PNC

July 21, 2016

Secretary, Securities and Exchange Commision
F Street NE
Washington, DC 20549-1090

Dear Mister or Madam Secretary:

The PNC Financial Services Group, Inc. ("PNC") appreciates the opportunity to comment on the Concept Release on Business and Financial Disclosure Required by Regulation S-K (File No. S7-06-16, Release Nos. 33-10064, 34-77599) (the "Concept Release"). Changes in the securities markets and in disclosure practices and investor expectations, combined with technological change, suggest that this is an appropriate time to consider improving and modernizing the disclosure infrastructure including, the requirements of Regulation S-K. We support the efforts of the Securities and Exchange Commission (the "Commission") to explore possible enhancements to the current disclosure rules.

PNC is one of the largest diversified financial services institutions in the United States with assets of $361 billion as of June 30, 2016. Headquartered in Pittsburgh, Pennsylvania, we provide consumer and small business banking, primarily in 19 states and the District of Columbia, with residential mortgage and corporate and institutional banking offices across the continental United States. PNC also provides limited products and services internationally. Our common stock is publicly traded and listed on the New York Stock Exchange.

Overall, we believe that it is important that disclosure to the securities markets (1) communicates clearly and effectively, (2) focuses on those matters of the most importance to investors generally, while recognizing that not all investors are interested in the same information, and (3) can be prepared efficiently without undue burden on registrants. We are concerned that in practice public company disclosure today falls short in many instances of these standards. We provide below some of our thoughts on approaches to enhance the current disclosure regime in light of these goals.[1]

I. Introductory Comments—Disclosure Approach and Standards

Before addressing any of the specific requirements of Regulation S-K, one must first consider the issue as to the audience for whom public company disclosure is being prepared. We believe that the disclosure standard established by Regulation S-K should be designed to provide an opportunity to understand a registrant—its business, historical results, future prospects and risks—that is broadly accessible, both in

[1] Our comments tend to be focused on the issues presented by the disclosure obligations of well-followed registrants in connection with their periodic reporting obligations. It may be the case that some of our suggestions will not work as well in connection with initial public offering registration statements or in filings by much smaller registrants. As a result, any modifications to the rules and accompanying guidance in accordance with our suggestions may need to be made with applicability that varies somewhat depending on circumstances.

form and content, to investors. The requirements of Regulation S-K should set a disclosure baseline intended to provide sufficient information for a "reasonable investor" to decide whether to make or hold an investment in a registrant. We believe that investors such as retail investors having some investing experience and market knowledge and others of comparable sophistication should represent the standard of "reasonable investor" to whom disclosure is directed.

In our view, targeting disclosures primarily to analysts and sophisticated institutional investors, who generally can utilize and often desire more detailed and complex information, makes it difficult for all but the most sophisticated retail investors to do their analysis and independent decision making regarding investments. To the extent that analysts act as intermediaries interpreting information for the market, having access to clear, easily understood information should actually facilitate their role and increase their effectiveness. If other consumers of public company disclosure need more or different information, whether more detailed information or information of a character not relevant to investors generally, registrants should be able to meet their needs outside of the formal structure established by Regulation S-K.[2]

Such an approach to disclosure would suggest that materiality for purposes of Regulation S-K disclosure should be based on the relevance of information to investors broadly. If information would not influence investment decisions by reasonable investors, it should not be deemed to be material for these purposes. We believe disclosures in Form 10-K and 10-Q would be more effective and user-friendly if they focused on material information, using the concept of materiality presented above. Unfortunately, too much of the disclosure provided under Regulation S-K, particularly by larger, more complex registrants, seems not to be easily utilized as a means to understand the risks and opportunities of an investment except by analysts and highly sophisticated institutional investors.

In our view, this results from a combination of factors working together to yield lengthy, complex disclosure. First, registrants need to comply with regulatory requirements, most significantly those specifically laid out in Regulation S-K. In this regard, the Concept Release itself notes the possibility that Regulation S-K in its current form results in excessive disclosure, at least in some areas. We believe that to be the case and will address some specific points below. But the Commission and its staff also influence disclosure practices through guidance, both through formal guidance (such as interpretative releases and Compliance and Disclosure Interpretations) and also through communications such as staff comment letters following review of public disclosure and so-called "Dear CFO" letters. While we, and no doubt other registrants, welcome the input of the Commission regarding our disclosure, and often appreciate the resulting improvements, it can also contribute to some of the diminution of the overall effectiveness of public company disclosure. It can be the case for suggested additional disclosure to be initially, and continuously thereafter, included, even if it seems unnecessary, immaterial or duplicative, rather than resisting or ignoring the suggestion.[3] This is particularly the case with respect to suggestions that are targeted to an individual registrant or small group of registrants.

