

FEDERAL RESERVE SYSTEM

WesBanco, Inc.
Wheeling, West Virginia

Order Approving the Merger of Bank Holding Companies

WesBanco, Inc. (“WesBanco”), Wheeling, West Virginia, a financial holding company within the meaning of the Bank Holding Company Act (“BHC Act”),¹ has requested the Board’s approval under section 3 of the BHC Act² to acquire Premier Financial Corp. (“Premier”), Defiance, Ohio, a financial holding company, and thereby indirectly acquire Premier’s state nonmember bank subsidiary, Premier Bank, Youngstown, Ohio. Following the proposed transaction, Premier Bank would be merged with and into WesBanco’s state nonmember bank subsidiary, WesBanco Bank, Inc. (“WesBanco Bank”), also of Wheeling.³

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (89 Federal Register 79294 (September 27, 2024)) in accordance with the Board’s Rules of Procedure.⁴ The time for submitting comments has expired, and the Board has considered the proposal and the comments received in light of the factors set forth in section 3 of the BHC Act.

¹ 12 U.S.C. § 1841 et seq.

² 12 U.S.C. § 1842.

³ The merger of Premier Bank with and into WesBanco Bank is subject to the approval of the Federal Deposit Insurance Corporation (“FDIC”), under section 18(c) of the Federal Deposit Insurance Act. 12 U.S.C. § 1828(c) (“Bank Merger Act”). The FDIC approved the Bank Merger Act application on January 24, 2025.

⁴ 12 CFR 262.3(b).

WesBanco, with consolidated assets of approximately \$18.5 billion, is the 101st largest insured depository organization in the United States.⁵ WesBanco controls approximately \$13.8 billion in consolidated deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. WesBanco controls WesBanco Bank, which operates in Indiana, Kentucky, Maryland, Ohio, Pennsylvania, and West Virginia. WesBanco Bank is the 41st largest insured depository institution in Indiana, controlling deposits of approximately \$639.2 million, which represent less than 1 percent of the total deposits of insured depository institutions in that state.⁶ WesBanco Bank is the 18th largest insured depository institution in Ohio, controlling deposits of approximately \$2.6 billion, which represent less than 1 percent of the total deposits of insured depository institutions in that state. WesBanco Bank is the 37th largest insured depository institution in Pennsylvania, controlling deposits of approximately \$1.6 billion, which represent less than 1 percent of the total deposits of insured depository institutions in that state.

Premier, with consolidated assets of approximately \$8.7 billion, is the 165th largest insured depository organization in the United States. Premier controls approximately \$7.2 billion in consolidated deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. Premier controls Premier Bank, which operates in Indiana, Michigan, Ohio, and Pennsylvania. Premier Bank is the 51st largest insured depository institution in Indiana, controlling deposits of approximately \$511.6 million, which represent less than 1 percent of the total deposits of insured depository institutions in that state. Premier Bank is the 12th largest insured depository institution in Ohio, controlling deposits of approximately \$6.2 billion, which represent approximately 1.2 percent of the total deposits of insured depository institutions in that state. Premier Bank is the 148th largest insured depository

⁵ Consolidated asset and national ranking data are as of September 30, 2024.

⁶ State deposit and ranking data as of June 30, 2024. In this context, insured depository institutions include commercial banks, savings associations, and savings banks.

institution in Pennsylvania, controlling deposits of approximately \$33.6 million, which represent less than 1 percent of the total deposits of insured depository institutions in that state.

On consummation of this proposal, WesBanco would become the 81st largest insured depository organization in the United States, with consolidated assets of approximately \$27.2 billion, which would represent less than 1 percent of the total assets of insured depository organizations in the United States. WesBanco would control total consolidated deposits of approximately \$21.0 billion, which would represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. In Indiana, WesBanco Bank would become the 28th largest insured depository institution, controlling deposits of approximately \$1.2 billion, which would represent less than 1 percent of the total deposits of insured depository institutions in that state. In Ohio, WesBanco Bank would become the eighth largest insured depository institution, controlling deposits of approximately \$8.8 billion, which would represent approximately 1.6 percent of the total deposits of insured depository institutions in that state. In Pennsylvania, WesBanco Bank would become the 36th largest insured depository institution, controlling deposits of approximately \$1.7 billion, which would represent less than 1 percent of the total deposits of insured depository institutions in that state.

Interstate Analysis

Section 3(d) of the BHC Act generally provides that, if certain conditions are met, the Board may approve an application by a bank holding company that is well capitalized and well managed to acquire control of a bank located in a state other than the home state of the bank holding company without regard to whether the transaction is prohibited under state law.⁷ The Board may not approve under this provision an application that would permit an out-of-state bank holding company to acquire a bank in a host state if the target bank has not been in existence for the lesser of the state statutory

⁷ 12 U.S.C. § 1842(d)(1)(A).

minimum period of time or five years.⁸ When determining whether to approve an application under this provision, the Board must take into account the record of the applicant's depository institution under the Community Reinvestment Act of 1977 ("CRA")⁹ and the applicant's record of compliance with applicable state community reinvestment laws.¹⁰ In addition, the Board may not approve an interstate application under this provision if the bank holding company controls or, upon consummation of the proposed transaction, would control more than 10 percent of the total deposits of insured depository institutions in the United States or, in certain circumstances, if the bank holding company, upon consummation, would control 30 percent or more of the total deposits of insured depository institutions in any state in which the acquirer and target have overlapping banking operations.¹¹

For purposes of this provision, the home state of WesBanco is West Virginia.¹² Premier Bank is located in Indiana, Michigan, Ohio, and Pennsylvania. WesBanco is well capitalized and well managed under applicable law. WesBanco Bank has an "Outstanding" rating under the CRA. The State of West Virginia has a state community reinvestment law that applies to this proposal, and the Board has considered the views of the West Virginia Division of Financial Institutions with regard to

⁸ 12 U.S.C. § 1842(d)(1)(B).

