together, the "Award")**. The Award is subject to acceptance by Grantee in accordance with Section 15 and is subject to the terms and conditions of the Award Agreement, including conduct and other conditions and forfeiture provisions, and to the Plan.

3. Terms of Award. For the purpose of determining conduct and other conditions, forfeitures, and other conditions and provisions applicable to each portion of the Restricted Share Units and related Dividend Equivalents under the Award Agreement, the Award is divided into three installments or tranches. This includes the provisions set forth in Section 4 related to Dividend Equivalents and the provisions set forth in Sections 5 and 6 relating to forfeiture, adjustment, vesting and settlement provisions for each tranche.

The three Restricted Share Units and related Dividend Equivalents tranches (each a **"Tranche"**) are set forth below:

- one-third of the share units (rounded down to the nearest whole unit) are in the First Tranche;
- one-half of the remaining share units (rounded down to the nearest whole unit) are in the Second Tranche; and
- the remainder of the share units are in the Third Tranche.

Restricted Share Units and Dividend Equivalents are not transferable. Restricted Share Units and related Dividend Equivalents are subject to forfeiture and adjustment pursuant to the terms and conditions of the Agreement until vesting of the Restricted Share Units in accordance with the terms of the Agreement.

Restricted Share Units that are not forfeited by Grantee in accordance with the terms of Section 5 and that are still outstanding and vest in accordance with the terms of Section 6 will be settled and paid out in cash pursuant to and in accordance with the terms of that Section 6. Restricted Share Units that are forfeited by Grantee pursuant to and in accordance with the terms of Section 5 will be cancelled without payment of any consideration by PNC.

The right to ongoing Dividend Equivalents is awarded in connection with the Restricted Share Units to which the Dividend Equivalents relate and therefore will terminate, without payment of any consideration by PNC, upon the cancellation or vesting, whichever is applicable, of the Restricted Share Units to which those Dividend Equivalents relate.

4. Dividend Equivalents.

Dividend Equivalents. These Dividend Equivalents are related to the Restricted Share Units, and Dividend Equivalents payments are applicable for the period during which the Tranche of Restricted Share Units to which they relate is outstanding. Dividend Equivalents apply to the period from and after the Designated Marker Date until such time as the applicable Tranche of Restricted Share Units awarded in connection with those Dividend Equivalents either (i) vests pursuant to and in accordance with the terms of Section 6 or (ii) is cancelled upon forfeiture in accordance with the terms of Section 5. At the end of such period (either the vesting date in accordance with Section 6 or cancellation date in accordance with Section 5), the related Dividend Equivalents terminate.

Once the Agreement is effective in accordance with Section 15 and subject to the terms and conditions of this Section 4, the Corporation will make Dividend Equivalents payments to Grantee, where applicable, of cash equivalent to the amounts of the quarterly cash dividends Grantee would have received, if any, had the Restricted Share Units to which such Dividend Equivalents relate been shares of PNC common stock issued and outstanding on the record dates for cash dividends on PNC common stock that occur during the applicable Dividend Equivalents period.

Payment. The Corporation will make Dividend Equivalents payments to Grantee where applicable pursuant to this Section 4 each quarter following the dividend payment date that relates to such record date, if any. Dividend Equivalents will not be payable with respect to a dividend unless the Restricted Share Units to which the Dividend Equivalents relate were outstanding on the dividend record date for such dividend. Such amounts will be paid in cash in accordance with applicable regular payroll practice as in effect from time to time for similarly situated employees within 30 days after the applicable dividend payment date.

Additional Conditions. Dividend Equivalents payments are also subject to the additional conditions set forth below.

After Record Date. Except as otherwise provided in Section 5(b), Section 5(d) or Section 14.8, if the termination of the right to ongoing Dividend Equivalents occurs after the dividend record date for a quarter but before the related dividend payment date, the Corporation will nonetheless make such a quarterly dividend equivalents payment to Grantee with respect to that record date, if any.

Suspensions. Where payment of Dividend Equivalents that would otherwise be made is suspended pursuant to 5(e) pending resolution of a potential forfeiture of the Restricted Share Units, then such payment will be made only if and when the suspension is resolved favorable to Grantee and the Restricted Share Units are not forfeited. No interest will be paid with respect to any suspended payments. If the suspension is resolved adverse to Grantee, both the Restricted Share Units and any suspended Dividend Equivalents payments will be forfeited without payment.

Clawbacks After Payment. Except as otherwise provided in Section 5(c) 5(d), Section 12.12 or Section 14.8, termination or cancellation of the right to ongoing Dividend Equivalents will have no effect on cash payments made pursuant to this Section 4 prior to such termination or cancellation.

5. Forfeiture Provisions; Termination Upon Failure to Meet Applicable Conduct or Other Conditions

(a) Termination Upon Forfeiture of Units. The Award is subject to the forfeiture provisions set forth in this Section 5. Upon forfeiture and cancellation of a Tranche or Tranches or specified portion thereof, as the case may be, of Restricted Share Units and the right to receive payment with respect to related Dividend Equivalents

pursuant to the terms and conditions of this Section 5, the Award will terminate with respect to such Tranche or Tranches, or specified portion thereof, of Restricted Share Units and related Dividend Equivalents, and neither Grantee nor any successors, heirs, assigns or legal representatives of Grantee will thereafter have any further rights or interest in the Restricted Share Units or the related right to Dividend Equivalents evidenced by the Award Agreement with respect to such Tranche or Tranches, or specified portion thereof, of Restricted Share Units and Related Dividend Equivalents, as applicable.

(b) Termination for Cause. In the event that Grantee's employment with the Corporation is terminated by the Corporation for Cause prior to the 3rd anniversary of the Designated Marker Date and prior to the occurrence of a Change of Control (as defined in Section 12), if any, then all then outstanding Restricted Share Units, together with the right to receive any payment on or after Grantee's Termination Date with respect to the related Dividend Equivalents, will be forfeited by Grantee to PNC and cancelled without payment of any consideration by PNC as of Grantee's Termination Date.

(c) Detrimental Conduct. At any time prior to the date that such Restricted Share Units and related Dividend Equivalents vest in accordance with Section 6 or are forfeited or cancelled pursuant to other provisions of the Award Agreement, Restricted Share Units and Related Dividend Equivalents, or a specified portion thereof, will be forfeited by Grantee to PNC and cancelled, without payment of any consideration by PNC, on the date and to the extent that PNC, acting by a PNC Designated Person (as defined in Section 12), determines in its sole discretion to so cancel all or a specified portion of the Restricted Share Units and related Dividend Equivalents on the basis of its determination that Grantee has engaged in Detrimental Conduct (as defined in Section 12), whether such determination is made during the period of Grantee's employment with the Corporation or after Grantee's Termination Date; *provided, however*, that (i) no determination that Grantee has engaged in Detrimental Conduct may be made on or after the date of Grantee's death (other than with respect to a Tranche, if any, that does not vest immediately upon death), and Detrimental Conduct will not apply to conduct by or activities of successors to the Restricted Share Units and related Dividend Equivalents by will or the laws of descent and distribution in the event of Grantee's death; (ii) no determination that Grantee has engaged in Detrimental Conduct may be made between the time PNC enters into an agreement providing for a Change of Control and the time such agreement either terminates or results in a Change of Control; and (iii) no determination that Grantee has engaged in Detrimental Conduct may be made after the occurrence of a Change of Control.

(d) Clawback, Adjustment or Recoupment. Restricted Share Units and related Dividend Equivalents shall be subject to rescission, cancellation or recoupment, in whole or in part, if and to the extent so provided under PNC's Incentive Compensation Adjustment and Clawback Policy, as in effect from time to time with respect to the Award, or any other applicable clawback, adjustment or similar policy in effect on or established after the Designated Marker Date and to any clawback or recoupment that may be required by applicable law or regulation.

(e) Suspension and Forfeiture Related to Judicial Criminal Proceedings. If any criminal charges are brought against Grantee, in an indictment or in other analogous formal charges commencing judicial criminal proceedings, alleging the commission of a felony that relates to or arises out of Grantee's employment or other service relationship with the Corporation, then to the extent that the Restricted Share Units or any portion thereof are still outstanding and have not yet vested, the Compensation Committee or its delegate or other PNC Designated Person may determine that the vesting of those Restricted Share Units and any further Dividend Equivalents payments will be suspended.

Any such suspension of vesting will continue until the earliest to occur of the following:

(i) resolution of the criminal proceedings in a manner that results in a conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or any entry by Grantee into a pre-trial disposition with respect to, the commission of a felony that relates to or arises out of Grantee's employment or other service relationship with the Corporation;

(ii) resolution of the criminal proceedings in one of the following ways: (i) the charges as they relate to such alleged felony have been dismissed (with or without prejudice); (ii) Grantee has been acquitted of such alleged felony; or (iii) a criminal proceeding relating to such alleged felony has been completed without resolution (for example, as a result of a mistrial) and the relevant time period for recommencing criminal proceedings relating to such alleged felony has expired without any such recommencement;

(iii) Grantee's death; and

(iv) the occurrence of a Change of Control.

If the suspension is terminated by the occurrence of an event set forth in clause (i) above, those Restricted Share Units, together with all payments with respect to the related Dividend Equivalents that had been suspended, will, upon such occurrence, be automatically forfeited, will not vest or be eligible to vest, and will be cancelled without payment of any consideration by PNC.

If the suspension is terminated by the occurrence of an event set forth in clause (ii), (iii) or (iv) above, then vesting of those Restricted Share Units will proceed in accordance with Section 6, as applicable, any Dividend Equivalents payments that had been suspended will be paid, and payment of ongoing Dividend Equivalents, if any, will resume in accordance with Section 4 as applicable. No interest will be paid with respect to any suspended payments.

6. Vesting and Settlement of Restricted Share Units.

(a) Vesting. Grantee's outstanding Restricted Share Units will vest upon the earliest to occur of the events set forth in the subclauses below, provided that such Restricted Share Units have not been forfeited prior to such vesting event pursuant to any of the provisions of Section 5 and remain outstanding at that time:

(i) the 1st anniversary of the Designated Marker Date in the case of the First Tranche share units, the 2nd anniversary of the Designated Marker Date in the case of the Second Tranche share units, and the 3rd anniversary of the Designated Marker Date in the case of the Third Tranche share units, as the case may be; *provided, however*, that the Grantee continues to be an employee of the Corporation through and including the applicable anniversary of the Designated Marker Date, unless PNC, in its sole discretion, affirmatively consents to vesting the applicable Tranche;

(ii) the date of Grantee's death; and

(iii) the end of the day immediately preceding the day a Change of Control occurs.

Restricted Share Units that have been forfeited by Grantee pursuant to the provisions of Section 5 are not eligible for vesting, will not settle, and will be cancelled without payment of any consideration by PNC.

The Dividend Equivalents period with respect to Dividend Equivalents related to an applicable Tranche of Restricted Share Units, or portion thereof, will end and such Dividend Equivalents will terminate either on the vesting date for such Tranche of Restricted Share Units in accordance with Section 6 or on the cancellation date for such Tranche of Restricted Share Units, or applicable portion thereof, in accordance with Section 5, as the case may be.