[2] We recognize that registrants today have the right to provide additional information to the market, both within and outside of their SEC filings, beyond what is specifically required and that registrants often do so to satisfy particularized desires for information on the part of individual investors or groups of investors. The provision of such information outside of SEC filings remains, of course, subject to regulations such as the overall antifraud rules and rules such as Regulation FD. As discussed below, we support the use of disclosure outside of Forms 10-K and 10-Q as a means of facilitating clearer and more accessible periodic reports that are more communicative to a broader swath of investors.

[3] We note the current focus by the Commission staff to address this, and we are supportive of these efforts.

Second, registrants respond to the informational needs of the analysts, both buy-side and sell-side, who follow their securities. Much of the information provided by registrants to analysts for their use in evaluating the registrants and building models to forecast future results is likely of limited utility to the reasonable investor. Nonetheless, some of this information finds its way into Forms 10-K and 10-Q due to concerns regarding Regulation FD compliance as well as concerns regarding omission from formal periodic reports of potentially significant information included in other forms of public disclosure to the market.

Third, registrants include disclosure to provide protection against the risks of litigation (or regulatory action) should events turn negative. Registrants and their lawyers would often prefer to include disclosure of marginal utility in communicating to investors than to run the risk that its absence is challenged later in litigation. This occurs even when the event potentially leading to the litigation challenge seems unlikely or improbable or where the risk of the event should be commonly understood by market participants. For this reason, registrants may include disclosure because their peers do so or because the Commission staff suggested it, even when the issue addressed may be more pertinent for others or perhaps not pertinent for anyone. No registrant wants to be the one to have omitted potential disclosure, particularly if it is common among its peers or encouraged by the Commission staff, when problems related to the topic of the disclosure emerge.

2. Prescriptive vs. Principles-Based Disclosure Rules

The Concept Release inquires as to whether a more rules-based prescriptive set of disclosure rules or a more principles-based one is more desirable. It is probably the case that neither approach works perfectly for every possible situation to be covered by Regulation S-K. That said, we believe that, in general, providing the key principles that should drive effective disclosure and allowing registrants to determine the disclosure that appropriately responds to those principles is the better approach.

The information that is likely to be important to investors varies substantially from industry to industry. It also can vary among registrants in a single industry due to differences in business mix, growth strategies, risk appetite, geography and the like. Even for categories of information that are important for investors generally, thresholds of relevance are likely substantially different for each registrant. As a result, it is difficult to devise specific, prescriptive rules that work equally well across all registrants in generating disclosure that clearly and effectively communicates the information required by investors generally. The greater the extent to which disclosure rules are targeted at making sure that they prescribe disclosure of all material information regarding all registrants, the more they will generate significant excess disclosure from many, if not most, registrants, thus leading to information overload and complicating the ability of investors to understand what should be most important to them.

In contrast, a more principles-based set of rules should improve the quality of the communication from registrants to issuers by allowing registrants to focus on the information that they understand to be of the greatest significance to their business and future prospects and thus to their investors.

We recognize that a principal argument in favor of a more prescriptive approach is enhanced consistency and comparability among registrants' disclosure. It may be the case that using principles-based rules for Regulation S-K disclosure leads to less consistency and comparability among registrants. On that point, we suggest that a forced consistency may have the effect of obscuring what is actually important by over-emphasizing comparability even when it is not appropriate. The goal should be a consistent approach to disclosure instead of a consistent presentation of the same types of information. In that way, investors

can be confident that each company's disclosure represents the best disclosure of what is important and relevant about that company. Well-crafted principles and ongoing guidance from Commission staff can help move disclosure towards this goal.

To achieve an appropriate approach to disclosure rules consistently applied across a range of registrants, we endorse the suggestion in the Concept Release of an "objectives-oriented" approach, which would allow a focus on principles as the primary basis for disclosure rules within a framework that provides an appropriate measure of consistency.

3. Reduction of Unnecessary Repetition

Information is often repeated within individual filings and from one filing (or other public disclosure) to another. In our experience, although in some cases the repeated information provides context for more expansive or updated disclosure, it frequently does not offer meaningful benefit to the reader and only serves to increase the length and complexity of public disclosure. As is the case with other forms of unnecessary disclosure, too much repetition runs the risk of obscuring important information through disclosure overload.