⁹ 12 U.S.C. § 2901 et seq.

¹⁰ 12 U.S.C. § 1842(d)(3).

¹¹ 12 U.S.C. § 1842(d)(2)(A) and (B). Under section 3(d) of the BHC Act, the acquiring and target organizations have overlapping banking operations in any state in which any bank to be acquired is located and the acquiring bank holding company controls any insured depository institution or a branch. For purposes of section 3(d) of the BHC Act, the Board considers a bank to be located in the states in which the bank is chartered or headquartered or operates a branch. See 12 U.S.C. § 1841(o)(4)–(7).

¹² 12 U.S.C. § 1841(o)(4). A bank holding company's home state is the state in which the total deposits of all banking subsidiaries of such company were the largest on July 1, 1966, or the date on which the company became a bank holding company, whichever is later.

WesBanco Bank's compliance with this law. Premier Bank has been in existence for more than five years.

On consummation of the proposed transaction, WesBanco would control less than 1 percent of the total amount of consolidated deposits in insured depository institutions in the United States. WesBanco and Premier have overlapping banking operations in Indiana, Ohio, and Pennsylvania. On consummation of the proposed transaction, WesBanco would control approximately 1.6 percent of the total amount of consolidated deposits in Ohio and less than 1 percent of the total amount of consolidated deposits in each of Indiana and Pennsylvania. Accordingly, in light of all the facts of record, the Board is not precluded from approving the proposal under section 3(d) of the BHC Act.

Competitive Considerations

Section 3 of the BHC Act prohibits the Board from approving a proposal that would result in a monopoly or would be in furtherance of an attempt to monopolize the business of banking in any relevant market.¹³ The BHC Act also prohibits the Board from approving a proposal that would substantially lessen competition or tend to create a monopoly in any banking market, unless the anticompetitive effects of the proposal are clearly outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the communities to be served.¹⁴

WesBanco and Premier have subsidiary banks that compete directly in the Columbus, Ohio, banking market (“Columbus market”); the Pittsburgh, Pennsylvania, banking market (“Pittsburgh market”); and the Wheeling, West Virginia–Ohio, banking market (“Wheeling market”).¹⁵ The Board has considered the competitive effects of the

¹³ 12 U.S.C. § 1842(c)(1)(A).

¹⁴ 12 U.S.C. § 1842(c)(1)(B).

¹⁵ The Columbus market is defined as Franklin, Delaware, Fairfield, Hocking, Licking, Madison, Morrow, Pickaway, and Union counties and Perry County (minus Harrison Township), all in Ohio. The Pittsburgh market is defined as Allegheny, Armstrong, Beaver, Butler, Greene, Lawrence, Washington, and Westmoreland counties and Fayette

proposal in these banking markets. In particular, the Board has considered the relative share of total deposits in insured depository institutions in the markets (“market deposits”) that WesBanco would control;¹⁶ the concentration level of market deposits and the increase in this level, as measured by the Herfindahl-Hirschman Index (“HHI”) under the 1995 Bank Merger Competitive Review guidelines (“1995 Bank Merger Guidelines”);¹⁷ the number of competitors that would remain in each market; and other characteristics of the markets.

Banking Markets Within Established Criteria

Consummation of the proposal would be consistent with Board precedent and within the thresholds in the 1995 Bank Merger Guidelines in the Columbus and Pittsburgh markets. On consummation, both banking markets would remain highly concentrated, as measured by the HHI. The HHI would be unchanged in both markets

County (minus Point Marion Borough and Springhill Township), all in Pennsylvania. The Wheeling market is defined as Ohio and Marshall counties in West Virginia and Belmont County, Ohio.

¹⁶ Local deposit and market share data are as of June 30, 2024, and are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors to commercial banks. See, e.g., Midwest Financial Group, 75 Federal Reserve Bulletin 386 (1989); National City Corporation, 70 Federal Reserve Bulletin 743 (1984). Thus, the Board regularly has included thrift deposits in market share calculations on a 50 percent weighted basis. See, e.g., First Hawaiian, Inc., 77 Federal Reserve Bulletin 52 (1991).

¹⁷ Department of Justice, Bank Merger Competitive Review – Introduction and Overview, <https://www.justice.gov/sites/default/files/atr/legacy/2007/08/14/6472.pdf> (1995). On September 17, 2024, the U.S. Department of Justice (“DOJ”) announced its withdrawal from the 1995 Bank Merger Guidelines and emphasized that the 2023 Merger Guidelines, issued on December 18, 2023, remain its sole and authoritative statement across all industries. Press Release, Department of Justice, “Justice Department Withdraws from 1995 Bank Merger Guidelines,” <https://www.justice.gov/opa/pr/justice-department-withdraws-1995-bank-merger-guidelines>. The 1995 Bank Merger Guidelines had been adopted together with the federal banking agencies, and none of the federal banking agencies have withdrawn from the 1995 Bank Merger Guidelines. The Board continues to apply the 1995 Bank Merger Guidelines in evaluating bank merger proposals.

and consistent with Board precedent. WesBanco would have less than 1 percent market share in both markets following the consummation of the proposed transaction, and numerous competitors would remain in both banking markets.¹⁸

Banking Market Warranting Special Scrutiny

The structural effects that consummation of the proposal would have in the Wheeling market warrant a detailed review, because the concentration levels on consummation would exceed Board precedent when using initial merger screening data.