(b) Settlement Amount. Outstanding Restricted Share Units that have vested pursuant to the provisions of Section 6(a) will be paid out at the time set forth in Section 6(c) by the payment to Grantee of cash in an amount equal to the number of outstanding vested Restricted Share Units being settled multiplied by the then current Fair Market Value (as defined in Section 12) of a share of PNC common stock on the vesting date (or as of the scheduled payment date pursuant to subsection (2) of the third bullet under Section 6(c) if payment is made pursuant to that provision, as necessary), or in any case as otherwise provided pursuant to Section 8 as applicable.

(c) Payout Timing. Payment will be made to Grantee in settlement of outstanding Restricted Share Units that have vested as soon as practicable after the vesting date set forth in the applicable subclause of Section 6(a) for such units, generally within 30 days but no later than December 31st of the calendar year in which the vesting date occurs, subject to the provisions of the following bullets, if applicable. No interest will be paid with respect to any such payments made pursuant to this Section 6.

- Where vesting occurs pursuant to Section 6(a)(ii) upon Grantee's death, payment will be made no later than December 31st of the calendar year in which Grantee's death occurred or, if later, the 15th day of the 3rd calendar month following the date of Grantee's death.
- Where PNC, in its sole discretion, deems the continuous employment requirement to have been satisfied with respect to the applicable Tranche pursuant to Section 6(a)(i), payment will be made as soon as practicable after the date that would have been the scheduled vesting date for such Restricted Share Units and related Dividend Equivalents had they vested pursuant as of the applicable anniversary of the Designated Marker Date pursuant to Section 6(a)(i).
- Where vesting occurs pursuant to Section 6(a)(iii) due to the occurrence of a Change of Control:

  (1) If, under the circumstances, the Change of Control is a permissible payment event under Section 409A of the U.S. Internal Revenue Code, payment will be made as soon as practicable after the Change of Control date, but in no event later than December 31st of the calendar year in which the Change of Control occurs or, if later, by the 15th day of the third calendar month following the date on which the Change of Control occurs, other than in unusual circumstances where a further delay thereafter would be permitted under Section 409A of the U.S. Internal Revenue Code, and if such a delay is permissible, as soon as practicable within such limits.

  (2) If, under the circumstances, payment at the time of the Change of Control would not comply with Section 409A of the U.S. Internal Revenue Code, then payment will be made as soon as practicable after the date that would have been the scheduled vesting date for such Restricted Share Units had they vested pursuant to Section 6(a)(i) rather than pursuant to Section 6(a)(iii), but in no event later than December 31st of the calendar year in which such scheduled vesting date occurs.
- Where vesting occurs pursuant to Section 6(a)(iii) due to the occurrence of a Change of Control and payment is scheduled pursuant to subsection (2) of the bullet above for as soon as practicable after the date that would have been the scheduled vesting date for such Restricted Share Units had they vested pursuant to Section 6(a)(i) rather than pursuant to Section 6(a)(iii) but Grantee dies prior to that scheduled payout date, payment will be made no later than December 31st of the calendar year in which Grantee's death occurred or, if later (but not beyond the end of the calendar year in which the vesting would have occurred pursuant to Section 6(a)(i) had they vested pursuant to Section 6(a)(i) rather than pursuant to Section 6(a)(iii)), the 15th day of the 3rd calendar month following the date of Grantee's death.

Payment pursuant to the Award will not be made unless and until all applicable tax withholding requirements with respect to such payment have been satisfied.

7. No Rights as Shareholder. Grantee will have no rights as a shareholder of PNC by virtue of this Award.

8. Capital Adjustments.

(a) Except as otherwise provided in Section 8(b), if applicable, if corporate transactions such as stock dividends, stock splits, spin-offs,split-offs, recapitalizations, mergers, consolidations or reorganizations of or by PNC **("Corporate Transactions")** occur prior to the time, if any, that outstanding vested Restricted Share Units are settled and paid, the Compensation Committee or its delegate shall make those adjustments, if any, in the number, class or kind of Restricted Share Units and related Dividend Equivalents then outstanding under the Award that it deems appropriate in its discretion to reflect Corporate Transactions such that the rights of Grantee are neither enlarged nor diminished as a result of such Corporate Transactions, including without limitation measuring the value per share unit of any share-denominated award amount authorized for payment to Grantee pursuant to Section 6 by reference to the per share value of the consideration payable to a PNC common shareholder in connection with such Corporate Transactions.

All determinations hereunder shall be made by the Compensation Committee or its delegate in its sole discretion and shall be final, binding and conclusive for all purposes on all parties, including without limitation Grantee.

(b) Upon the occurrence of a Change of Control, (i) the number, class and kind of Restricted Share Units and related Dividend Equivalents then outstanding under the Award will automatically be adjusted to reflect the same changes as are made to outstanding shares of PNC common stock generally, and (ii) the value per share unit of any share-denominated award amount will be measured by reference to the per share value of the consideration payable to a PNC common shareholder in connection with such Corporate Transaction or Transactions if applicable.

9. Prohibitions Against Sale, Assignment, etc.; Payment to Legal Representative.

(a) Restricted Share Units and related Dividend Equivalents may not be sold, assigned, transferred, exchanged, pledged, or otherwise alienated or hypothecated.

(b) If Grantee is deceased at the time any outstanding vested Restricted Share Units are settled and paid out in accordance with the terms of Section 6, such payment shall be made to the executor or administrator of Grantee's estate or to Grantee's other legal representative as determined in good faith by PNC.

(c) Any payment made in good faith by PNC to Grantee's executor, administrator or other legal representative, or retained by PNC for taxes pursuant to Section 10, shall extinguish all right to payment hereunder.

10. Withholding Taxes.

Where all applicable withholding tax obligations have not previously been satisfied, PNC will, at the time any such obligation arises in connection herewith, retain an amount sufficient to satisfy the minimum amount of taxes then required to be withheld by the Corporation in connection therewith from amounts then payable hereunder to Grantee or, if none, from other compensation then payable to Grantee, or as otherwise determined by PNC.

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

If Grantee desires to have an additional amount withheld above the required minimum, up to Grantee's W-4 obligation if higher, and if PNC so permits, Grantee may elect to satisfy this additional withholding by payment of cash. If Grantee's W-4 obligation does not exceed the required minimum withholding in connection herewith, no additional withholding may be made.

11. Employment. Neither the awarding of the Restricted Share Units and related Dividend Equivalents nor any payment with respect to such Award authorized hereunder nor any term or provision of the Award Agreement shall constitute or be evidence of any understanding, expressed or implied, on the part of PNC or any subsidiary to employ Grantee for any period or in any way alter Grantee's status as an employee at will.

12. Certain Definitions. Except where the context otherwise indicates, the following definitions apply for purposes of the Agreement.

12.1 "Agreement" or "Award Agreement" means the Standard Annual Incentive Deferral Plan Program 2015 Cash-Payable Restricted Share Units Award Agreement between PNC and Grantee evidencing the Restricted Share Units and related Dividend Equivalents award awarded to Grantee pursuant to the Plan in accordance with the Annual Incentive Deferral Plan.

12.2 "Award" and "Designated Marker Date."

"Award" means the Restricted Share Units and related Dividend Equivalents award awarded to Grantee pursuant to the Plan in accordance with the Annual Incentive Deferral Plan and evidenced by the Agreement.

"Designated Marker Date" means the Designated Marker Date set forth on page 1 of the Agreement in accordance with the Annual Incentive Deferral Plan.

12.3 "Annual Incentive Deferral Plan" means The PNC Financial Services Group, Inc. Annual Incentive Deferral Plan as amended from time to time.

12.4 "Board" means the Board of Directors of PNC.

12.5 "Cause" and "termination for Cause" mean:

(a) the willful and continued failure of Grantee to substantially perform Grantee's duties with the Corporation (other than any such failure resulting from incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to Grantee by PNC that specifically identifies the manner in which it is believed that Grantee has not substantially performed Grantee's duties;

(b) a material breach by Grantee of (1) any code of conduct of PNC or any code of conduct of a subsidiary of PNC that is applicable to Grantee or (2) other written policy of PNC or other written policy of a subsidiary of PNC that is applicable to Grantee, in either case required by law or established to maintain compliance with applicable law;

(c) any act of fraud, misappropriation, material dishonesty, or embezzlement by Grantee against PNC or any of its subsidiaries or any client or customer of PNC or any of its subsidiaries;

(d) any conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or entry by Grantee into a pre-trial disposition with respect to, the commission of a felony; or

(e) entry of any order against Grantee, by any governmental body having regulatory authority with respect to the business of PNC or any of its subsidiaries, that relates to or arises out of Grantee's employment or other service relationship with the Corporation.

The cessation of employment of Grantee will be deemed to have been a termination of Grantee's employment with the Corporation for Cause for purposes of the Agreement only if and when PNC, by PNC's CEO or any other executive officer of PNC, determines that Grantee is guilty of conduct described in clause (a), (b) or (c) above or that an event described in clause (d) or (e) above has occurred with respect to Grantee and, if so, determines that the termination of Grantee's employment with the Corporation will be deemed to have been for Cause.

12.6 "CEO" means the chief executive officer of PNC.

12.7 "Change of Control" means:

(a) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended **(the "Exchange Act")) (a "Person")** becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then-outstanding shares of common stock of PNC **(the "Outstanding PNC Common Stock")** or (B) the combined voting power of the then-outstanding voting securities of PNC entitled to vote generally in the election of directors **(the "Outstanding PNC Voting Securities")**; *provided*, *however*, that, for purposes of this Section 12.7(a), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from PNC, (2) any acquisition by PNC, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by PNC or any company controlled by, controlling or under common control with PNC **(an "Affiliated Company")**, (4) any acquisition pursuant to an Excluded Combination (as defined in Section 12.7(c)) or (5) an acquisition of beneficial ownership representing between 20% and 40%, inclusive, of the Outstanding PNC Voting Securities or Outstanding PNC Common Stock shall not be considered a Change of Control if the Incumbent Board as of immediately prior to any such acquisition approves such acquisition either prior to or immediately after its occurrence;

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

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving PNC or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of PNC, or the acquisition of assets or stock of another entity by PNC or any of its subsidiaries (each, **a "Business Combination"**), excluding, however, a Business Combination following which all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns PNC or all or substantially all of PNC's assets either directly or through one or more subsidiaries) in substantially the same proportions as

their ownership immediately prior to such Business Combination of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities, as the case may be (such a Business Combination, **an "Excluded Combination"**); or

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

12.8 "Compensation Committee" means the Personnel and Compensation Committee of the Board or such person or persons as may be designated or appointed by that committee as its delegate or designee.

12.9 "Competitive Activities" means any participation in, employment by, ownership of any equity interest exceeding 1% in, or promotion or organization of, any Person (other than PNC or any of its subsidiaries) engaged in financial services activities, including but not limited to a bank, bank affiliate, broker, dealer, or hedge fund, whether Grantee is acting as agent, consultant, independent contractor, employee, officer, director, investor, partner, shareholder, proprietor or in any other individual or representative capacity therein. For purposes of this definition, a subsidiary shall not include companies in which PNC holds an interest pursuant to its merchant banking authority.