In this regard, we have several suggestions that should help enhance disclosures by reducing unnecessary repetition and facilitating the ability of registrants to present their information—tell their story—in the most effective manner. These suggestions include enhancements to the ability to reference other sections within a filing as well as to reference prior filings where the disclosed information has not significantly changed. We understand that, in some cases, the repetition may not literally be mandated by the rules. But even in those cases guiding principles can encourage registrants to move away from unnecessary repetition. For example, this can be accomplished by expressly approving the use of alternative methods of providing the disclosure.

Within an Individual Filing. As a general matter, nothing that is disclosed adequately in one section of an individual filing should be required to be disclosed elsewhere in that same filing. If information that is disclosed in one place is required to provide context to other disclosure in that filing, registrants should have the ability to determine to what extent they need to replicate disclosure to give that context and to what extent they can rely on cross-references. So long as relevant information is easily found, registrants should be able to decide where and in what manner information that is responsive to more than one disclosure requirement or topic is included. Registrants should thus be able to make these types of decisions in the interest of making the disclosure as clear, comprehensible and accessible as possible to readers. For example, disclosure that is critical to a well-formulated Management's Discussion and Analysis ("MD&A") presentation should not be required to be repeated in the risk factors section, even if potentially relevant as a risk factor. Equally so, there should be no requirement that information required to be disclosed in financial statement footnotes be repeated anywhere under Regulation S-K. Depending on other disclosure, cross-references may be appropriate but the full disclosure should only appear once.

With respect to overlap between the financial statements and disclosure under Regulation S-K, we encourage the Commission to explore ways of avoiding duplication by including information once, in the place and under the circumstances deemed to best present that information and best tell the registrant's story. Even if that best place is not in the footnotes but rather, for example, in the MD&A, we believe it should be possible to present the information just in the MD&A. We understand the difficulties involved in treating disclosure outside the financial statements as being incorporated into the footnotes to the

financial statements. Auditors need to be clear as to what their audits cover and readers need to be able to distinguish between materials covered by auditor procedures and those that are not. But we believe that there should be ways to make that distinction clear, to indicate what disclosure in the MD&A or elsewhere in the non-financial statement portions of a filing is deemed to be part of the financial statements. Registrants could include such disclosure in separate identifiable paragraphs or tables. Technological enhancements—perhaps some form of tagging of information—could provide a means for a registrant to include disclosure that is subject to audit and necessary for the financial statements to be deemed complete under Generally Accepted Accounting Principles in the U.S. (GAAP) but outside of the four corners of the financial statements, without any real risk of confusion.

An example of a Regulation S-K requirement that is to a large extent duplicative on its face of required financial statement disclosure is found in Item 103. For the most part, any matter that is required to be disclosed under Item 103 is also as a practical matter disclosed in a financial statement footnote.[4] This has resulted in a common practice of not including anything more than a cross-reference in response to Item 103 mandates. At least in our industry, even among those registrants that include disclosure directly responsive to Item 103, it is rare to find disclosure that is not repeated elsewhere in the filing, normally in a financial statement footnote. As a result, this is an example of a current requirement that in our view could actually be eliminated, relying on financial statement disclosure practices under GAAP and existing MD&A requirements instead.[5]

In Other Disclosure. Disclosure rules and related guidance should also take into account the extent to which information currently required to be included in a filing under Regulation S-K is already readily available elsewhere. In some cases, we believe the requirement to include it again in a Form 10-K or Form 10-Q should be eliminated; in others, we suggest that registrants should be allowed to include it by appropriate cross-reference. Given the ease with which investors can access information through EDGAR or on company websites, which was not the case when Regulation S-K was first adopted, it is reasonable to require investors to find previously disclosed information that has not changed to any significant extent in the historical source. Clearly, this approach will only work if the information is easily found in a logical location, but that should not be hard to assure.

In some cases, registrants already do so, often by referring back to Form 10-K disclosure in subsequent Forms 10-Q. The rules expressly permit this approach with respect to risk factors. In addition, PNC, for example, does not repeat basic information regarding its risk management in the MD&A in each Form 10-Q, only using risk management disclosure to update the more expansive Form 10-K disclosure. We take a

[4] We recognize that the standards for disclosure under Item 103 and under ASC 450, which provides the GAAP requirements for financial statement disclosure of legal contingencies, are not identical and that, as a technical matter, registrants could disclose information under Item 103 that is omitted in the GAAP disclosure and vice versa. Common practice, however, does not seek to draw distinctions between the different disclosure requirements to the extent they each cover possible losses from actual or potential legal proceedings.