WesBanco is the largest depository organization in the Wheeling market, controlling approximately \$2.6 billion in deposits, which represent approximately 47.1 percent of market deposits. Premier is the 11th largest depository organization in the market, controlling approximately \$27.7 million in deposits, which represent less than 1 percent of market deposits. On consummation of the proposal, WesBanco would remain the largest depository organization in the Wheeling market, controlling approximately \$2.6 billion in deposits, which would represent approximately

¹⁸ WesBanco is the 15th largest depository organization in the Columbus market, controlling approximately \$475.5 million in deposits, which represent less than 1 percent of market deposits. Premier is the 30th largest depository organization in the market, controlling approximately \$127.8 million in deposits, which represent less than 1 percent of market deposits. On consummation of the proposed transaction, WesBanco would remain the 15th largest depository organization in the market, controlling deposits of approximately \$603.3 million, which would represent less than 1 percent of market deposits. The HHI for the Columbus market would be unchanged at 2434, and 51 competitors would remain in the market.

WesBanco is the 12th largest depository organization in the Pittsburgh market, controlling approximately \$1.6 billion in deposits, which represent less than 1 percent of market deposits. Premier is the 43rd largest depository organization in the market, controlling approximately \$33.6 million in deposits, which represent less than 1 percent of market deposits. On consummation of the proposed transaction, WesBanco would remain the 12th largest depository organization in the market, controlling deposits of approximately \$1.7 billion, which would represent less than 1 percent of market deposits. The HHI for the Pittsburgh market would be unchanged at 3144, and 48 competitors would remain in the market.

47.6 percent of market deposits. The HHI in this market would increase 47 points to a level of 2599.

The Board has considered whether factors either mitigate the competitive effects of the proposal or indicate that the proposal would not have a significantly adverse effect on competition in the Wheeling market.¹⁹ First, two thrift institutions in the market have a commercial and industrial loan portfolio similar to those of commercial banks in the Wheeling market, as measured in terms of the ratios of those types of loans to total loans and assets. Accordingly, the Board has concluded that deposits controlled by these institutions should be weighted at 100 percent in the market-share calculations.²⁰

In addition, the Board has considered whether two credit unions in the market would merit inclusion at higher weights. Each of these credit unions is open to at least 75 percent of residents in the market, maintains street-level branches, and offers a

¹⁹ The number and strength of factors necessary to mitigate the competitive effects of a proposal depend on the size of the increase in, and resulting level of, concentration in a banking market. See Magnolia Banking Corporation, FRB Order No. 2019-15 (Oct. 11, 2019); see also NationsBank Corporation, 84 Federal Reserve Bulletin 129 (1998).

²⁰ The standard treatment of thrifts in the competitive analysis is to give their deposits 50 percent weighting to reflect their limited lending to small businesses relative to banks' lending levels. The Board previously has indicated, however, that it may consider the competitiveness of a thrift institution at a level greater than 50 percent of its deposits when appropriate if competition from the institution closely approximated competition from a commercial bank. See, e.g., Banknorth Group, Inc., 75 Federal Reserve Bulletin 703 (1989). Where, as here, the facts and circumstances of a banking market indicate that a particular thrift serves as a significant source of commercial loans and provides a broad range of consumer, mortgage, and other banking products, the Board has concluded that competition from such a thrift closely approximates competition from a commercial bank and that deposits controlled by the institution should be weighted at 100 percent in market-share calculations. See, e.g., BB&T Corporation, FRB Order No. 2019-16 (Nov. 19, 2019); Associated Banc-Corp, FRB Order No. 2018-03 (Jan. 23, 2018); First Horizon National Corporation, FRB Order No. 2017-29 (Oct. 30, 2017); Huntington Bancshares Incorporated, FRB Order No. 2016-13 (July 29, 2016); River Valley Bancorp, FRB Order No. 2012-10 (Oct. 17, 2012); Regions Financial Corporation, 93 Federal Reserve Bulletin C16 (2007); Banknorth Group, Inc., *supra*.

broad range of banking products.²¹ The Board finds that the deposits of each credit union with these characteristics should be included at a 50 percent weight in estimating the credit union's market influence (each a "qualifying credit union"). This weighting takes into account the limited lending done by credit unions to small businesses relative to commercial banks' lending levels. After weighting the deposits of two thrifts at 100 percent and two qualifying credit unions at 50 percent, WesBanco would control approximately 45.5 percent of market deposits, and the HHI would increase by 43 points to a level of 2403.