12.10 "Consolidated Subsidiary" means a corporation, bank, partnership, business trust, limited liability company or other form of business organization that (1) is a consolidated subsidiary of PNC under U.S. generally accepted accounting principles and (2) satisfies the definition of "service recipient" under Section 409A of the U.S. Internal Revenue Code.

12.11 "Corporation" means PNC and its Consolidated Subsidiaries.

12.12 "Detrimental Conduct" means:

(a) Grantee has engaged, without the prior written consent of PNC (with consent to be given or withheld at PNC's sole discretion), in any Competitive Activity (as defined in Section 12.9) in the continental United States at any time during the period of Grantee's employment with the Corporation and extending through (and including) the first (1st) anniversary of the later of (i) Grantee's Termination Date and, if different, (ii) the first date after Grantee's Termination Date as of which Grantee ceases to have a service relationship with the Corporation;

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

(c) any conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or any entry by Grantee into a pre-trial disposition with respect to, the commission of a felony that relates to or arises out of Grantee's employment or other service relationship with the Corporation.

Grantee will be deemed to have engaged in Detrimental Conduct for purposes of the Agreement only if and when the Compensation Committee or other PNC Designated Person, as applicable, determines that Grantee has engaged in conduct described in clause (a) or clause (b) above or that an event described in clause (c) above has occurred with respect to Grantee and, if so, (1) determines in its sole discretion that Grantee will be deemed to have engaged in Detrimental Conduct for purposes of the Agreement and (2) determines in its sole discretion to cancel all or a specified portion of the Restricted Share Units that have not yet vested in accordance with Section 6 and of the Dividend Equivalents related to such Restricted Share Units on the basis of such determination that Grantee has engaged in Detrimental Conduct.

12.13 "Dividend Equivalents" means the opportunity to receive dividend equivalents awarded to Grantee pursuant to the Plan in connection with the Restricted Share Units to which they relate and evidenced by the Award Agreement.

12.14 "Fair Market Value" as it relates to a share of PNC common stock as of any given date means (a) the reported closing price on the New York Stock Exchange (or such successor reporting system as PNC may select) for a share of PNC common stock on such date, or, if no PNC common stock trades have been reported on such exchange for that day, such closing price on the next preceding day for which there were reported trades or, if the Compensation Committee has so acted, (b) fair market value as determined using such other reasonable method adopted by the Compensation Committee in good faith for such purpose that uses actual transactions in PNC common stock as reported by a national securities exchange or the Nasdaq National Market, provided that such method is consistently applied. When determining Fair Market Value under this Award or any currently outstanding award under the Plan held by Grantee, the Fair Market Value will be rounded to the nearest cent.

12.15 "GAAP" or "U.S. generally accepted accounting principles" means accounting principles generally accepted in the United States of America.

12.16 "Grantee" means the person to whom the Restricted Share Units and related Dividend Equivalents award is awarded, and is identified as Grantee on page 1 of the Agreement.

12.17 "Internal Revenue Code" or "U.S. Internal Revenue Code" means the United States Internal Revenue Code of 1986 as amended, and the rules and regulations promulgated thereunder.

12.18 "Person" has the meaning specified in the definition of Change of Control in Section 12.7.

12.19 "Plan" means The PNC Financial Services Group, Inc. 2006 Incentive Award Plan as amended from time to time.

12.20 "Plan Administrator" has the meaning specified in Article III of the Annual Incentive Deferral Plan.

12.21 "PNC" means The PNC Financial Services Group, Inc.

12.22 "PNC Designated Person" or "Designated Person" will be PNC's CEO, any other executive officer of PNC, or any other individual or group as may be designated in writing by an executive officer of PNC to act as a Designated Person for purposes of the Agreement.

12.23 "Restricted Share Units" means the cash-payable share-denominated award opportunity of the number of restricted share units specified as the Restricted Share Units on page 1 of the Award Agreement, subject to capital adjustments pursuant to Section 8 if any, awarded to Grantee pursuant to the Plan and evidenced by the Award Agreement.

12.24 "SEC" means the United States Securities and Exchange Commission.

12.25 "Section 409A" means Section 409A of the U.S. Internal Revenue Code.

12.26 "Service relationship" or "having a service relationship with the Corporation" means being engaged by the Corporation in any capacity for which Grantee receives compensation from the Corporation, including but not limited to acting for compensation as an employee, consultant, independent contractor, officer, director or advisory director.

12.27 "Termination Date" means Grantee's last date of employment with the Corporation. If Grantee is employed by a Consolidated Subsidiary that ceases to be a subsidiary of PNC or ceases to be a consolidated subsidiary of PNC under U.S. generally accepted accounting principles and Grantee does not continue to be employed by PNC or a Consolidated Subsidiary, then for purposes of the Agreement, Grantee's employment with the Corporation terminates effective at the time this occurs.

12.28 "Tranche" and "First, Second or Third Tranche" have the meanings specified in Section 3.

13. Grantee Covenants.

13.1 General. Grantee and PNC acknowledge and agree that Grantee has received adequate consideration with respect to enforcement of the provisions of Sections 13 and 14 by virtue of receiving this Restricted Share Units with related Dividend Equivalents award (regardless of whether such share units or any portion thereof ultimately vest and settle and regardless of whether any such dividend equivalents are ultimately paid); that such provisions are reasonable and properly required for the adequate protection of the business of PNC and its subsidiaries; and that enforcement of such provisions will not prevent Grantee from earning a living.

13.2 Non-Solicitation; No-Hire. Grantee agrees to comply with the provisions of subsections (a) and (b) of this Section 13.2 while employed by the Corporation and for a period of one year after Grantee's Termination Date regardless of the reason for such termination of employment.

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

(b) No-Hire. Grantee shall not, directly or indirectly, either for Grantee's own benefit or purpose or for the benefit or purpose of any Person other than PNC or any of its subsidiaries, employ or offer to employ, call on, or actively interfere with PNC's or any subsidiary's relationship with, or attempt to divert or entice away, any employee of PNC or any of its subsidiaries, nor shall Grantee assist any other Person in such activities.

13.3 Confidentiality. During Grantee's employment with the Corporation, and thereafter regardless of the reason for termination of such employment, Grantee shall not disclose or use in any way any confidential business or technical information or trade secret acquired in the course of such employment, all of which is the exclusive and valuable property of the Corporation whether or not conceived of or prepared by Grantee, other than (a) information generally known in the Corporation's industry or acquired from public sources, (b) as required in the course of employment by the Corporation, (c) as required by any court, supervisory authority, administrative agency or applicable law, or (d) with the prior written consent of PNC.

13.4 Ownership of Inventions. Grantee shall promptly and fully disclose to PNC any and all inventions, discoveries, improvements, ideas or other works of inventorship or authorship, whether or not patentable, that have been or will be conceived and/or reduced to practice by Grantee during the term of Grantee's employment with the Corporation, whether alone or with others, and that are (a) related directly or indirectly to the business or activities of PNC or any of its subsidiaries or (b) developed with the use of any time, material, facilities or other resources of PNC or any subsidiary **("Developments")**. Grantee agrees to assign and hereby does assign to PNC or its designee all of Grantee's right, title and interest, including copyrights and patent rights, in and to all Developments. Grantee shall perform all actions and execute all instruments that PNC or any subsidiary shall deem necessary to protect or record PNC's or its designee's interests in the Developments. The obligations of this Section 13.4 shall be performed by Grantee without further compensation and shall continue beyond Grantee's Termination Date.

14. Enforcement Provisions. Grantee understands and agrees to the following provisions regarding enforcement of the Agreement.

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

14.2 Equitable Remedies. A breach of the provisions of any of Sections 13.2, 13.3 or 13.4 will cause the Corporation irreparable harm, and the Corporation will therefore be entitled to issuance of immediate, as well as permanent, injunctive relief restraining Grantee, and each and every person and entity acting in concert or participating with Grantee, from initiation and/or continuation of such breach.

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

14.4 Severability. The restrictions and obligations imposed by Sections 13.2, 13.3, 13.4, 14.1 and 14.6 are separate and severable, and it is the intent of Grantee and PNC that if any restriction or obligation imposed by any of these provisions is deemed by a court of competent jurisdiction to be void for any reason whatsoever, the remaining provisions, restrictions and obligations shall remain valid and binding upon Grantee.

14.5 Reform. In the event any of Sections 13.2, 13.3 and 13.4 are determined by a court of competent jurisdiction to be unenforceable because unreasonable either as to length of time or area to which said restriction applies, it is the intent of Grantee and PNC that said court reduce and reform the provisions thereof so as to apply the greatest limitations considered enforceable by the court.

14.6 Waiver of Jury Trial. Each of Grantee and PNC hereby waives any right to trial by jury with regard to any suit, action or proceeding under or in connection with any of Sections 13.2, 13.3 and 13.4.

14.7 Compliance with U.S. Internal Revenue Code Section 409A. It is the intention of the parties that the Award and the Agreement comply with the provisions of Section 409A of the U.S. Internal Revenue Code to the extent, if any, that such provisions are applicable to the Agreement, and the Agreement will be administered by PNC in a manner consistent with this intent.

If any payments or benefits hereunder may be deemed to constitute nonconforming deferred compensation subject to taxation under the provisions of Section 409A of the U.S. Internal Revenue Code, Grantee agrees that PNC may, without the consent of Grantee, modify the Agreement and the Award to the extent and in the manner PNC deems necessary or advisable or take such other action or actions, including an amendment or action with retroactive effect, that PNC deems appropriate in order either to preclude any such payments or benefits from being deemed "deferred compensation" within the meaning of Section 409A of the U.S. Internal Revenue Code or to provide such payments or benefits in a manner that complies with the provisions of Section 409A of the U.S. Internal Revenue Code such that they will not be taxable thereunder.

14.8 Applicable Law; Clawback, Adjustment or Recoupment. Notwithstanding anything in the Agreement, PNC will not be required to comply with any term, covenant or condition of the Agreement if and to the extent prohibited by law, including but not limited to Federal banking and securities regulations, or as otherwise directed by one or more regulatory agencies having jurisdiction over PNC or any of its subsidiaries.

Further, to the extent applicable to Grantee, the Award, and any right to receive value pursuant to the Award and to retain any such value, will be subject to rescission, cancellation or recoupment, in whole or in part, if and to the extent so provided under PNC's Incentive Compensation Adjustment and Clawback Policy, as in effect from time to time with respect to the Award, or any other applicable clawback, adjustment or similar policy in effect on or established after the Designated Marker Date and to any clawback or recoupment that may be required by applicable law or regulation.

14.9 Subject to the Plan and Interpretations. In all respects the Award and the Agreement are subject to the terms and conditions of the Plan, which has been made available to Grantee and is incorporated herein by reference; *provided*, *however*, the terms of the Plan shall not be considered an enlargement of any benefits under the Agreement. Further, the Award and the Agreement are subject to any interpretation of, and any rules and regulations issued by, the Compensation Committee, or its delegate or under the authority of the Compensation Committee, or the Plan Administrator, whether made or issued before or after the Designated Marker Date.

14.10 Headings; Entire Agreement. Headings used in the Agreement are provided for reference and convenience only, shall not be considered part of the Agreement, and shall not be employed in the construction of the Agreement.