[5] We understand that, as a result of Instruction 5 to Item 103, there are specific environmental proceedings that are required to be addressed under Item 103 that may not require disclosure under GAAP. In general, we question the need for disclosure of matters of any type that are sufficiently immaterial so that no mention otherwise need be made either in a relevant financial statement footnote or in a registrant's MD&A. The use of a $100,000 exposure disclosure threshold for a category of legal risk is an example of one of the flaws in an overly prescriptive approach, as such a matter could be very important to some smaller registrants (and thus should be disclosed without the express instruction) but most commonly would be irrelevant to investors in a company with profits of hundreds of millions or billions of dollars.

similar approach with respect to legal proceedings disclosure in our financial statement footnote. But we believe there are further opportunities along the same lines.

Keeping with the current trend to reduce the number of duplicate disclosures, there are also situations where information is repeated from year to year, rather than just in quarters subsequent to a Form 10-K filing. For example, the current rules require registrants to provide prior year comparisons in their MD&As. In many, if not most, cases, this results in repetition of the text included in the prior year's filing without substantive change.[6] As investment decisions tend to be based more on forward-looking information than historical information, and as year-old historical information is already reflected in the market's understanding of a registrant, it should not be necessary to include it in the current year filing; however, it is available in prior period filings for those who wish to read it. Obviously, if prior year historical information is necessary to explain, for example, any known trends or uncertainties, other MD&A requirements would dictate its inclusion, but only for that particular purpose.

Much of the tabular historical financial information outside of the financial statements required by Regulation S-K also includes information that is available elsewhere in an easily identifiable location and could be omitted from current Forms 10-K and 10-Q.

There is other information that is included in each Form 10-K or in each Form 10-Q typically without much change from filing to filing. For example, the nature of a registrant's business may not change much from year to year, for example, and yet essentially the same disclosure would be contained in each year's Form 10-K. A registrant should be permitted to exclude from a specific filing such disclosure when there have not been any significant changes to the relevant aspects of its business from some prior disclosure. One option would be for a reference back to the Form 10-K that last included the full disclosure. Another option would be to allow registrants to include such information in an accessible and easily identifiable location of their website and not include it directly in Forms 10-K and 10-Q at all. In either case, appropriate use of hyperlinks could facilitate investor access to the external information source.[7]

Organization. We believe that it is in the best interests of all constituencies that registrants be given—and then exercise—more flexibility in determining how best to communicate relevant information in their disclosure. This flexibility should apply not only to the determination of what is or should be material to investors, but also how to present that information in a way that facilitates understanding on the part of investors and other readers of the disclosure. As suggested above, one way in which a registrant can make its disclosure more accessible and more communicative is to reduce duplication as much as possible. Having done so, it will then be important for registrants to present that information in the manner that best conveys what is important to investors. There is likely not a one size fits all answer to the question of what topics should be aligned with what other topics to best accomplish this purpose. If registrants are allowed to include some important disclosure that does not change very much over time outside of filings, relying on tools such as cross-references, there will be differences among registrants as to what information is included in the filings as opposed to on a corporate website, or what information is in the

[6] Instruction 1 to Regulation S-K Item 303(a).

[7] We encourage the use of hyperlinks to facilitate finding cross-referenced information, but hesitate to suggest that registrants be forced to use them. For larger, more complex companies, it may be quite useful and the necessary resources to do so may be easily deployed. That may not always be the case, and registrants should be able to evaluate based on their circumstances the benefits versus the burdens of using technological solutions, so long as cross-references provide sufficient direction to readers.

current filing as opposed to prior filings. To address concerns regarding a resulting increased difficulty in comparing registrants, or in some instances in finding information of a type commonly presented in one place or manner but not for a particular registrant, one approach we suggest is the use of an expanded detailed table of contents, tied to the items in the form in question.