The Board also has considered other aspects of the structure of the Wheeling market that mitigate the competitive effects of the proposal or indicate that the proposal would not have a significantly adverse effect on competition in the Wheeling market. Small business loan originations show that the deposit HHI overstates the merger's competitive effects within the broader cluster of banking products in the Wheeling market.²² Moreover, although consummation of this proposal would eliminate one existing competitor, the Wheeling market would continue to be served by 14 other depository organizations.²³ The presence of multiple competitors suggests that WesBanco Bank would have limited ability to offer less attractive terms to consumers unilaterally and that these competitors would be able to exert competitive pressure on WesBanco Bank in the Wheeling market. Furthermore, the Board notes that the increase in the deposit concentration levels in the Wheeling market would be very small and would be consistent with the 1995 Bank Merger Guidelines.

²¹ The Board previously has considered competition from certain active credit unions with these features as a mitigating factor. See, e.g., Bank First Corporation, FRB Order No. 2022-17 (June 22, 2022); MidWestOne Financial Group, Inc., FRB Order No. 2022-15 (May 23, 2022); Passumpsic Bancorp, 92 Federal Reserve Bulletin C175 (2006).

²² Analysis of available data suggests the transaction is unlikely to have an adverse competitive impact on small business lending in the market; on consummation, WesBanco Bank would control approximately 6.9 percent of market small business lending, and the small business loan HHI would increase by 10 points to 2546.

²³ These competitors include the qualifying credit unions discussed supra.

Conclusion Regarding Competitive Effects

The DOJ also has conducted a review of the potential competitive effects of the proposal and has advised the Board that it did not conclude that the proposal would have a significantly adverse effect on competition. In addition, the appropriate banking agencies have been afforded an opportunity to comment and have not objected to the proposal.

Based on all the facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition or on the concentration of resources in any relevant banking market. Accordingly, the Board determines that competitive considerations are consistent with approval.

Financial, Managerial, and Other Supervisory Considerations

In reviewing a proposal under section 3 of the BHC Act, the Board considers the financial and managerial resources and the future prospects of the institutions involved, the effectiveness of the institutions in combatting money laundering, and any public comments on the proposal.²⁴ In its evaluation of financial factors, the Board reviews information regarding the financial condition of the organizations involved on both parent-only and consolidated bases, as well as information regarding the financial condition of the subsidiary depository institutions and the organizations' significant nonbanking operations. In this evaluation, the Board considers a variety of public and supervisory information regarding capital adequacy, asset quality, liquidity, and earnings performance, as well as any public comments on the proposal. The Board evaluates the financial condition of the combined organization, including its capital position, asset quality, liquidity, earnings prospects, and the impact of the proposed funding of the transaction. The Board also considers the ability of the organization to absorb the costs of the proposal and to complete the proposed integration of the operations of the institutions effectively. In assessing financial factors, the Board considers capital adequacy to be especially important. The Board considers the future

²⁴ 12 U.S.C. § 1842(c)(2), (5), and (6).

prospects of the organizations involved in the proposal in light of their financial and managerial resources and the proposed business plan.

WesBanco, Premier, and their subsidiary depository institutions are well capitalized, and the combined organization would remain so upon consummation of the proposal. The proposed transaction is a bank holding company merger that is structured as a share exchange, followed by a merger of Premier Bank into WesBanco Bank.²⁵ The capital, asset quality, earnings, and liquidity of WesBanco are consistent with approval, and WesBanco and WesBanco Bank appear to have adequate resources to absorb the related costs of the proposal and to complete the integration of the institutions' operations. In addition, the future prospects of the institutions are considered consistent with approval.

The Board also has considered the managerial resources of the organizations involved and of the proposed combined organization. The Board has reviewed the examination records of WesBanco, Premier, and their subsidiary depository institutions, including assessments of their management, risk-management systems, and operations. In addition, the Board has considered information provided by WesBanco; the Board's supervisory experiences and those of other relevant bank supervisory agencies with the organizations; and the organizations' records of compliance with applicable banking, consumer protection, and anti-money-laundering laws.

WesBanco, Premier, WesBanco Bank, and Premier Bank are each considered to be well managed. The combined organization's proposed directors and senior executive officers have knowledge of and experience in the banking and financial services sectors, and WesBanco's risk-management program appears consistent with approval of this proposal.

²⁵ To effect the transaction, each share of Premier common stock would be converted into the right to receive shares of WesBanco common stock based on an exchange ratio, plus cash in lieu of any fractional shares. WesBanco has the financial resources to effect the proposed transaction.

The Board also has considered WesBanco's plans for implementing the proposal. WesBanco has conducted comprehensive due diligence and is devoting sufficient financial and other resources to address all aspects of the post-acquisition integration process for this proposal. In addition, WesBanco's management has the experience and resources to operate the resulting organization in a safe and sound manner.

Based on all the facts of record, including WesBanco's and Premier's supervisory records, managerial and operational resources, and plans for operating the combined organization after consummation, the Board determines that considerations relating to the financial and managerial resources and the future prospects of the organizations involved in the proposal, as well as the records of effectiveness of WesBanco and Premier in combatting money-laundering activities, are consistent with approval.