The Agreement constitutes the entire agreement between Grantee and PNC with respect to the subject matters addressed herein, and supersedes all other discussions, negotiations, correspondence, representations, understandings and agreements between the parties concerning the subject matters hereof.

14.11 Modification. Modifications or adjustments to the terms of this Agreement may be made by PNC as permitted in accordance with the Plan or as provided for in this Agreement. No other modification of the terms of this Agreement shall be effective unless embodied in a separate, subsequent writing signed by Grantee and by an authorized representative of PNC.

15. Acceptance of Award; PNC Right to Cancel; Effectiveness of Agreement.

If Grantee does not accept the Award by executing and delivering a copy of the Agreement to PNC, without altering or changing the terms thereof in any way, within 30 days of receipt by Grantee of a copy of the Agreement, PNC may, in its sole discretion, withdraw its offer and cancel the Award at any time prior to Grantee's delivery to PNC of an unaltered and unchanged copy of the Agreement so executed by Grantee. Otherwise, upon such execution and delivery of the Agreement by both PNC and Grantee, the Agreement is effective as of the Designated Marker Date.

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IN WITNESS WHEREOF, PNC has caused the Agreement to be signed on its behalf as of the Designated Marker Date.

THE PNC FINANCIAL SERVICES GROUP, INC.

By: /s/ William S. Demchak

Chief Executive Officer

ATTEST:

By: /s/ Christi Davis

Corporate Secretary

ACCEPTED AND AGREED TO by GRANTEE

_____

Grantee

THE PNC FINANCIAL SERVICES GROUP, INC.
2006 INCENTIVE AWARD PLAN

* * *

2015 LONG-TERM INCENTIVE AWARD PROGRAM

* * *

STOCK-PAYABLE RESTRICTED SHARE UNITS
AWARD AGREEMENT

* * *

GRANTEE:	**[Name]**
AWARD GRANT DATE:	**, 2015**
RESTRICTED SHARE UNITS:	**[Whole number] share units**

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1. Definitions. Certain terms used in this Stock-Payable Restricted Share Units Award Agreement **(the "Agreement" or "Award Agreement")** are defined in Section 12 or elsewhere in the Agreement, and such definitions will apply except where the context otherwise indicates.

In the Agreement, **"PNC"** means The PNC Financial Services Group, Inc., **"Corporation"** means PNC and its Consolidated Subsidiaries, and **"Plan"** means The PNC Financial Services Group, Inc. 2006 Incentive Award Plan as amended from time to time.

2. Restricted Share Units with Related Dividend Equivalents Award. Pursuant to the Plan and subject to the terms and conditions of the Agreement, PNC grants to the Grantee named above **("Grantee")** a Share-denominated award opportunity of stock-payable restricted share units **("Restricted Share Units" or "RSUs")** of the number of restricted share units set forth above, together with the opportunity to receive related dividend equivalents to the extent provided herein **("Dividend Equivalents")**, payable in cash, with respect to those share units **(together, the "Award")**. The Award is subject to acceptance by Grantee in accordance with Section 15 and is subject to the terms and conditions of the Award Agreement, including service requirements, conduct and other conditions and adjustments and forfeiture provisions, and to the Plan.

3. Terms of Award. The Award is subject to the terms and conditions set forth in the Award Agreement and to the Plan.

Restricted Share Units and Dividend Equivalents are not transferable. Restricted Share Units and related Dividend Equivalents are subject to forfeiture and adjustment pursuant to and in accordance with the applicable service, conduct and other terms and conditions of the Award Agreement.

Restricted Share Units that are not forfeited in accordance with the terms of Section 5, that vest in accordance with the terms of Section 6, and that remain outstanding will be settled and paid out, generally in shares of PNC common stock, all pursuant to and in accordance with the terms of Section 6 and subject to Section 8. Restricted Share Units that are forfeited pursuant to and in accordance with the terms of the service, conduct or other provisions of Section 5 will be cancelled without payment of any consideration by PNC.

The right to ongoing Dividend Equivalents is granted in connection with the Restricted Share Units to which those Dividend Equivalents relate and therefore will terminate, without payment of any consideration by PNC, upon the cancellation or vesting, as applicable, of the Restricted Share Units to which those Dividend Equivalents relate.

4. Dividend Equivalents.

Dividend Equivalents.

These Dividend Equivalents are related to the Restricted Share Units, and Dividend Equivalents payments are applicable for the period during which the Restricted Share Units to which they relate are outstanding. Dividend Equivalents apply to the period from and after the Award Grant Date until such time as the Restricted Share Units granted in connection with those Dividend Equivalents (i) vest pursuant to and in accordance with the terms of Section 6 or (ii) are cancelled upon forfeiture in accordance with the terms of Section 5. At the end of such period (the vesting date in accordance with Section 6 or cancellation date in accordance with Section 5, as applicable), the related Dividend Equivalents terminate.

Once the Agreement is effective in accordance with Section 15 and subject to the terms and conditions of this Section 4, the Corporation will make Dividend Equivalents payments to Grantee, where applicable, of cash equivalent to the amounts of the quarterly cash dividends Grantee would have received, if any, had the Restricted Share Units to which such Dividend Equivalents relate been shares of PNC common stock issued and outstanding on the record dates for cash dividends on PNC common stock that occur during the applicable Dividend Equivalents period.

Payment.

The Corporation will make Dividend Equivalents payments to Grantee where applicable pursuant to this Section 4 each quarter following the dividend payment date that relates to such record date, if any. Dividend Equivalents will not be payable with respect to a dividend unless the Restricted Share Units to which the Dividend Equivalents

relate were outstanding on the dividend record date for such dividend. Such amounts will be paid in cash in accordance with applicable regular payroll practice as in effect from time to time for similarly situated employees within 30 days after the applicable dividend payment date.

Additional Conditions.

Dividend Equivalents payments are also subject to the additional conditions set forth below.

After Record Date. Except as otherwise provided in Section 5.4(a) (Termination for Cause), Section 5.6 (Clawback, Adjustment or Recoupment), or Section 14.9 (Applicable Law; Clawback, Adjustment or Recoupment), if the termination of the right to ongoing Dividend Equivalents occurs after the dividend record date for a quarter but before the related dividend payment date, the Corporation will nonetheless make such a quarterly dividend equivalents payment to Grantee with respect to that record date, if any.

Suspensions. Where payment of Dividend Equivalents that would otherwise be made is suspended pursuant to Section 5.3 or pursuant to Section 5.5 pending resolution of a potential forfeiture of the Restricted Share Units, then such payment will be made only if and when the suspension is resolved favorable to Grantee and the Restricted Share Units are not forfeited. No interest will be paid with respect to any suspended payments. If the suspension is resolved adverse to Grantee, both the Restricted Share Units and any suspended Dividend Equivalents payments will be forfeited without payment.

Clawbacks After Payment. Except as otherwise provided in Section 5.4(b) (Detrimental Conduct), Section 5.6 (Clawback, Adjustment or Recoupment), Section 12.11 (Definitions - Detrimental Conduct), or Section 14.9 (Applicable Law; Clawback, Adjustment or Recoupment), termination or cancellation of the right to ongoing Dividend Equivalents will have no effect on cash payments made pursuant to this Section 4 prior to such termination or cancellation.

5. Forfeiture Provisions; Termination Upon Failure to Meet Applicable Conditions

5.1 Termination Upon Forfeiture of Units. The Award is subject to the forfeiture provisions set forth in this Section 5. Upon forfeiture and cancellation of the Restricted Share Units, or specified portion thereof, and the right to receive payment with respect to the Dividend Equivalents related to such Restricted Share Units pursuant to the terms and conditions of this Section 5, the Award will terminate with respect to such Restricted Share Units and related Dividend Equivalents, or specified portion thereof, and neither Grantee nor any successors, heirs, assigns or legal representatives of Grantee will thereafter have any further rights or interest in such Restricted Share Units or the related right to Dividend Equivalents evidenced by the Award Agreement.

5.2 Service Requirements. Grantee will meet the service requirements of the Award with respect to the Restricted Share Units, or applicable portion thereof if so

specified, if Grantee meets the conditions of any of the subclauses below. If more than one of the following subclauses is applicable with respect to those Restricted Share Units, Grantee will have met the service requirements for such RSUs upon the first to occur of such conditions.

(i) Grantee continues to be an employee of the Corporation through and including the day immediately preceding the 3rd anniversary of the Award Grant Date.

(ii) Grantee ceases to be an employee of the Corporation by reason of Grantee's death.

(iii) Grantee continues to be an employee of the Corporation until such time as Grantee's employment is terminated by the Corporation by reason of Grantee's Disability (as defined in Section 12) and not for Cause (as defined in Section 12) **(a "Qualifying Disability Termination")**.

(iv) Grantee continues to be employed by the Corporation until such time as Grantee Retires (as defined in Section 12) provided that such Retirement Date occurs no earlier than the 1st anniversary of the Award Grant Date and such Retirement is a Qualifying Retirement Termination of employment as defined below and where Grantee's employment was not terminated by the Corporation for Cause.

(v) Grantee continues to be employed by the Corporation until such time as Grantee's employment with the Corporation is terminated by the Corporationand such termination is an Anticipatory Termination (as defined in Section 12) **(a "Qualifying Anticipatory Termination")**.

(vi) Grantee continues to be employed by the Corporation through the day immediately prior to the date a Change of Control (as defined in Section 12) occurs.

(vii) The Compensation Committee (as defined in Section 12) or its delegate or other PNC Designated Person (as defined in Section 12) determines, in its sole discretion and prior to Grantee's Termination Date, that, with respect to all or a specified portion of Grantee's then outstanding Restricted Share Units that have not yet vested, the service requirements will be deemed to have been satisfied with respect to such share units; provided that if the Compensation Committee or its delegate or other PNC Designated Person determines, in its sole discretion, that such deemed satisfaction of the service requirements shall be subject to any accompanying restrictions, terms or conditions, then such conditions shall have been timely satisfied (or shall be deemed to have been timely satisfied upon the earlier occurrence of Grantee's death or of a Change of Control) no later than by the end of the day immediately preceding the 3rd anniversary of the Award Grant Date.

Qualifying Retirement Termination. Grantee's termination of employment will be considered to be a **"Qualifying Retirement Termination"** for purposes of this Award if all of the following conditions are met:

(1) Grantee's termination of employment is a Retirement (as defined in Section 12);

(2) Grantee's employment was not terminated by the Corporation for Cause (as defined in Section 12); and

(3) Grantee's termination of employment occurs on or after the 1st anniversary of the Award Grant Date.

5.3 Forfeiture Upon Failure to Meet Service Requirements

(a) Except as otherwise provided in subsection (b) below, if, at the time Grantee ceases to be employed by the Corporation, Grantee has failed to meet the service requirements with respect to all or a portion of the Award as set forth in Section 5.2 prior to or as of Grantee's Termination Date (as defined in Section 12), then all such outstanding Restricted Share Units that have so failed to meet such service requirements, together with the right to receive any payment on or after Grantee's Termination Date, except as otherwise provided in Section 4, with respect to the Dividend Equivalents related to those Restricted Share Units, will be forfeited and cancelled without payment of any consideration by PNC as of Grantee's Termination Date.