For example, a company could include, under Part I, Item 1 Business of its Form 10-K,[8] a statement to the effect that "In addition to updating information on pages xx-xx of this filing, see our webpage under 'Investors Relations—Important Disclosure Matters' for a description of the regulatory regime under which we operate." For those form items for which a registrant has no responsive disclosure, the registrant could so indicate in the table of contents rather than including a sentence to that effect in the body of the filing or ignoring the item altogether. Similarly, for matters that are discussed in multiple places within a single filing, the table of contents could direct readers to the various locations, perhaps with a simple description of the aspects of the matter disclosed in each location.

An alternative approach to facilitate finding information that may appear in multiple places may be found in the internet disclosure by banks of information required under Basel III. Banks are allowed to incorporate information already contained in filings with the Commission rather than repeat it in the Basel III disclosure. They do so by including a "disclosure map" or "disclosure matrix" in their Basel III disclosure that provides a detailed list of each required topic accompanied by document and page numbers where the disclosure is presented.[9]

Whether a detailed table of contents including references both to internal and external disclosure or a disclosure map, in many cases, it would be desirable to hyperlink to the referenced disclosure (as many companies do today with their tables of contents for longer filings).

4. Risk Disclosure

Risk disclosure is an important part of comprehensive disclosure to the investment community, and under current rules, the Risk Factors section is a key component of that disclosure. As acknowledged in the Concept Release, Risk Factor sections are not as useful a means for understanding the risks faced by a particular registrant as they should be, in part to the extent that they are full of disclosure of risks that are generic, either to an industry or to publicly traded companies overall.

For example, in our industry, one of the most significant risks is the impact of governmental monetary policies, particularly those of the Federal Reserve, on market interest rates. Almost all banks and other lending and depository institutions face this risk in very similar ways and can (and generally do) describe it in their risk factors in language that would be equally applicable to numerous peer companies. As another example, any company that handles confidential customer information—banks, retailers, hospitals, etc.—today faces significant risks associated with potential cyber attacks. Here, too, the risk presents itself quite similarly to different companies, resulting in disclosure that, while not boilerplate, is generally not particularly distinctive from registrant to registrant. As a result, it can often be hard to prepare risk factors that truly focus on aspects of a risk that are specific to the registrant.

Another issue is the extent to which risk factors seem to be prepared more with an eye to potential litigation following stock drops in connection with negative business developments than to helping

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[8] For these purposes, our examples assume no change to the current Form 10-K and underlying Regulation S-K requirements.

[9] The Appendix to this letter includes PNC's disclosure map to its Basel III disclosures.

investors really understand the risks facing a company. Although, as discussed more generally above, this is undoubtedly as much the responsibility of practices developed over time by registrants and their lawyers as it is the result of the rules themselves, in today's litigation environment it is hard to reign in tendencies to over-disclose risks as protection against future adverse events, even those that are unlikely or affect all companies.

We do not think the solution is to limit the number of risk factors registrants are allowed to include or to cap the word count. Most importantly, each company needs to be able to determine what its key risks are and what about them needs to be communicated to investors. Artificially and formulaically limiting disclosure will not necessarily help investors and will expose registrants to liability risk based on disclosure they want to but are not allowed to make. Furthermore, the number of risk factors is driven as much by how granular a registrant breaks down its risks—for a bank, for example, interest rate risk and market risk could be viewed as either one risk or two separate risks and disclosed accordingly.

The solution is also not to force registrants to rank risk factors in order of importance or include some other form of numerical grading of the risks. Forced ranking of risk factors is just an invitation to second guessing reasonable judgments by registrants, with, the attendant liability risk. The risks most likely to come to pass may not present the greatest exposure; risk mitigation tools may affect risks of similar likelihood or similar potential magnitude differently. Looking again at banks, one of the biggest risks that we face as an industry is credit risk, which for the most part is reasonably generic across the industry. The risk of incurring credit losses at a level that would be concerning to investors is driven at least as much by macroeconomic factors outside of a bank's control (it is in fact a highly cyclical risk) than by individual lending decisions made by that bank. In addition, sometimes grouping risks of similar characteristics together makes more sense as a means of communication than putting them in any approximate order of importance.