Convenience and Needs Considerations

In acting on a proposal under section 3 of the BHC Act, the Board considers the effects of the proposal on the convenience and needs of the communities to be served.²⁶ In evaluating whether the proposal satisfies the convenience and needs statutory factor, the Board considers the impact that the proposal will or is likely to have on the communities served by the combined organization. The Board reviews a variety of information to determine whether the relevant institutions' records demonstrate a history of helping to meet the needs of their customers and communities. The Board also reviews the combined institution's post-consummation plans and the expected impact of those plans on the communities served by the combined institution, including on low- and moderate-income ("LMI") individuals and communities. The Board considers whether the relevant institutions are helping to meet the credit needs of the communities they

²⁶ 12 U.S.C. § 1842(c)(2). Where applicable, the Board also considers any timely substantive comments on the proposal and, in its discretion, may consider any untimely substantive comments on the proposal.

serve and are providing access to banking products and services that meet the needs of customers and communities, including the potential impact of branch closures, consolidations, and relocations on that access. In addition, the Board reviews the records of the relevant depository institutions under the CRA.²⁷ The Board strongly encourages insured depository institutions to help meet the credit needs of the local communities in which they operate, consistent with the institutions' safe and sound operation and their obligations under the CRA.²⁸

In addition, the Board considers the banks' overall compliance records and recent fair lending examinations. Fair lending laws require all lending institutions to provide applicants with equal access to credit, regardless of their race, ethnicity, gender, or certain other characteristics. The Board also considers assessments of other relevant supervisors, the supervisory views of examiners, other supervisory information, information provided by the applicant, and public comments on the proposal. The Board also may consider the acquiring institution's business model and intended marketing and outreach, the combined organization's plans after consummation, and any other information the Board deems relevant.

In assessing the convenience and needs factor in this case, the Board has considered all the facts of record, including reports of examination of the CRA performance of WesBanco Bank and Premier Bank; the fair lending and compliance records of both banks; the supervisory views of the FDIC and the Consumer Financial Protection Bureau ("CFPB"); confidential supervisory information; and information provided by WesBanco.

The Board also considered 32 comments on the proposed transaction. The commenters generally supported the proposed transaction and discussed WesBanco's efforts to support the communities in which it operates. One commenter favorably described WesBanco's lending products and services designed to support homeownership

²⁷ 12 U.S.C. § 2901 et seq.

²⁸ See 12 U.S.C. § 2901(b).

in LMI communities. Another commenter praised WesBanco’s support for nonprofit initiatives and programs.

Records of Performance under the CRA

In evaluating the CRA performance of the involved institutions, the Board generally considers each institution’s most recent CRA evaluation and the supervisory views of relevant federal supervisors, which in this case is the FDIC with respect to both WesBanco Bank and Premier Bank.²⁹ In addition, the Board considers information provided by the applicant and public commenters.

The CRA requires that the appropriate federal financial supervisor for a depository institution prepare a written evaluation of the institution’s record of helping to meet the credit needs of its entire community, including LMI neighborhoods.³⁰ An institution’s most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation by the institution’s primary federal supervisor of the institution’s overall record of lending in its communities.

In general, federal financial supervisors apply a lending test (“Lending Test”), an investment test (“Investment Test”), and a service test (“Service Test”) to evaluate the performance of large banks, such as WesBanco Bank and Premier Bank, in helping to meet the credit needs of the communities they serve. The Lending Test specifically evaluates an institution’s lending-related activities to determine whether the institution is helping to meet the credit needs of individuals and geographies of all income levels. As part of the Lending Test, examiners review and analyze an institution’s data reported under the Home Mortgage Disclosure Act of 1975 (“HMDA”),³¹ in addition to small business, small farm, and community development

²⁹ See Interagency Questions and Answers Regarding Community Reinvestment, 81 Federal Register 48506, 48548 (July 25, 2016).

³⁰ 12 U.S.C. § 2906.

³¹ 12 U.S.C. § 2801 et seq.

loan data collected and reported under the CRA regulations, to assess an institution’s lending activities with respect to borrowers and geographies of different income levels. The institution’s lending performance is evaluated based on a variety of factors, including (1) the number and amounts of home mortgage, small business, small farm, and consumer loans (as applicable) in the institution’s CRA assessment areas (“AAs”); (2) the geographic distribution of the institution’s lending, including the proportion and dispersion of the institution’s lending in its AAs and the number and amounts of loans in low-, moderate-, middle-, and upper-income geographies; (3) the distribution of loans based on borrower characteristics, including, for home mortgage loans, the number and amounts of loans to low-, moderate-, middle-, and upper-income individuals;³² (4) the institution’s community development lending, including the number and amounts of community development loans and their complexity and innovativeness; and (5) the institution’s use of innovative or flexible lending practices to address the credit needs of LMI individuals and geographies.³³ The Investment Test evaluates the number and amounts of qualified investments that benefit the institution’s AAs. The Service Test evaluates the availability and effectiveness of the institution’s systems for delivering retail banking services and the extent and innovativeness of the institution’s community development services.³⁴

CRA Performance of WesBanco Bank

WesBanco Bank was assigned an overall rating of “Outstanding” at its most recent CRA performance evaluation by the FDIC, as of November 14, 2022

³² Examiners also consider the number and amounts of small business and small farm loans made to businesses and farms with gross annual revenues of \$1 million or less; small business and small farm loans by loan amount at origination; and consumer loans, if applicable, to low-, moderate-, middle-, and upper-income individuals. See, e.g., 12 CFR 228.22(b)(3) (2023).

³³ See 12 CFR 228.22(b) (2023).

³⁴ See 12 CFR 228.23 and 228.24 (2023).

