

PNC Financial Services Group Business Resiliency Program

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Purpose of this Document

The PNC Financial Services Group (PNC) would like to introduce key elements of our Business Resiliency Program. The program is designed to provide the continuation of business processes, products, and services with little or no interruption regardless of the scope or type of incident. The program also strives to make sure that your assets will be secure and accessible, and that you will be able to reach us during a business interruption.

A. Introduction

The Business Resiliency Program manages the organization's capabilities to continue to provide services to our customers, which requires both resiliency (the flexibility of the organization to adapt to potential interruptions) and recovery (the ability to quickly return after a disruption). PNC prioritizes investments in people, processes, technology, and facilities based on business risk and criticality. Comprehensive testing validates PNC's resiliency and recovery capabilities while an integrated governance model provides transparent management reporting.

The program is built upon the following strategic imperatives:

- Continuous investments in resiliency and recovery capabilities
- Hardening of facilities, processes, and recovery solutions
- Elimination of single-points of 'workplace' failures (where feasible)
- Establishment of recovery times and continuous efforts to reduce possible downtime
- Determination of internal and external interdependencies
- Real-time management of crisis and event responses
- Testing, training, and validation of resiliency and recovery capabilities

B. Governance Model

The program management model is designed to provide centralized governance and oversight while enabling business ownership. Centrally managed business resiliency guidelines and tools provide for assessment and mitigation of risks and development of resiliency/recovery strategies. Each business segment has an established business resiliency team with defined roles and responsibilities to enable consistent business resiliency planning and execution across the enterprise.

C. Program Components

Analysis and Planning

PNC utilizes an integrated collection of tools and utilities to support the business resiliency lifecycle that includes: Risk Assessment, Impact Analysis, Risk Mitigation, Plan Development, Plan Maintenance, and Plan Notification. This approach allows for improved assessment and

analysis of business exposures and impact across the enterprise, as well as to enhance PNC's event management and crisis response protocols.

The following key objectives have been established:

- Understand business exposures and potential business impact;
- Develop and maintain plans that facilitate the recovery of key resources – people, processes, technology, facilities, and vendors;
- Provide transparent management reporting regarding recovery capabilities, residual risk, and remediation activities;
- Identify and prioritize enhancement opportunities;
- Coordinate remediation planning and investment prioritization;
- Facilitate risk-based decision-making; and,
- Develop escalation criteria and protocols to respond to a major event or crisis.

Operational Availability

PNC has developed a wide range of solutions including mirrored data-center storage for fail-over and immediate recovery, network diversity for points of failure, and redundant power feeds and back-up generators, as well as diversified and cross-trained human capital.

PNC maintains and continues to improve integrated recovery solutions for the mainframe, distributed systems, and network environments, as well as work area recovery for business processes. These solutions include high availability for critical customer and client web applications and mainframe applications, redundant network and bandwidth, call center Voice Response Unit (VRU) redundancy, and expanded internal and third party disaster recovery services.

Testing

PNC requires its businesses to validate recovery strategies at a minimum annually. Various forms of testing/exercises are conducted, such as evacuation drills, table-top exercises, alternate site relocation, system recovery, and infrastructure recovery. Tests and exercises are reviewed by both Internal Audit and various regulatory agencies. Gaps and enhancements are tracked and significant items are raised to the Risk Committee and senior level management for appropriate approval and action.

Annually, enterprise technology tests are conducted assuming the scenario that our primary data centers are inaccessible. These exercises are conducted utilizing both our internal and third party provided recovery locations in a real-time environment spanning mainframe, distributed systems, infrastructure, customer connectivity, and data validation.

Training and Awareness

PNC provides business resiliency planning awareness via internal meetings with lines of business, executive committee reviews, employee forums, and internal websites. Additionally, training guides have been developed and are maintained online to enhance accessibility for the use of the Business Resiliency planning tools.

Reporting

Management Reporting is an integrated part of PNC's Business Resiliency Program, designed to summarize and highlight recovery and business resumption capabilities for specific businesses and services – as well as to provide a transparent overview among interdependent business activities. The reporting components are presented in aggregated management reports and provided to executive management and various committees.

Crisis Management

Within the Crisis Management component of the Business Resiliency Program, PNC has established interfaces to a wide range of agencies, authorities and organizations, to receive incident and event notification allowing for a quick and coordinated crisis response. These steps, which also serve to mitigate and reduce impact to customer services, include:

- Established crisis management teams which conduct impact assessment, notify critical contacts, escalate to management, and coordinate overall response.
- Crisis communications that provide notification and impact assessment to employees, customers, regulators, and vendors.
- Scenario-based walkthroughs which promote an understanding of crisis response, impact assessment, and resumption capabilities.
- Testing of crisis management response processes, tools, and resources improving overall reliability of the crisis management program.

Pandemic Planning

PNC remains actively engaged in planning for a pandemic event. Specifically, PNC has focused enterprise-wide preparations on:

- Monitoring global alert and notification agencies;
- Reinforcement of good hygiene practices to help reduce the spread of viruses;
- The potential for widespread human capital impact; and,
- Business continuity utilizing remote access, work transfer, and social distancing.

PNC is closely aligned and coordinates our mitigation planning with guidance from the World Health Organization, United States Department of Health and Human Services (HHS)

Preparedness Council (whose members are from Local, State and Federal organizations), and the U. S. Centers for Disease Control and Prevention (CDC).

PNC also participates in financial industry forums and exercises with such agencies as BITS Financial Services Roundtable, American Bankers Association (ABA), and United States Treasury Department, and with regulatory authorities to improve response consistency.

D. Strategic Investments and Solutions Development

PNC is committed to strategically invest to enhance overall resiliency and competitiveness while providing recovery and resumption capabilities for the entire business value chain with...

1. A focus on technology infrastructure and operational interdependencies;
2. Continuous investments in human capital resiliency and business process resumption; and,
3. Prioritized investments in recovery and resumption solutions.

The strategic resiliency investment positions PNC and its business units to provide diverse and robust recovery capabilities and improve the overall resiliency capabilities to better serve our customers.

E. Strategic Partnerships

In addition to PNC's third party disaster recovery provider relationships and the established interfaces to the authorities participating in crisis management, PNC has developed multiple strategic partnerships to enhance overall resiliency capabilities. These include regional crisis response team representation, resource sharing, crisis and business continuity association memberships, and leadership in finance and security industries oversight committees.

F. Industry Trends

Companies across most industries have significantly increased their investments and resources relative to their resiliency capabilities. The financial industry has become more closely scrutinized by regulatory agencies due to the critical nature of its services and the resulting impact to the economy. PNC has positioned the Business Resiliency Program to stay abreast of new industry requirements and adapt our program to respond.

For questions and comments, please contact:
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