Instead, we suggest the following as an alternative course. First, the Commission should clarify by rule that there is no liability for failing to include a risk factor that is generic, in other words, a risk factor that is (or should be) generally understood by reasonable investors to be applicable to companies in the registrants' industry or, for that matter, for public companies in general, except to the extent that there are aspects of the risk known to the registrant that affect it materially differently than other companies. Second, risk factor disclosure should be better integrated with other risk disclosure so that it includes, to the extent relevant, descriptions of how the registrant manages or mitigates the risk. Large financial institutions generally include such disclosure as part of their MD&A, which we believe is much more informative and useful to investors than the Risk Factor disclosure on the same topics. Financial institutions may have more to disclose regarding risk management than companies in many other industries, but we believe that accompanying risk factor disclosure with substantive risk management disclosure where appropriate will not have the effect of diminishing the strength of the risk disclosure but rather make it more meaningful.[10]

[10] We are not suggesting that registrants should merely add to the end of traditional Risk Factors a statement that they believe the risk in question is well-managed without a description of how they assess and manage the risk.

5. Public Policy Matters

The Concept Release seeks comments regarding the extent to which the Commission should require disclosure on topics of potential public interest, in particular regarding environmental, climate change and other sustainability issues and registrant political spending. We encourage the Commission not to adopt blanket rules requiring disclosure on such matters. We believe that the Commission's charge with respect to public company disclosure is to ensure access to information generally useful to investors. Disclosure to meet the desires of one interest group or another, no matter how noble or societally desirable, takes away from the core mission of the Commission, clutters disclosure with information of limited or narrow usefulness to investors and imposes unnecessary and disproportionate compliance burdens on registrants, particularly those for whom the disclosed matter is not particularly meaningful.

That is not to say that registrants should not provide disclosure in these areas if it is material to investors under generally applicable disclosure standards. The rules as they now stand require disclosure of risks, including if material any resulting from these types of matters, disclosure of the extent to which such matters have impacted results, if material, and disclosure of known trends in these areas, again if material. It is worth noting in this regard that many public companies, PNC included, provide disclosure on these types of topics outside of their public securities disclosure. For example, PNC has a Corporate Social Responsibility Report on our website. Registrants do so because they have constituencies, not exclusively investors although often including some of them, who are interested in these matters. Rather than jumping into this area any more than Congress has already mandated, we suggest that the Commission should not adopt new rules here. Instead, it could continue to provide guidance as to the relationship of disclosure rules generally to these areas and allow public companies and their constituencies to develop organically best practices as to the information on these topics that it makes sense for each company to provide to the marketplace.

6. Industry Guides

We agree that the Industry Guides should be updated.[11] In the process of modernizing Guide 3, we would also encourage the Commission to eliminate disclosures requirements that are duplicative of existing GAAP requirements to allow for a more effective industry guide that will not overlap or conflict with GAAP requirements.

In addition, we would recommend, to the extent the Commission believes that the guidance embodied in the Industry Guides remain useful, that it does not codify industry-specific requirements into Regulation S-K. Instead we suggest that it either retain the Industry Guides in an updated form or provide the relevant disclosure guidance in another way, such as through Staff Interpretations. Codifying the Industry Guides into Regulation S-K would not necessarily provide the disclosure consistency the Commission is seeking but could hamper future flexibility, reducing the usefulness of the guidance to investors going forward. From a registrant's perspective, including industry-specific disclosures in Regulation S-K will require compliance with disclosures that might not be meaningful. We do not feel that Guide 3's status as staff policy as opposed to Commission rule impacts the extent of registrant's compliance, but instead beneficially increases the flexibility to tailor disclosures based on facts and circumstances.

[11] As a bank holding company, we are primarily focused on Guide 3.

7. Costs of Compliance

The Concept Release inquires about the cost of compliance with the current disclosure requirements. It is very hard to provide information on this subject on an item by item basis, as the process for preparing disclosure is done on a substantially integrated basis.

That said, the preparation of securities filings is costly, involving at a company of PNC's size and complexity hundreds of employees putting in many thousands of hours. Information is gathered and analyzed, disclosure is drafted, reviewed and then revised, controls are developed, implemented and tested, and governance is applied to the output, with each aspect implicating significant internal and external resources. Thus, to whatever extent registrants can be relieved of the burden of supplying information that is not particularly relevant to investors or be provided tools for providing the information more efficiently, it could represent a meaningful savings.

Reducing the sheer volume of disclosure contained in an individual filing could also allow registrants to devote resources more effectively. At a company of PNC's size, many people are expected to review all or substantial portions of our disclosure documents, in some cases multiple times, before filing. More focused, directed disclosure, more of which is clearly important to investors, would likely receive a more focused review by members of management and the board of directors, thus leading to better quality disclosure.