(“WesBanco Bank Evaluation”).³⁵ The bank received “Outstanding” ratings for both the Lending and Service Tests and a “High Satisfactory” rating for the Investment Test.³⁶

With respect to the Lending Test, examiners noted that lending levels reflected good responsiveness to the AAs’ credit needs, and a substantial majority of loans were made in the institution’s AAs. Examiners noted that the geographic distribution of loans reflected adequate penetration throughout the AAs, and the distribution of loans to borrowers of different incomes and businesses of different sizes was good. Examiners also noted that the institution’s level of community development loans, and its level of flexible or innovative products, were substantial. Examiners stated

³⁵ The WesBanco Bank Evaluation was conducted using Large Institution CRA Examination Procedures. Examiners reviewed home mortgage and small business lending for 2019, 2020, and 2021 for all rated areas and AAs, except Maryland and related AAs. For Maryland and related AAs, only lending for 2020 and 2021 was reviewed, as the bank did not enter these markets until December 2019. Examiners also reviewed community development activities from July 22, 2019, through September 30, 2022.

³⁶ The WesBanco Bank Evaluation involved a full-scope review of the bank’s activities in the Columbus, Ohio, Metropolitan Statistical Area (“MSA”) AA; the Ohio Non-MSA AA (comprising Athens, Gallia, Guernsey, Harrison, Jackson, Monroe, Noble, Ross, Scioto, Vinton, and Washington counties, all in Ohio, although Athens County was removed from the AA in February 2022 due to the closure of the only branch in the county); the Baltimore–Columbia–Towson, Maryland, MSA AA; the Washington–Arlington–Alexandria, District of Columbia–Virginia–Maryland–West Virginia, MSA AA (comprising Charles, Calvert, and Prince George’s counties, all in Maryland); the Pittsburgh, Pennsylvania, MSA AA; the West Virginia Non-MSA AA (comprising Harrison, Marion, Tyler, and Wetzel counties, all in West Virginia); the Morgantown, West Virginia, MSA; the Lexington–Fayette, Kentucky, MSA AA; the Indiana Non-MSA AA (comprising Scott County, Indiana); the Cincinnati, Ohio–Kentucky–Indiana, MSA AA (the “Cincinnati AA”); the Louisville–Jefferson County, Kentucky–Indiana, MSA AA (the “Louisville AA”); the Wheeling, West Virginia–Ohio, MSA AA; the Huntington–Ashland, West Virginia–Kentucky–Ohio, MSA AA (the “Huntington AA”); and the Weirton–Steubenville, West Virginia–Ohio MSA AA. Examiners also conducted a limited-scope review of WesBanco Bank’s remaining AAs.

Examiners noted that a significant portion of lending as well as high percentages of the deposits and branches are in Ohio and Maryland. Therefore, Ohio and Maryland received the most weight in the overall conclusions and ratings.

that the bank's overall performance was consistent with that of the rated areas, with the exception of Maryland, which was rated "High Satisfactory."

With respect to the Investment Test, examiners noted that WesBanco Bank maintained a significant level of qualified investments and donations, occasionally in a leadership position, particularly those that are not routinely provided by private investors. Examiners noted that, considering available investment opportunities, the bank's qualified investments demonstrated good responsiveness to the credit and community development needs of the AAs. Examiners also noted that the bank made occasional use of innovative or complex investments to support community development initiatives.

With respect to the Service Test, examiners noted that delivery systems were accessible to essentially all portions of the AAs. Examiners noted that, to the extent changes have been made, the institution's opening and closing of branches had not adversely affected the accessibility of its delivery systems, particularly in LMI geographies or to LMI individuals. Examiners stated that services and business hours were tailored to the convenience and needs of the AA, particularly LMI geographies and individuals and that WesBanco Bank was a leader in providing community development services.

WesBanco Bank's Efforts since the WesBanco Bank Evaluation

WesBanco represents that, since the WesBanco Bank Evaluation, WesBanco Bank has continued its community reinvestment activities and has taken actions to help serve the needs of LMI individuals and communities in its AAs. Specifically, WesBanco represents that in November 2023, WesBanco Bank's wholly owned subsidiary community development corporation hosted a Business Resource Event for small business owners. WesBanco represents that in 2024, WesBanco Bank introduced its CRA Opportunity Small Business Loan, an unsecured loan product specifically for small businesses located in LMI areas. WesBanco represents that WesBanco Bank is a member of the Federal Home Loan Bank of Pittsburgh ("FHLB Pittsburgh"), through which it is able to offer the majority of FHLB Pittsburgh's community investment programs, including its version of the Affordable Housing

Program grant and its homebuyer downpayment assistance program known as First Front Door. WesBanco represents that in 2023, WesBanco employees provided qualified CRA services in the form of financial education and technical assistance support to organizations in the community served by WesBanco Bank. WesBanco represents that WesBanco Bank plans to expand the Community Development Department with a minimum of five employees to accommodate the proposal and organic growth.

CRA Performance of Premier Bank

Premier Bank was assigned an overall rating of “Satisfactory” at its most recent CRA performance evaluation by the FDIC, as of January 13, 2022 (“Premier Bank Evaluation”).³⁷ Premier Bank received a rating of “Low Satisfactory” for the Lending, Investment, and Service Tests.³⁸

With respect to the Lending Test, examiners noted that Premier Bank’s lending levels reflected good responsiveness to the credit needs in its AAs with a high percentage of home mortgage loans and small business loans originated in the AAs. Examiners noted that the geographic distribution of loans reflected adequate distribution throughout the AAs and the distribution of loans reflected adequate distribution among individuals of different income levels and businesses of different sizes. Examiners stated that the bank exhibited an adequate record of serving the credit needs of most of the economically disadvantaged areas of its AAs, LMI individuals, and small businesses,

³⁷ The Premier Bank Evaluation was conducted using Large Institution CRA Examination Procedures. Examiners considered home mortgage, small business, and small farm lending in 2019 and 2020.