(b) If, at the time Grantee ceases to be employed by the Corporation, Grantee could still satisfy the service requirements for all or a portion of the Award pursuant to Section 5.2(vii) provided that Grantee satisfies all of the conditions, if any, required by the Compensation Committee or its delegate or other PNC Designated Person for such provision to apply within the time so specified by the Compensation Committee or its delegate or other PNC Designated Person and/or that provision, then the potential forfeiture of that portion of the Award for failure to meet the service requirements set forth in Section 5.2 (and payment with respect to Dividend Equivalents with respect to that portion of the Award) will be suspended until the earliest to occur of the following: (1) Grantee's failing to meet the service requirements of Section 5.2 upon the failure to satisfy such conditions at all or to satisfy such conditions within any time period specified by the Compensation Committee or its delegate or other PNC Designated Person for such purpose or, if earlier or if no such time period is specified by the Compensation Committee or its delegate or other PNC Designated Person, within the time period otherwise specified in such provision (*i.e.*, no later than by the end of the day immediately preceding the 3rd anniversary of the Award Grant Date); (2) the timely satisfaction of such conditions, if any, such that Grantee is considered to have met the service requirements of Section 5.2 for purposes of that portion of the Award; (3) Grantee's death; or (4) the occurrence of a Change of Control.

If such suspension is resolved adverse to Grantee pursuant to clause (1) above, then all such outstanding Restricted Share Units, together with all payments with respect to the related Dividend Equivalents that had been suspended pending such resolution, will be automatically forfeited and cancelled without payment of any consideration by PNC, effective as of Grantee's Termination Date.

If such suspension is resolved pursuant to clause (2) above or by the occurrence of an event set forth in clause (3) or (4) above, then vesting of such Restricted Share Units will proceed in accordance with Section 6, as applicable, any Dividend Equivalents payments that had been suspended shall be paid, and payment of ongoing Dividend Equivalents, if any, shall resume in accordance with Section 4 as applicable. No interest shall be paid with respect to any suspended payments.

5.4 Forfeiture Upon Termination for Cause or Pursuant to Detrimental Conduct Provisions.

(a) Termination for Cause. In the event that Grantee's employment with the Corporation is terminated by the Corporation for Cause prior to the 3rd anniversary of the Award Grant Date and prior to the occurrence of a Change of Control, if any, then all then outstanding Restricted Share Units, together with the right to receive any payment on or after Grantee's Termination Date with respect to the Dividend Equivalents related to those Restricted Share Units, will be forfeited and cancelled without payment of any consideration by PNC as of Grantee's Termination Date.

(b) Detrimental Conduct. At any time prior to the date that such Restricted Share Units vest in accordance with Section 6, Restricted Share Units, or specified portion thereof, and related Dividend Equivalents, including Dividend Equivalents that may already have been paid to Grantee, will be forfeited and cancelled, without payment of any consideration by PNC, on the date and to the extent that PNC, acting by the Compensation Committee or its delegate or other PNC Designated Person (as defined in Section 12), as applicable, (1) determines in its sole discretion that Grantee has engaged in Detrimental Conduct (as defined in Section 12), and, if so, (2) determines in its sole discretion to so cancel all or a specified portion of the Restricted Share Units that have not yet vested in accordance with Section 6 and of the Dividend Equivalents related to such Restricted Share Units, including Dividend Equivalents related to such Restricted Share Units that may already have been paid to Grantee, on the basis of such determination that Grantee has engaged in Detrimental Conduct as set forth in Section 12.11, whether such determination is made during the period of Grantee's employment with the Corporation or after Grantee's Termination Date; *provided, however,* that (i) no determination that Grantee has engaged in Detrimental Conduct may be made on or after the date of Grantee's death and Detrimental Conduct will not apply to conduct by or activities of successors to the Restricted Share Units and related Dividend Equivalents by will or the laws of descent and distribution in the event of Grantee's death; (ii) in the event that Grantee's termination of employment was a Qualifying Anticipatory Termination, no determination that Grantee has engaged in Detrimental Conduct may be made on or after Grantee's Termination Date; (iii) no determination that Grantee has engaged in Detrimental Conduct may be made between the time PNC enters

into an agreement providing for a Change of Control and the time such agreement either terminates or results in a Change of Control; and (iv) no determination that Grantee has engaged in Detrimental Conduct may be made after the occurrence of a Change of Control.

5.5 Suspension and Forfeiture Related to Judicial Criminal Proceedings. If any criminal charges are brought against Grantee, in an indictment or in other analogous formal charges commencing judicial criminal proceedings, alleging the commission of a felony that relates to or arises out of Grantee's employment or other service relationship with the Corporation, then to the extent that the Restricted Share Units or any portion thereof are still outstanding and have not yet vested, the Compensation Committee or its delegate or other PNC Designated Person may determine that the vesting of those Restricted Share Units and any further Dividend Equivalents payments will be suspended.

Any such suspension of vesting will continue until the earliest to occur of the following:

(1) resolution of the criminal proceedings in a manner that results in a conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or any entry by Grantee into a pre-trial disposition with respect to, the commission of a felony that relates to or arises out of Grantee's employment or other service relationship with the Corporation;

(2) resolution of the criminal proceedings in one of the following ways: (i) the charges as they relate to such alleged felony have been dismissed (with or without prejudice); (ii) Grantee has been acquitted of such alleged felony; or (iii) a criminal proceeding relating to such alleged felony has been completed without resolution (for example, as a result of a mistrial) and the relevant time period for recommencing criminal proceedings relating to such alleged felony has expired without any such recommencement;

(3) Grantee's death; and

(4) the occurrence of a Change of Control.

If the suspension is terminated by the occurrence of an event set forth in clause (1) above, those Restricted Share Units, together with all payments with respect to the related Dividend Equivalents that had been suspended, will, upon such occurrence, be automatically forfeited, will not vest or be eligible to vest, and will be cancelled without payment of any consideration by PNC.

If the suspension is terminated by the occurrence of an event set forth in clause (2), (3) or (4) above, then vesting of those Restricted Share Units will proceed in accordance with Section 6, as applicable, any Dividend Equivalents payments that had been suspended will be paid, and payment of ongoing Dividend Equivalents, if any, will resume in accordance with Section 4 as applicable. No interest will be paid with respect to any suspended payments.

5.6 Clawback, Adjustment or Recoupment. Restricted Share Units and related Dividend Equivalents shall be subject to rescission, cancellation or recoupment, in whole or in part, if, when and to the extent so provided under PNC's Incentive Compensation Adjustment and Clawback Policy, as in effect from time to time with respect to the Award, or any other applicable clawback, adjustment or similar policy in effect on or established after the Award Grant Date and to any clawback or recoupment that may be required by applicable law or regulation.

6. Vesting and Settlement of Restricted Share Units.

6.1 Vesting. Grantee's outstanding Restricted Share Units will vest upon the earliest to occur of the events set forth in the subclauses below, provided that those Restricted Share Units have not been forfeited prior to such vesting event pursuant to any of the provisions of Section 5 and remain outstanding at that time:

(i) the 3rd anniversary of the Award Grant Date or, if later, on the date as of which any suspension imposed with respect to those Restricted Share Units pursuant to Section 5.5 is lifted without forfeiture of such share units and they vest, as applicable;

(ii) the date of Grantee's death; and

(iii) the end of the day immediately preceding the day a Change of Control occurs.

Restricted Share Units that have been forfeited pursuant to the provisions of Section 5 are not eligible for vesting, will not settle and will be cancelled without payment of any consideration by PNC.

The period during which Dividend Equivalents will be paid with respect to the Dividend Equivalents related to such Restricted Share Units will end and such Dividend Equivalents will terminate on the vesting date for such Restricted Share Units in accordance with Section 6 or on the cancellation date for such Restricted Share Units in accordance with Section 5, as applicable.

6.2 Settlement. Restricted Share Units that have vested pursuant to the applicable provisions of Section 6.1 and that remain outstanding will be paid out at the time set forth in Section 6.3 either by delivery to Grantee of that number of whole shares of PNC common stock equal to the number of outstanding vested Restricted Share Units being settled or as otherwise provided pursuant to Section 8 if applicable.

No fractional shares will be delivered to Grantee. If the outstanding vested Restricted Share Units being settled include a fractional interest, such fractional interest will be eliminated by rounding down to the nearest whole share unit.

6.3 Payout Timing. Payment will be made to Grantee in settlement of Restricted Share Units that have vested and remain outstanding as soon as practicable after the vesting date set forth in the applicable subclause of Section 6.1 for such Restricted Share Units, generally within 30 days but no later than December 31st of the calendar year in which the vesting date occurs, subject to the provisions of the following bullets, if applicable. No interest will be paid with respect to any such payments made pursuant to this Section 6.

- In the event that the vesting date pursuant to Section 6.1(i) is the date as of which any suspension imposed pursuant to Section 5.5 is lifted, payment will be made no later than the earlier of (a) 30 days after the vesting date and (b) December 31st of the calendar year in which the vesting date occurs.
- Where vesting occurs pursuant to Section 6.1(ii) upon Grantee's death, payment will be made no later than December 31st of the calendar year in which Grantee's death occurred or, if later, the 15th day of the 3rd calendar month following the date of Grantee's death.
- Where vesting occurs pursuant to Section 6.1(iii) due to the occurrence of a Change of Control:

  (1) If, under the circumstances, the Change of Control is a permissible payment event under Section 409A of the U.S. Internal Revenue Code, payment will be made as soon as practicable after the Change of Control date, but in no event later than December 31st of the calendar year in which the Change of Control occurs or, if later, by the 15th day of the third calendar month following the date on which the Change of Control occurs, other than in unusual circumstances where a further delay thereafter would be permitted under Section 409A of the U.S. Internal Revenue Code, and if such a delay is permissible, as soon as practicable within such limits.

  (2) If, under the circumstances, payment at the time of the Change of Control would not comply with Section 409A of the U.S. Internal Revenue Code, then payment will be made as soon as practicable after the 3rd anniversary of the Award Grant Date (the date that would have been the scheduled vesting date for such Restricted Share Units had they vested pursuant to Section 6.1(i) rather than pursuant to Section 6.1(iii)), but in no event later than December 31st of the calendar year in which such scheduled vesting date occurs.
- Where vesting occurs pursuant to Section 6.1(iii) due to the occurrence of a Change of Control and payment is scheduled, pursuant to subsection (2) of the bullet above, for as soon as practicable after the 3rd anniversary of the Award Grant Date, but Grantee dies prior to that scheduled payout date, payment will be made no later than December 31st of the calendar year in which Grantee's

death occurred or, if later but not beyond the end of the calendar year in which the 3rd anniversary of the Award Grant Date occurs, the 15th day of the 3rd calendar month following the date of Grantee's death.

Delivery of shares and/or other payment pursuant to the Award will not be made unless and until all applicable tax withholding requirements with respect to such payment have been satisfied in accordance with Section 10.

If there is a dispute regarding payment of a final award amount, PNC will settle the undisputed portion of the award amount, if any, within the time frame set forth above in this Section 6.3, and will settle any remaining portion as soon as practicable after such dispute is finally resolved but in any event within the time period permitted under Section 409A of the U.S. Internal Revenue Code.