It should be noted here that removing the obligation to disclose information in securities filings represents a savings even if the information is otherwise being created and even if it is otherwise being provided to third parties under circumstances where the registrant would exercise the same care and diligence that it does over its securities filings. This is because not including the information in securities filings eliminates the need for the outside auditors to perform their regular procedures in connection with financial information in securities filings. These procedures obviously are less rigorous than those in connection with the audit itself but can nonetheless be burdensome and costly. In addition, every time the information is included in a prospectus or other offering document by reference, this information can add to the burdens associated with comfort letters delivered to underwriters.[12]

8. XBRL

We recognize that XBRL is designed to increase transparency and improve the efficiency of capital markets by helping analysts and other users of financial and business information find relevant facts and more easily compare registrants. While we understand that the Commission is using XBRL data for economic analysis, we encourage the Commission to reach out to analysts, investors and other users of financial data to understand how they are using XBRL data and what information is more beneficial than others (e.g. level of tagging). We have consulted analysts and investors following PNC and note that none of these analysts and investors are utilizing XBRL data. They report that the XBRL data lacks sufficient standardization as the tags being used across registrants are not consistent enough to be analyzed effectively.

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[12] We understand that this particular savings opportunity would not apply to information disclosed outside the Form 10-K or Form 10-Q but included in that filing by reference. Eliminating—or not adding—the requirement to include items of disclosure that are not material to investors generally, or even reducing duplication within a filing, would, however, present this opportunity.

It is worth noting that, in its current state, the GAAP taxonomy, could be simplified and vagueness in the taxonomy could be removed to allow for more comparability between registrants' XBRL filings, in part by limiting the use of company-specific extensions. We view company-specific extensions as being appropriate only when the GAAP taxonomy does not provide a tag for a necessary financial element. We suggest the Commission continue its joint efforts with the FASB to enhance the GAAP taxonomy along with gathering ideas from registrants on improvements.

9. Conclusion

We thank the Commission for the opportunity to comment on the Concept Release 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,

John (JJ) Matthews
SVP Director of Finance Governance and SEC Reporting

Appendix—Example of PNC Pillar 3 Disclosure Map

Pillar 3 Disclosure	Description	Pillar 3 Report	Page References March 31, 2016 Form 10-Q	Page References 2015 Form 10-K
Introduction		**3**		
	Forward-Looking Statements	3	46	100
	Basis of Consolidation	3	53	109
	Basel III Overview	3	15	
Capital		**4**		
	Summary of Capital	4		29, 169, 188
	Restrictions on Transfer of Funds or Total Capital	5		195
	Capital Adequacy	5		
	Capital Ratios	5		
	Table 1: Capital Ratios	6	17	
	Table 2: Standardized Risk-Weighted Assets	7		
Credit Risk		**7**		
	Credit Risk Management	7	29	69, 71
	Summary of Credit Exposures	8	10, 11, 13, 53, 60, 72, 73, 75, 92, 108	109, 180
	Table 3: Loan Exposures by Remaining Contractual Maturity	8		
Credit Risk Mitigation		**9**		
Counterparty Credit Risk		**9**	92, 103	180
	Counterparty Credit Risk Mitigation	9		
	Collateral	10	92	
	Table 4: Counterparty Credit Risk Exposures	10		
Securitization		**10**		121
	Summary of Accounting Policies for Securitization Activities	11		109, 121
	Risk Management	11	60, 75	180
	Table 5: Securitization Exposures by Underlying Asset Type	11		
	Regulatory Treatment of Securitizations	11		
	Table 6: Capital Requirements of Securitization Exposures by Risk-Weighting	12		
Equities Not Subject to the Market Risk Rule		**12**	79	88, 109, 149
	Summary of Equity Investment Exposures	12	19, 38, 58	51, 88, 121
	Table 7: Book Value and Fair Value of Equity Exposures Not Subject to Market Risk Rule	13		
	Table 8: Capital Requirements of Equity Investment Exposures by Risk-Weighting	13		
Market Risk Capital		**13**		
	Governance of Covered Positions	14		
	Valuation Policies, Procedures & Methodologies	14	79	16, 149
	Value at Risk (VaR) Models	14		
	Table 9: VaR-Based Metrics	14		
	Back Testing	15		
	Model Validation	15		82
	Stress Testing	15		
	Securitization Positions	16		
Interest Rate Risk for Non-Trading Activities		**16**	39	
Supplementary Leverage Ratio		**16**		
	Table 10: Supplementary Leverage Ratio	17		
Glossary of Terms		**18**	42	96