³⁸ The Premier Bank Evaluation involved a full-scope review of the bank’s activities in the Ohio Non-MSA AA (comprising Ashland, Columbiana, Crawford, Defiance, Erie, Hancock, Henry, Huron, Marion, Paulding, Putnam, Sandusky, Seneca, Van Wert, Williams, and Wyandot counties, all in Ohio); the Michigan Non-MSA AA (comprising Hillsdale and Lenawee counties, both in Michigan); the Fort Wayne, Indiana, MSA AA; and the Pittsburgh, Pennsylvania, MSA AA. Examiners also conducted a limited-scope review of Premier Bank’s remaining AAs.

consistent with safe and sound banking practices, but made limited use of innovative or flexible lending practices in order to serve the credit needs of its AAs.

With respect to the Investment Test, examiners stated that Premier Bank had an adequate level of qualified community development investments and grants and exhibited adequate responsiveness to credit and community economic development needs. Examiners stated that the bank occasionally utilized innovative or complex investments to support community development initiatives.

With respect to the Service Test, examiners indicated that delivery systems were reasonably accessible to essentially all portions of the bank's AAs and that, to the extent changes were made, the bank's closing of branches had not generally adversely affected the accessibility of its delivery systems, particularly in LMI geographies or to LMI individuals. Examiners stated that services and business hours did not vary in a way that inconvenienced portions of the AA, particularly LMI geographies or individuals, and that the bank provided an adequate level of community development services in the form of volunteer hours, bank programs, and technical assistance.

Premier Bank's Efforts since the Premier Bank Evaluation

WesBanco represents that, since the Premier Bank Evaluation, Premier Bank has taken additional measures to strengthen its CRA performance, including an annual self-assessment process, implementation of CRA dashboards to apprise employees of progress toward meeting CRA benchmarks, and the hiring of additional employees, including an additional community development officer and two CRA fair banking compliance analysts in 2023, and a director of fair banking and a CRA officer in 2022. Moreover, WesBanco represents that Premier Bank sought new investments in Michigan, Indiana, and Pennsylvania. WesBanco represents that in 2023, Premier established a connection with the University of Pittsburgh's Small Business Development Corporation. Finally, WesBanco represents that Premier Bank is presently a member of the Federal Home Loan Bank of Cincinnati ("FHLB Cincinnati"), through which it is able to offer many of FHLB Cincinnati's community products to its clients, including the Affordable

Housing Program grant and Welcome Home downpayment and closing cost assistance program.

Additional Supervisory Views

In its review of the proposal, the Board consulted with and considered the views of the FDIC, as the primary federal supervisor of both WesBanco Bank and Premier Bank. The Board also considered the results of the most recent consumer compliance examinations of WesBanco Bank and Premier Bank, which included reviews of the banks' compliance management programs and their compliance with consumer protection laws and regulations, including fair lending. The Board also considered the supervisory views of the CFPB regarding WesBanco Bank.

The Board has taken this information, as well as the CRA performance records of WesBanco Bank and Premier Bank, into account in evaluating the proposal, including in considering whether WesBanco has the experience and resources to ensure that the combined organization would help meet the credit needs of the communities to be served following consummation of the proposed transaction.

Additional Convenience and Needs Considerations

The Board also considers other potential effects of the proposal on the convenience and needs of the communities to be served.³⁹ This includes, for example, the combined organization's business model and intended marketing and outreach and existing and anticipated product and service offerings in the communities to be served by the organization; any additional plans the combined organization has for meeting the needs of its communities following consummation; and any other information the Board deems relevant.

WesBanco represents that the merger will result in expanded product offerings for Premier Bank's customers, including trust, wealth management, and private banking services currently offered by WesBanco Bank. WesBanco also represents that

³⁹ The Board received a letter questioning the benefits of the proposal for customers of Premier.

current customers would benefit from an expanded branch network and an expanded availability of residential real estate mortgage loans, consumer loans, and home equity loans. WesBanco also represents that it does not anticipate that any services or products offered by Premier Bank would be discontinued as a result of the transaction.

Branch Closures

Physical branches remain important to many banking organizations' ability to meet the credit needs of the local communities in which they operate. When banking organizations combine, whether through acquisitions, mergers, or consolidations, the combination has the potential to increase or to reduce consumers' and small businesses' access to available credit and other banking services. Although the Board does not have the authority to prohibit a bank from closing a branch, the Board focuses on the impact of expected branch closures, consolidations, and relocations that occur in connection with a proposal on the convenience and needs of the communities to be served by the resulting institution. In particular, the Board considers the effect of any closures, consolidations, or relocations on LMI communities.

Federal banking law provides a specific mechanism for addressing branch closings, including requiring that a bank provide notice to the public and the appropriate federal supervisory agency before a branch is closed.⁴⁰ In addition, the federal banking supervisory agencies evaluate a bank's record of opening and closing branches, particularly branches located in LMI geographies or that primarily service LMI individuals, as part of the CRA examination process.⁴¹

WesBanco has indicated that branch consolidations may occur in connection with the proposed transaction. In the WesBanco Bank Evaluation, examiners noted that, to the extent changes have been made, the institution's opening and closing of branches had not adversely affected the accessibility of its delivery systems, particularly

⁴⁰ See 12 U.S.C. § 1831r-1. The bank also is required to provide reasons and other supporting data for the closure, consistent with the institution's written policy for branch closings.

