



July 29, 2019

Ms. Vanessa Countryman
Secretary, Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

RE: File Number S7-05-19

Dear Ms. Countryman:

The PNC Financial Services Group, Inc. (PNC) appreciates the opportunity to provide the Securities and Exchange Commission with comments on the Commission's proposed rule for Amendments to Financial Disclosures about Acquired and Disposed Businesses, File No. S7-05-19 (the Proposal).

PNC is a diversified financial services company headquartered in Pittsburgh, Pennsylvania. We have businesses engaged in retail banking, including residential mortgage, corporate and institutional banking and asset management, providing many of our products and services nationally. Our retail branch network is located in markets across the Mid-Atlantic, Midwest and Southeast. We also have strategic international offices in four countries outside the United States. At June 30, 2019, our consolidated total assets were \$405.8 billion.

As we have stated in previous letters to the Commission, PNC affirms our support for the ongoing, comprehensive evaluation of disclosure practices and requirements. In this letter, we would like to comment specifically on Financial Disclosures about Entities Other than the Registrant, a Topic that the Commission previously solicited feedback from investors and registrants in 2015¹. We believe this topic relates to the Proposal and could reasonably be addressed in conjunction with the Proposal, as the definition of significance in Regulation S-X Rule 1-02(w) applies in both contexts.

We specifically would like the Commission to consider Rules 4-08(g) and 3-09 of Regulation S-X as they pertain to significant subsidiary and equity method investment disclosures. Based on the current rules, a parent registrant is required to provide summarized financial information of subsidiaries not

¹ *Request for Comment on the Effectiveness of Financial Disclosures about Entities Other Than the Registrant*, Release No. 33-9929 (Sept. 25, 2015) [80 FR 59083 (Oct. 1, 2015)].

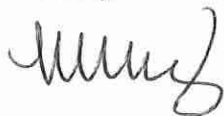
consolidated and 50 percent or less owned persons, if the criteria in Rule 1-02(w)² for a significant subsidiary are met. Further, to determine if separate financial statements must be included for a significant subsidiary, a registrant substitutes 20 percent for 10 percent in the tests in Rule 1-02(w). When a significant subsidiary meets the 20 percent threshold, separate financial statements are required to be filed.

In the case where a significant subsidiary is itself an SEC registrant that publicly files its financial statements, we encourage the Commission to consider an exemption to the requirement that the registrant of the significant subsidiary include those separate financial statements within the registrant's Form 10-K. Instead, we suggest allowing such a registrant to include a reference to the investee's publicly available financial information (e.g., reference could be made to the investee's investor relations section of its website and/or the SEC's EDGAR system). This exemption would streamline the filing process of a registrant and eliminate the need to wait for a significant subsidiary to file its Form 10-K with the Commission in order to complete the registrant's filing. We note that one consequence of the current rule in this circumstance is that a parent registrant with such a significant subsidiary may be delayed—perhaps substantially—in filing its Form 10-K until the significant subsidiary is itself ready to file its own Form 10-K. This could be the case even if the financial information about the subsidiary included in the parent registrant's own financial statements is complete and, other than waiting for the subsidiary to finalize its filing, the parent registrant's Form 10-K was ready for filing.

As to the Proposal in its current form, we do not object to the proposed changes to the significance tests in Rule 1-02(w). We understand that, in addition to Rule 3-05, the Commission intends to apply consistent significance tests for all of its rules and forms, and we believe that is appropriate.

We thank the Commission for the opportunity to comment on the Proposal and respectfully ask for consideration of the perspectives we express in this letter. If you have any questions or would like more information regarding our comments, please do not hesitate to contact the undersigned [REDACTED]; [REDACTED] or Edward S. Rosenthal, Deputy General Counsel, Corporate and Securities [REDACTED]; [REDACTED]).

Sincerely,



Katharine (Katy) Reeping
Director of Financial Reporting and Analysis

² Rule 1-02 Definitions of terms used in Regulation S-X. Rule 1-02(w) includes the definition of the term significant subsidiary as well as guidance as to performing the three tests (Investment test, Asset test, Income test) to determine if a subsidiary should be considered significant.