7. No Rights as Shareholder Until Issuance of Shares. Grantee will have no rights as a shareholder of PNC by virtue of this Award unless and until shares of PNC common stock are issued and delivered in settlement of outstanding vested Restricted Share Units pursuant to and in accordance with Section 6.

8. Capital Adjustments.

8.1 Except as otherwise provided in Section 8.2, if applicable, if corporate transactions such as stock dividends, stock splits, spin-offs,split-offs, recapitalizations, mergers, consolidations or reorganizations of or by PNC **("Corporate Transactions")** occur prior to the time, if any, that outstanding vested Restricted Share Units are settled and paid, the Compensation Committee or its delegate shall make those adjustments, if any, in the number, class or kind of Restricted Share Units and related Dividend Equivalents then outstanding under the Award that it deems appropriate in its discretion to reflect Corporate Transactions such that the rights of Grantee are neither enlarged nor diminished as a result of such Corporate Transactions, including without limitation (a) measuring the value per share unit of any share-denominated award amount authorized for payment to Grantee pursuant to Section 6 by reference to the per share value of the consideration payable to a PNC common shareholder in connection with such Corporate Transactions and (b) authorizing payment of the entire value of any award amount authorized for payment to Grantee pursuant to Section 6 to be paid in cash at the applicable time specified in Section 6.

All determinations hereunder will be made by the Compensation Committee or its delegate in its sole discretion and will be final, binding and conclusive for all purposes on all parties, including without limitation Grantee.

8.2 Upon the occurrence of a Change of Control, (a) the number, class and kind of Restricted Share Units and related Dividend Equivalents then outstanding under the Award will automatically be adjusted to reflect the same changes as are made to outstanding shares of PNC common stock generally, (b) the value per share unit of any share-denominated award amount will be measured by reference to the per share value of the consideration payable to a PNC common shareholder in connection with such

Corporate Transaction or Transactions if applicable, and (c) if the effect of the Corporate Transaction or Transactions on a PNC common shareholder is to convert that shareholder's holdings into consideration that does not consist solely (other than as to a minimal amount) of shares of PNC common stock, then the entire value of any payment to be made to Grantee pursuant to Section 6 will be made solely in cash at the applicable time specified by Section 6.

9. Prohibitions Against Sale, Assignment, etc.; Payment to Legal Representative.

(a) Restricted Share Units and related Dividend Equivalents may not be sold, assigned, transferred, exchanged, pledged, or otherwise alienated or hypothecated.

(b) If Grantee is deceased at the time any outstanding vested Restricted Share Units are settled and paid out in accordance with the terms of Section 6, such delivery of shares and/or other payment will be made to the executor or administrator of Grantee's estate or to Grantee's other legal representative as determined in good faith by PNC.

(c) Any delivery of shares or other payment made in good faith by PNC to Grantee's executor, administrator or other legal representative, or retained by PNC for taxes pursuant to Section 10, will extinguish all right to payment hereunder.

10. Withholding Taxes. Where all applicable withholding tax obligations have not previously been satisfied, PNC will, at the time any such obligation arises in connection herewith, retain an amount sufficient to satisfy the minimum amount of taxes then required to be withheld by the Corporation in connection therewith from amounts then payable hereunder to Grantee or, if none, from other compensation then payable to Grantee, or as otherwise determined by PNC.

Unless the Compensation Committee or its delegate or other PNC Designated Person determines otherwise, the Corporation will retain whole shares of PNC common stock from any amounts then payable to Grantee hereunder or pursuant to any other Restricted Share Units previously awarded to Grantee under the Plan, in the form of shares of PNC common stock, and will withhold cash from any amounts then payable to Grantee hereunder that are settled in cash.

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

For purposes of this Section 10, shares of PNC common stock retained to satisfy applicable withholding tax requirements will be valued at their Fair Market Value (as defined in Section 12) on the date the tax withholding obligation arises.

If Grantee desires to have an additional amount withheld above the required minimum, up to Grantee's W-4 obligation if higher, and if PNC so permits, Grantee may

elect to satisfy this additional withholding by payment of cash. The Corporation will not retain Shares for this purpose. If Grantee's W-4 obligation does not exceed the required minimum withholding in connection herewith, no additional withholding may be made.

11. Employment. Neither the granting of the Restricted Share Units and related Dividend Equivalents award nor any payment with respect to such Award authorized hereunder nor any term or provision of the Award Agreement shall constitute or be evidence of any understanding, expressed or implied, on the part of PNC or any subsidiary to employ Grantee for any period or in any way alter Grantee's status as an employee at will.

12. Certain Definitions. Except where the context otherwise indicates, the following definitions apply for purposes of the Agreement.

12.1 "Agreement," "Award Agreement;" "Award;" "Award Grant Date."

"Agreement" or **"Award Agreement"** means the Stock-Payable Restricted Share Units Award Agreement between PNC and Grantee evidencing the Restricted Share Units with related Dividend Equivalents award granted to Grantee pursuant to the Plan.

"Award" means the Restricted Share Units with related Dividend Equivalents award granted to Grantee pursuant to the Plan and evidenced by the Award Agreement.

"Award Grant Date" means the Award Grant Date set forth on page 1 of the Award Agreement and is the date as of which the Restricted Share Units and related Dividend Equivalents are authorized to be granted by the Compensation Committee or its delegate in accordance with the Plan.

12.2 "Anticipatory Termination" If Grantee's employment with the Corporation is terminated by the Corporation other than for Cause as defined in this Section 12.2, death or Disability prior to the date on which a Change of Control occurs, and if it is reasonably demonstrated by Grantee that such termination of employment (i) was at the request of a third party that has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control, such a termination of employment is an "**Anticipatory Termination**."

For purposes of this Section 12.2, **"Cause"** shall mean:

(a) the willful and continued failure of Grantee to substantially perform Grantee's duties with the Corporation (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to Grantee by the Board or the CEO that specifically identifies the manner in which the Board or the CEO believes that Grantee has not substantially performed Grantee's duties; or

(b) the willful engaging by Grantee in illegal conduct or gross misconduct that is materially and demonstrably injurious to PNC or any of its subsidiaries.

For purposes of the preceding clauses (a) and (b), no act or failure to act, on the part of Grantee, shall be considered willful unless it is done, or omitted to be done, by Grantee in bad faith and without reasonable belief that Grantee's action or omission was in the best interests of the Corporation. Any act, or failure to act, based upon the instructions or prior approval of the Board, the CEO or Grantee's superior or based upon the advice of counsel for the Corporation, shall be conclusively presumed to be done, or omitted to be done, by Grantee in good faith and in the best interests of the Corporation.

The cessation of employment of Grantee will be *deemed* to be a termination of Grantee's employment with the Corporation for Cause for purposes of this Section 12.2 only if and when there shall have been delivered to Grantee, as part of the notice of Grantee's termination, a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board, at a Board meeting called and held for the purpose of considering such termination, finding on the basis of clear and convincing evidence that, in the good faith opinion of the Board, Grantee is guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail. Such resolution shall be adopted only after (i) reasonable notice of such Board meeting is provided to Grantee, together with written notice that PNC believes that Grantee is guilty of conduct described in clause (a) or clause (b) above and, in either case, specifying the particulars thereof in detail, and (ii) Grantee is given an opportunity, together with counsel, to be heard before the Board.

12.3 "Board" means the Board of Directors of PNC.

12.4 "Cause" and "termination for Cause."

Except as otherwise required by Section 12.2 in connection with the definition of Anticipatory Termination set forth therein, **"Cause"** means:

(a) the willful and continued failure of Grantee to substantially perform Grantee's duties with the Corporation (other than any such failure resulting from incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to Grantee by PNC that specifically identifies the manner in which it is believed that Grantee has not substantially performed Grantee's duties;

(b) a material breach by Grantee of (1) any code of conduct of PNC or any code of conduct of a subsidiary of PNC that is applicable to Grantee or (2) other written policy of PNC or other written policy of a subsidiary of PNC that is applicable to Grantee, in either case required by law or established to maintain compliance with applicable law;

(c) any act of fraud, misappropriation, material dishonesty, or embezzlement by Grantee against PNC or any of its subsidiaries or any client or customer of PNC or any of its subsidiaries;

(d) any conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or entry by Grantee into a pre-trial disposition with respect to, the commission of a felony; or

(e) entry of any order against Grantee, by any governmental body having regulatory authority with respect to the business of PNC or any of its subsidiaries, that relates to or arises out of Grantee's employment or other service relationship with the Corporation.

The cessation of employment of Grantee will be deemed to have been a termination of Grantee's employment with the Corporation for Cause for purposes of the Agreement only if and when PNC, by PNC's CEO or his or her designee (or, if Grantee is the CEO, the Board), determines that Grantee is guilty of conduct described in clause (a), (b) or (c) above or that an event described in clause (d) or (e) above has occurred with respect to Grantee and, if so, determines that the termination of Grantee's employment with the Corporation will be deemed to have been for Cause.

12.5 "CEO" means the chief executive officer of PNC.

12.6 "Change of Control" means:

(a) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended **(the "Exchange Act")) (a "Person")** becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then-outstanding shares of common stock of PNC **(the "Outstanding PNC Common Stock")** or (B) the combined voting power of the then-outstanding voting securities of PNC entitled to vote generally in the election of directors **(the "Outstanding PNC Voting Securities")**; *provided, however,* that, for purposes of this Section 12.6(a), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from PNC, (2) any acquisition by PNC, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by PNC or any company controlled by, controlling or under common control with PNC **(an "Affiliated Company")**, (4) any acquisition pursuant to an Excluded Combination (as defined in Section 12.6(c)) or (5) an acquisition of beneficial ownership representing between 20% and 40%, inclusive, of the Outstanding PNC Voting Securities or Outstanding PNC Common Stock shall not be considered a Change of Control if the Incumbent Board as of immediately prior to any such acquisition approves such acquisition either prior to or immediately after its occurrence;

(b) Individuals who, as of the date hereof, constitute the Board **(the "Incumbent Board")** cease for any reason to constitute at least a majority of the Board (excluding any Board seat that is vacant or otherwise unoccupied); *provided, however,* that any individual becoming a director subsequent to the date hereof whose election, or

nomination for election by PNC's shareholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving PNC or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of PNC, or the acquisition of assets or stock of another entity by PNC or any of its subsidiaries (each, **a "Business Combination"**), excluding, however, a Business Combination following which all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns PNC or all or substantially all of PNC's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding PNC Common Stock and the Outstanding PNC Voting Securities, as the case may be (such a Business Combination, **an "Excluded Combination"**); or

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

12.7 "Compensation Committee" means the Personnel and Compensation Committee of the Board or such person or persons as may be designated or appointed by that committee as its delegate or designee.

12.8 "Competitive Activity."

"Competitive Activity" while Grantee is an employee of the Corporation means any participation in, employment by, ownership of any equity interest exceeding one percent (1%) in, or promotion or organization of, any Person other than PNC or any of its subsidiaries (1) engaged in business activities similar to some or all of the business activities of PNC or any subsidiary or (2) engaged in business activities that Grantee knows PNC or any subsidiary intends to enter within the next twelve (12) months, in either case whether Grantee is acting as agent, consultant, independent contractor, employee, officer, director, investor, partner, shareholder, proprietor or in any other individual or representative capacity therein.