⁴¹ See, e.g., 12 CFR 228.24(d)(2) (2023).

in LMI geographies or to LMI individuals. In the Premier Bank Evaluation, examiners found that, to the extent changes were made, the bank’s closing of branches had not generally adversely affected the accessibility of its delivery systems, particularly in LMI geographies or to LMI individuals. The Board has consulted with the FDIC regarding WesBanco Bank’s post-consummation branching plans.

Conclusion on Convenience and Needs Considerations

The Board has considered all the facts of record, including the records of the relevant depository institutions under the CRA, the institutions’ records of compliance with fair lending and other consumer protection laws, supervisory information, information provided by WesBanco, the public comments on the proposal, and other potential effects of the proposal on the convenience and needs of the communities to be served. Based on that review, the Board determines that the convenience and needs factor is consistent with approval.

Financial Stability Considerations

Section 3 of the BHC Act requires the Board to consider “the extent to which a proposed acquisition, merger, or consolidation would result in greater or more concentrated risks to the stability of the United States banking or financial system.”⁴²

To assess the likely effect of a proposed transaction on the stability of the United States banking or financial system, the Board considers a variety of metrics that capture the systemic “footprint” of the resulting firm and the incremental effect of the transaction on the systemic footprint of the acquiring firm. These metrics include measures of the size of the resulting firm, the availability of substitute providers for any critical products and services offered by the resulting firm, the interconnectedness of the resulting firm with the banking or financial system, the extent to which the resulting firm contributes to the complexity of the financial system, and the extent of the cross-border

⁴² 12 U.S.C. § 1842(c)(7).

activities of the resulting firm.⁴³ These categories are not exhaustive, and additional categories could inform the Board’s decision.

In addition to these quantitative measures, the Board considers qualitative factors, such as the opacity and complexity of an institution’s internal organization, that are indicative of the relative degree of difficulty of resolving the resulting firm. A financial institution that can be resolved in an orderly manner is less likely to inflict material damage on the broader economy.⁴⁴

The Board’s experience has shown that proposals involving an acquisition of less than \$10 billion in total assets, or that result in a firm with less than \$100 billion in total assets, generally are not likely to pose systemic risks. Accordingly, the Board presumes that a proposal does not raise material financial stability concerns if the assets involved fall below either of these size thresholds, absent evidence that the transaction would result in a significant increase in interconnectedness, complexity, cross-border activities, or other risk factors.⁴⁵

In this case, the Board has considered information relevant to risks to the stability of the United States banking or financial system. The proposal involves a target with less than \$10 billion in total assets and a pro forma organization with less than \$100 billion in total assets. Both the acquirer and the target are predominantly engaged in retail and commercial banking activities.⁴⁶ The pro forma organization would not

⁴³ Many of the metrics considered by the Board measure an institution’s activities relative to the United States financial system.

⁴⁴ For further discussion of the financial stability standard, see Capital One Financial Corporation, FRB Order No. 2012-2 (Feb. 14, 2012).

⁴⁵ See People’s United Financial, Inc., FRB Order No. 2017-08 at 25–26 (Mar. 16, 2017). Notwithstanding this presumption, the Board has the authority to review the financial stability implications of any proposal. For example, an acquisition involving a global systemically important bank could warrant a financial stability review by the Board, regardless of the size of the acquisition.

⁴⁶ WesBanco and Premier offer a range of retail and commercial banking products and services. WesBanco has, and as a result of the proposal would continue to have, a small market share in these products and services on a nationwide basis.

exhibit an organizational structure, complex interrelationships, or unique characteristics that would complicate resolution of the firm in the event of financial distress. In addition, the organization would not be a critical services provider or so interconnected with other firms or the markets that it would pose a significant risk to the financial system in the event of financial distress.

In light of all the facts and circumstances, this transaction would not appear to result in meaningfully greater or more concentrated risks to the stability of the United States banking or financial system. Based on these and all other facts of record, the Board determines that considerations relating to financial stability are consistent with approval.

Conclusion

Based on the foregoing and all the facts of record, the Board determines that the application should be, and hereby is, approved. In reaching its conclusion, the Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act and other applicable statutes. The Board's approval is specifically conditioned on compliance by WesBanco with all the conditions imposed in this order and on any commitments made to the Board in connection with the proposal. The Board's approval is also conditioned on receipt by WesBanco of all required regulatory approvals. For purposes of this action, the conditions and commitments are deemed to be conditions imposed in writing by the Board in connection with its findings and decision herein and, as such, may be enforced in proceedings under applicable law.

The proposal may not be consummated before the 15th calendar day after the effective date of this order or later than three months thereafter, unless such period is

extended for good cause by the Board or the Federal Reserve Bank of Cleveland, acting under delegated authority.

By order of the Board of Governors,⁴⁷ effective February 12, 2025.

(Signed) Michele Taylor Fennell

Michele Taylor Fennell
Associate Secretary of the Board

⁴⁷ Voting for this action: Chair Powell, Vice Chair Jefferson, Vice Chair for Supervision Barr, Governors Bowman, Waller, Cook, and Kugler.