"Competitive Activity" on or after Grantee's Termination Date means any participation in, employment by, ownership of any equity interest exceeding one percent (1%) in, or promotion or organization of, any Person other than PNC or any of its subsidiaries (a) engaged in business activities similar to some or all of the business activities of PNC or any subsidiary as of Grantee's Termination Date or (b) engaged in business activities that Grantee knows PNC or any subsidiary intends to enter within the first twelve (12) months after Grantee's Termination Date or, if later and if applicable, after the date specified in subsection (a), clause (ii) of the definition of Detrimental Conduct in Section 12.11, in either case whether Grantee is acting as agent, consultant, independent contractor, employee, officer, director, investor, partner, shareholder, proprietor or in any other individual or representative capacity therein.

For purposes of Competitive Activity as defined in this Section 12.8, and for purposes of the definition of competitive activity in any other PNC restricted share unit or in any PNC restricted stock, stock option, or other equity-based award or awards held by Grantee, however, the term subsidiary or subsidiaries shall not include companies in which the Corporation holds an interest pursuant to its merchant banking authority.

12.9 "Consolidated Subsidiary" means a corporation, bank, partnership, business trust, limited liability company or other form of business organization that (1) is a consolidated subsidiary of PNC under U.S. generally accepted accounting principles and (2) satisfies the definition of "service recipient" under Section 409A of the U.S. Internal Revenue Code.

12.10 "Corporation" means PNC and its Consolidated Subsidiaries.

12.11 "Detrimental Conduct" means:

(a) Grantee has engaged, without the prior written consent of PNC (with consent to be given or withheld at PNC's sole discretion), in any Competitive Activity as defined in Section 12.8 in the continental United States at any time during the period of Grantee's employment with the Corporation and extending through (and including) the first (1st) anniversary of the later of (i) Grantee's Termination Date and, if different, (ii) the first date after Grantee's Termination Date as of which Grantee ceases to have a service relationship with the Corporation;

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

(c) any conviction (including a plea of guilty or of *nolo contendere*) of Grantee for, or any entry by Grantee into a pre-trial disposition with respect to, the commission of a felony that relates to or arises out of Grantee's employment or other service relationship with the Corporation.

Grantee will be deemed to have engaged in Detrimental Conduct for purposes of the Agreement only if and when the Compensation Committee or its delegate or

other PNC Designated Person, as applicable, determines that Grantee has engaged in conduct described in clause (a) or clause (b) above or that an event described in clause (c) above has occurred with respect to Grantee and, if so, (1) determines in its sole discretion that Grantee will be deemed to have engaged in Detrimental Conduct for purposes of the Agreement and (2) determines in its sole discretion to cancel all or a specified portion of the Restricted Share Units that have not yet vested in accordance with Section 6 and of the Dividend Equivalents related to such Restricted Share Units, including Dividend Equivalents related to such Restricted Share Units that may already have been paid to Grantee, on the basis of such determination that Grantee has engaged in Detrimental Conduct.

12.12 "Disabled" or "Disability" means, except as may otherwise be required by Section 409A of the U.S. Internal Revenue Code, that Grantee either (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving (and has received for at least three months) income replacement benefits under any Corporation-sponsored disability benefit plan. If Grantee has been determined to be eligible for U.S. Social Security disability benefits, Grantee will be presumed to be Disabled as defined herein.

12.13 "Dividend Equivalents" means the opportunity to receive dividend equivalents granted to Grantee pursuant to the Plan in connection with the Restricted Share Units to which they relate and evidenced by the Award Agreement.

12.14 "Fair Market Value" as it relates to a share of PNC common stock as of any given date means (a) the reported closing price on the New York Stock Exchange (or such successor reporting system as PNC may select) for a share of PNC common stock on such date, or, if no PNC common stock trades have been reported on such exchange for that day, such closing price on the next preceding day for which there were reported trades or, if the Compensation Committee has so acted, (b) fair market value as determined using such other reasonable method adopted by the Compensation Committee in good faith for such purpose that uses actual transactions in PNC common stock as reported by a national securities exchange or the Nasdaq National Market, provided that such method is consistently applied. When determining Fair Market Value under this Award or any currently outstanding award under the Plan held by Grantee, the Fair Market Value will be rounded to the nearest cent.

12.15 "GAAP" or "U.S. generally accepted accounting principles" means accounting principles generally accepted in the United States of America.

12.16 "Grantee" means the person to whom the Restricted Share Units with related Dividend Equivalents award is granted and is identified as Grantee on page 1 of the Agreement.

12.17 "Internal Revenue Code" or "U.S. Internal Revenue Code" means the United States Internal Revenue Code of 1986 as amended and the rules and regulations promulgated thereunder.

12.18 "Person" has the meaning specified in the definition of Change of Control in Section 12.6(a).

12.19 "Plan" means The PNC Financial Services Group, Inc. 2006 Incentive Award Plan as amended from time to time.

12.20 "PNC" means The PNC Financial Services Group, Inc.

12.21 "PNC Designated Person" or "Designated Person" will be: (a) the Compensation Committee or its delegate if Grantee is (or was when Grantee ceased to be an employee of the Corporation) either a member of the Corporate Executive Group (or equivalent successor classification) or subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to PNC securities (or both); or (b) the Compensation Committee, the CEO, or the Chief Human Resources Officer of PNC, or any other individual or group as may be designated by one of the foregoing to act as Designated Person for purposes of the Agreement.

12.22 "Qualifying Disability Termination." "Qualifying Anticipatory Termination" and "Qualifying Retirement Termination" have the respective meanings specified in Section 5.2.

12.23 "Restricted Share Units" or "RSUs" means the Share-denominated award opportunity of the number of restricted share units specified as the Restricted Share Units on page 1 of the Award Agreement, subject to capital adjustments pursuant to Section 8 if any, granted to Grantee pursuant to the Plan and evidenced by the Award Agreement.

12.24 "Retires" or "Retirement." Grantee **"Retires"** if Grantee's employment with the Corporation terminates at any time and for any reason (other than termination by reason of Grantee's death or by the Corporation for Cause and, if the Compensation Committee or the CEO or his or her designee so determines prior to such divestiture, other than by reason of termination in connection with a divestiture of assets or a divestiture of one or more subsidiaries of the Corporation) on or after the first date on which Grantee has both attained at least age fifty-five (55) and completed five (5) years of service, where a year of service is determined in the same manner as the determination of a year of vesting service calculated under the provisions of The PNC Financial Services Group, Inc. Pension Plan.

If Grantee **"Retires"** as defined herein, the termination of Grantee's employment with the Corporation is sometimes referred to as**"Retirement"** and such Grantee's Termination Date is sometimes also referred to as Grantee's **"Retirement Date."**

12.25 "Retiree." Grantee is sometimes referred to as a **"Retiree"** if Grantee Retires, as defined in Section 12.24.

12.26 "SEC" means the United States Securities and Exchange Commission.

12.27 "Section 409A" means Section 409A of the U.S. Internal Revenue Code.

12.28 "Service relationship" or "having a service relationship with the Corporation" means being engaged by the Corporation in any capacity for which Grantee receives compensation from the Corporation, including but not limited to acting for compensation as an employee, consultant, independent contractor, officer, director or advisory director.

12.29 "Share" means a share of PNC common stock.

12.30 "Termination Date" means Grantee's last date of employment with the Corporation. If Grantee is employed by a Consolidated Subsidiary that ceases to be a subsidiary of PNC or ceases to be a consolidated subsidiary of PNC under U.S. generally accepted accounting principles and Grantee does not continue to be employed by PNC or a Consolidated Subsidiary, then for purposes of the Agreement, Grantee's employment with the Corporation terminates effective at the time this occurs.

13. Grantee Covenants.

13.1 General. Grantee and PNC acknowledge and agree that Grantee has received adequate consideration with respect to enforcement of the provisions of Sections 13 and 14 by virtue of receiving this Restricted Share Units with related Dividend Equivalents award (regardless of whether such share units or any portion thereof are ultimately settled and regardless of whether any such dividend equivalents are ultimately paid); that such provisions are reasonable and properly required for the adequate protection of the business of PNC and its subsidiaries; and that enforcement of such provisions will not prevent Grantee from earning a living.

13.2 Non-Solicitation; No-Hire. Grantee agrees to comply with the provisions of subsections (a) and (b) of this Section 13.2 while employed by the Corporation and for a period of one year after Grantee's Termination Date regardless of the reason for such termination of employment.

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

(b) No-Hire. Grantee shall not, directly or indirectly, either for Grantee's own benefit or purpose or for the benefit or purpose of any Person other than PNC or any of its subsidiaries, employ or offer to employ, call on, or actively interfere with PNC's or any subsidiary's relationship with, or attempt to divert or entice away, any employee of PNC or any of its subsidiaries, nor shall Grantee assist any other Person in such activities.

Notwithstanding the above, if Grantee's employment with the Corporation is terminated by the Corporation and such termination is a Qualifying Anticipatory Termination, then commencing immediately after such Termination Date, the provisions of subsections (a) and (b) of this Section 13.2 shall no longer apply and shall be replaced with the following subsection (c):

(c) No-Hire. Grantee agrees that Grantee shall not, for a period of one year after Grantee's Termination Date, employ or offer to employ, solicit, actively interfere with PNC's or any PNC affiliate's relationship with, or attempt to divert or entice away, any officer of PNC or any PNC affiliate.

13.3 Confidentiality. During Grantee's employment with the Corporation, and thereafter regardless of the reason for termination of such employment, Grantee shall not disclose or use in any way any confidential business or technical information or trade secret acquired in the course of such employment, all of which is the exclusive and valuable property of the Corporation whether or not conceived of or prepared by Grantee, other than (a) information generally known in the Corporation's industry or acquired from public sources, (b) as required in the course of employment by the Corporation, (c) as required by any court, supervisory authority, administrative agency or applicable law, or (d) with the prior written consent of PNC.

13.4 Ownership of Inventions. Grantee shall promptly and fully disclose to PNC any and all inventions, discoveries, improvements, ideas or other works of inventorship or authorship, whether or not patentable, that have been or will be conceived and/or reduced to practice by Grantee during the term of Grantee's employment with the Corporation, whether alone or with others, and that are (a) related directly or indirectly to the business or activities of PNC or any of its subsidiaries or (b) developed with the use of any time, material, facilities or other resources of PNC or any subsidiary **("Developments")**. Grantee agrees to assign and hereby does assign to PNC or its designee all of Grantee's right, title and interest, including copyrights and patent rights, in and to all Developments. Grantee shall perform all actions and execute all instruments that PNC or any subsidiary shall deem necessary to protect or record PNC's or its designee's interests in the Developments. The obligations of this Section 13.4 shall be performed by Grantee without further compensation and shall continue beyond Grantee's Termination Date.

14. Enforcement Provisions. Grantee understands and agrees to the following provisions regarding enforcement of the Agreement.

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

14.2 Equitable Remedies. A breach of the provisions of any of Sections 13.2, 13.3 or 13.4 will cause the Corporation irreparable harm, and the Corporation will therefore be entitled to issuance of immediate, as well as permanent, injunctive relief restraining Grantee, and each and every person and entity acting in concert or participating with Grantee, from initiation and/or continuation of such breach.

14.3 Tolling Period. If it becomes necessary or desirable for the Corporation to seek compliance with the provisions of Section 13.2 by legal proceedings, the period during which Grantee shall comply with said provisions will extend for a period of twelve (12) months from the date the Corporation institutes legal proceedings for injunctive or other relief.

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

14.5 Severability. The restrictions and obligations imposed by Sections 13.2, 13.3, 13.4, 14.1 and 14.7 are separate and severable, and it is the intent of Grantee and PNC that if any restriction or obligation imposed by any of these provisions is deemed by a court of competent jurisdiction to be void for any reason whatsoever, the remaining provisions, restrictions and obligations shall remain valid and binding upon Grantee.

14.6 Reform. In the event any of Sections 13.2, 13.3 and 13.4 are determined by a court of competent jurisdiction to be unenforceable because unreasonable either as to length of time or area to which said restriction applies, it is the intent of Grantee and PNC that said court reduce and reform the provisions thereof so as to apply the greatest limitations considered enforceable by the court.

14.7 Waiver of Jury Trial. Each of Grantee and PNC hereby waives any right to trial by jury with regard to any suit, action or proceeding under or in connection with any of Sections 13.2, 13.3 and 13.4.

14.8 Compliance with U.S. Internal Revenue Code Section 409A. It is the intention of the parties that the Award and the Agreement comply with the provisions of

Section 409A of the U.S. Internal Revenue Code to the extent, if any, that such provisions are applicable to the Agreement, and the Agreement will be administered by PNC in a manner consistent with this intent.

If any payments or benefits hereunder may be deemed to constitute nonconforming deferred compensation subject to taxation under the provisions of Section 409A of the U.S. Internal Revenue Code, Grantee agrees that PNC may, without the consent of Grantee, modify the Agreement and the Award to the extent and in the manner PNC deems necessary or advisable or take such other action or actions, including an amendment or action with retroactive effect, that PNC deems appropriate in order either to preclude any such payments or benefits from being deemed "deferred compensation" within the meaning of Section 409A of the U.S. Internal Revenue Code or to provide such payments or benefits in a manner that complies with the provisions of Section 409A of the U.S. Internal Revenue Code such that they will not be taxable thereunder.

14.9 Applicable Law; Clawback, Adjustment or Recoupment. Notwithstanding anything in the Agreement, PNC will not be required to comply with any term, covenant or condition of the Agreement if and to the extent prohibited by law, including but not limited to Federal banking and securities regulations, or as otherwise directed by one or more regulatory agencies having jurisdiction over PNC or any of its subsidiaries, and further, to the extent applicable to Grantee, the Award, and any right to receive and retain any Shares or other value pursuant to the Award, will be subject to rescission, cancellation or recoupment, in whole or in part, if, when and to the extent so provided under PNC's Incentive Compensation Adjustment and Clawback Policy, as in effect from time to time with respect to the Award, or any other applicable clawback, adjustment or similar policy in effect on or established after the Award Grant Date and to any clawback or recoupment that may be required by applicable law or regulation.

14.10 Subject to the Plan and Interpretations. In all respects the Award and the Agreement are subject to the terms and conditions of the Plan, which has been made available to Grantee and is incorporated herein by reference; *provided, however,* the terms of the Plan shall not be considered an enlargement of any benefits under the Agreement. Further, the Award and the Agreement are subject to any interpretation of, and any rules and regulations issued by, the Compensation Committee, or its delegate or under the authority of the Compensation Committee, whether made or issued before or after the Award Grant Date.

14.11 Headings; Entire Agreement. Headings used in the Agreement are provided for reference and convenience only, shall not be considered part of the Agreement, and shall not be employed in the construction of the Agreement. The Agreement constitutes the entire agreement between Grantee and PNC with respect to the subject matters addressed herein, and supersedes all other discussions, negotiations, correspondence, representations, understandings and agreements between the parties concerning the subject matters hereof.

14.12 Modification. Modifications or adjustments to the terms of this Agreement may be made by PNC as permitted in accordance with the Plan or as provided for in this Agreement. No other modification of the terms of this Agreement shall be effective unless embodied in a separate, subsequent writing signed by Grantee and by an authorized representative of PNC.

15. Acceptance of Award; PNC Right to Cancel; Effectiveness of Agreement.

If Grantee does not accept the Award by executing the Agreement and delivering an executed copy of the Agreement to PNC, without altering or changing the terms of the Agreement in any way, within 30 days of receipt by Grantee of a copy of the Agreement, PNC may, in its sole discretion, withdraw its offer and cancel the Award at any time prior to Grantee's delivery to PNC of an unaltered and unchanged copy of the Agreement so executed by Grantee. Otherwise, upon such execution and delivery of the Agreement by both PNC and Grantee, the Agreement is effective as of the Award Grant Date.

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IN WITNESS WHEREOF, PNC has caused the Agreement to be signed on its behalf as of the Award Grant Date.

THE PNC FINANCIAL SERVICES GROUP, INC.

By: /s/ William S. Demchak

Chief Executive Officer

ATTEST:

By: /s/ Christi Davis

Corporate Secretary

ACCEPTED AND AGREED TO by GRANTEE

_____

Grantee

EXHIBIT 12.1

The PNC Financial Services Group, Inc. and Subsidiaries
Computation of Ratio of Earnings to Fixed Charges (1)

Dollars in millions	Six Months Ended June 30, 2015	Year Ended December 31 2014	2013	2012	2011	2010
Earnings						
Pretax income from continuing operations before adjustment for noncontrolling interests in consolidated subsidiaries or income or loss from equity investees	$ 2,467	$4,993	$5,148	$3,594	$3,785	$3,680
Add:						
Distributed income of equity investees	154	275	242	216	198	167
Fixed charges excluding interest on deposits	389	734	664	853	951	1,092
Less:						
Noncontrolling interests in pretax income of subsidiaries that have not incurred fixed charges	39	96	112	137	154	148
Interest capitalized	1	1				1
Earnings excluding interest on deposits	2,970	5,905	5,942	4,526	4,780	4,790
Interest on deposits	190	325	344	386	668	963
Total earnings	$ 3,160	$6,230	$6,286	$4,912	$5,448	$5,753
Fixed charges						
Interest on borrowed funds	$ 310	$ 581	$ 516	$ 696	$ 791	$ 918
Interest component of rentals	78	152	148	145	125	134
Amortization of notes and debentures				12	35	39
Interest capitalized	1	1				1
Fixed charges excluding interest on deposits	389	734	664	853	951	1,092
Interest on deposits	190	325	344	386	668	963
Total fixed charges	$ 579	$1,059	$1,008	$1,239	$1,619	$2,055
Ratio of earnings to fixed charges						
Excluding interest on deposits	7.63x	8.04x	8.95x	5.31x	5.03x	4.39x
Including interest on deposits	5.46	5.88	6.24	3.96	3.37	2.80

(1) As defined in Item 503(d) of Regulation S-K.

EXHIBIT 12.2

The PNC Financial Services Group, Inc. and Subsidiaries
Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends (1)

Dollars in millions	Six Months Ended June 30, 2015	Year Ended December 31 2014	2013	2012	2011	2010
Earnings						
Pretax income from continuing operations before adjustment for noncontrolling interests in consolidated subsidiaries or income or loss from equity investees	$ 2,467	$4,993	$5,148	$3,594	$3,785	$3,680
Add:						
Distributed income of equity investees	154	275	242	216	198	167
Fixed charges and preferred stock dividends excluding interest on deposits	566	1,091	1,028	1,125	1,037	1,316
Less:						
Noncontrolling interests in pretax income of subsidiaries that have not incurred fixed charges	39	96	112	137	154	148
Interest capitalized	1	1				1
Preferred stock dividend requirements	177	357	364	272	86	224
Earnings excluding interest on deposits	2,970	5,905	5,942	4,526	4,780	4,790
Interest on deposits	190	325	344	386	668	963
Total earnings	$ 3,160	$6,230	$6,286	$4,912	$5,448	$5,753
Fixed charges and preferred stock dividends						
Interest on borrowed funds	$ 310	$ 581	$ 516	$ 696	$ 791	$ 918
Interest component of rentals	78	152	148	145	125	134
Amortization of notes and debentures				12	35	39
Interest capitalized	1	1				1
Preferred stock dividend requirements	177	357	364	272	86	224
Fixed charges and preferred stock dividends excluding interest on deposits	566	1,091	1,028	1,125	1,037	1,316
Interest on deposits	190	325	344	386	668	963
Total fixed charges and preferred stock dividends	$ 756	$1,416	$1,372	$1,511	$1,705	$2,279
Ratio of earnings to fixed charges and preferred stock dividends						
Excluding interest on deposits	5.25x	5.41x	5.78x	4.02x	4.61x	3.64x
Including interest on deposits	4.18	4.40	4.58	3.25	3.20	2.52

(1) As defined in Item 503(d) of Regulation S-K.

EXHIBIT 31.1

In accordance with Exchange Act Rules 13a-14(f) and 15d-14(f), this certification does not relate to Interactive Data Files as defined in Rule 11 of Regulation S-T.

Certification of Chief Executive Officer

I, William S. Demchak, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 of The PNC Financial Services Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2015

/s/ William S. Demchak
William S. Demchak
Chairman, President and Chief Executive Officer

EXHIBIT 31.2

In accordance with Exchange Act Rules 13a-14(f) and 15d-14(f), this certification does not relate to Interactive Data Files as defined in Rule 11 of Regulation S-T.

Certification of Chief Financial Officer

I, Robert Q. Reilly, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 of The PNC Financial Services Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2015

/s/ Robert Q. Reilly
Robert Q. Reilly
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

In accordance with Exchange Act Rules 13a-14(f) and 15d-14(f), this certification does not relate to Interactive Data Files as defined in Rule 11 of Regulation S-T.

CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 of The PNC Financial Services Group, Inc. (Corporation) as filed with the Securities and Exchange Commission on the date hereof (Report), I, William S. Demchak, Chairman, President and Chief Executive Officer of the Corporation, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation for the dates and periods covered by the Report.

This certificate is being made for the exclusive purpose of compliance by the Chief Executive Officer of the Corporation with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002, and may not be used by any person or for any reason other than as specifically required by law.

/s/ William S. Demchak
William S. Demchak
Chairman, President and Chief Executive Officer

August 5, 2015

EXHIBIT 32.2

In accordance with Exchange Act Rules 13a-14(f) and 15d-14(f), this certification does not relate to Interactive Data Files as defined in Rule 11 of Regulation S-T.

CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 of The PNC Financial Services Group, Inc. (Corporation) as filed with the Securities and Exchange Commission on the date hereof (Report), I, Robert Q. Reilly, Executive Vice President and Chief Financial Officer of the Corporation, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation for the dates and periods covered by the Report.

This certificate is being made for the exclusive purpose of compliance by the Chief Financial Officer of the Corporation with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002, and may not be used by any person or for any reason other than as specifically required by law.

/s/ Robert Q. Reilly
Robert Q. Reilly
Executive Vice President and Chief Financial Officer

August 5, 2015