FRB Order No. 2025-22
December 11, 2025

FEDERAL RESERVE SYSTEM

The PNC Financial Services Group, Inc.
Pittsburgh, Pennsylvania

Order Approving the Merger of Bank Holding Companies

The PNC Financial Services Group, Inc. ("PNC"), Pittsburgh, Pennsylvania, 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 Act[2] to merge with FirstBank Holding Company ("FBHC"), Lakewood, Colorado, through PNC's wholly owned subsidiary, Summit Merger Sub I, Inc. ("Merger Sub"), Wilmington, Delaware, and thereby indirectly acquire its state member bank subsidiary, FirstBank, Lakewood, Colorado. Following the proposed acquisition, PNC would initially operate FirstBank as a separate bank and then merge FirstBank with and into PNC's subsidiary national bank, PNC Bank, National Association ("PNC Bank"), Wilmington, Delaware.[3]

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (90 Federal Register 45212 (September 19, 2025)), in accordance with the Board's Rules of Procedure.[4] The time for submitting comments

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[1] 12 U.S.C. § 1841 et seq.

[2] 12 U.S.C. § 1842.

[3] The merger of FirstBank into PNC Bank, which is expected to occur approximately six months after PNC's merger with FBHC, is subject to the approval of the Office of the Comptroller of the Currency ("OCC") under section 18(c) of the Federal Deposit Insurance Act. 12 U.S.C. § 1828(c).

[4] 12 CFR 262.3(b).

has expired, and the Board has considered all comments received. The Board has considered the proposal in light of the factors set forth in section 3 of the BHC Act.

PNC, with consolidated assets of approximately $568.8 billion, is the 9th largest insured depository organization in the United States.[5] PNC controls approximately $426.7 billion in consolidated deposits, which represent 2.3 percent of the total amount of deposits of insured depository institutions in the United States.[6] PNC controls PNC Bank, which operates in 27 states and the District of Columbia.[7] PNC Bank is the 7th largest insured depository institution in Arizona, controlling deposits of approximately $5.1 billion, which represent approximately 2.3 percent of the total deposits of insured depository institutions in that state. PNC Bank is the 19th largest insured depository institution in Colorado, controlling deposits of approximately $1.7 billion, which represent less than 1 percent of the total deposits of insured depository institutions in that state.

FBHC, with consolidated assets of approximately $26.6 billion, is the 81st largest insured depository organization in the United States. FBHC controls approximately $23.4 billion in consolidated deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. FBHC controls FirstBank, which operates in Arizona and Colorado. FirstBank is the

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[5] Consolidated asset data are as of September 30, 2025, and national ranking data are as of June 30, 2025.

[6] Consolidated national deposit and market share data are as of June 30, 2025. State deposit data are as of June 30, 2025, unless otherwise noted. In this context, insured depository institutions include commercial banks, savings associations, and savings banks.

[7] PNC Bank currently operates branches in Alabama, Arizona, California, Colorado, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Missouri, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia, Wisconsin, and the District of Columbia. PNC Bank also has strategic foreign offices in Canada, Germany, the United Kingdom, and China, including a branch in Toronto, Canada.

16th largest insured depository institution in Arizona, controlling deposits of approximately $1.3 billion, which represent less than 1 percent of the total amount of deposits of insured depository institutions in that state. FirstBank is the 2nd largest insured depository institution in Colorado, controlling deposits of approximately $22.2 billion, which represent 12.3 percent of the total amount of deposits of insured depository institutions in that state.

On consummation of this proposal, PNC would remain the 9th largest insured depository organization in the United States, with consolidated assets of approximately $590 billion. PNC would control total consolidated deposits of approximately $450.1 billion, which would represent 2.4 percent of the total amount of deposits of insured depository institutions in the United States. PNC would become the 6th largest insured depository institution in Arizona, controlling deposits of approximately $6.4 billion, which would represent approximately 2.9 percent of the total deposits of insured depository institutions in that state. PNC would become the 2nd largest insured depository institution in Colorado, controlling deposits of approximately $23.9 billion, which would represent approximately 13.3 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.[8] 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 minimum period of time or five years.[9] When determining whether to approve an

[8] 12 U.S.C. § 1842(d)(1)(A).

[9] 12 U.S.C. § 1842(d)(1)(B).

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")[10] and the applicant's record of compliance with applicable state community reinvestment laws.[11] 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.[12]

For purposes of this provision, the home state of PNC is Pennsylvania.[13] FirstBank is located in Arizona and Colorado. PNC is well capitalized and well managed under applicable law. PNC Bank has an "Outstanding" rating under the CRA.[14] FirstBank has been in existence for more than five years.

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[10] 12 U.S.C. § 2901 et seq.

[11] 12 U.S.C. § 1842(d)(3).

[12] 12 U.S.C. § 1842(d)(2)(A) and (B). For purposes of 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. The Board considers a bank to be located in the states in which the bank is chartered, is headquartered, or operates a branch. See 12 U.S.C. § 1841(o)(4)–(7).

[13] 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.

[14] Five of the jurisdictions in which PNC operates branches—the District of Columbia, Illinois, Massachusetts, New York, and West Virginia—have community reinvestment laws. See D.C. Code § 26-431.01 et seq.; 205 Ill. Comp. Stat. Ann. 735/35-1 to 35-45; Mass. Gen. Laws ch. 167 § 14, implemented by 209 CMR. 46.11; N.Y. Banking Law § 28-b, implemented by N.Y. Comp. Codes R. & Regs. tit. 3, part 76; W. Va. Code §§ 31A-8B-1 to 31-8B-5. However, the state community reinvestment laws of the

On consummation of the proposed transaction, PNC would control 2.4 percent of the total amount of consolidated deposits in insured depository institutions in the United States. The two states in which PNC and FBHC have overlapping banking operations—Arizona and Colorado—impose a 30 percent and 25 percent limit, respectively, on the total amount of in-state deposits that a single banking organization may control.[15] The combined organization would control approximately 2.6 percent and 13.4 percent of the total amount of deposits of insured depository institutions in Arizona and Colorado, respectively. 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.[16] 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.[17]

PNC and FBHC have subsidiary banks that compete directly in the Phoenix, Arizona, banking market ("Phoenix market");[18] the Colorado Springs,

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District of Columbia, Illinois, Massachusetts, New York, and West Virginia do not apply to this transaction.

[15] Ariz. Rev. Stat. § 6-328(A); Colo. Rev. Stat. § 11-104-202(4) and 11-105-603(5).

[16] 12 U.S.C. § 1842(c)(1)(A).

[17] 12 U.S.C. § 1842(c)(1)(B).

[18] The Phoenix market is defined as the Phoenix metropolitan area in Northwestern Pinal and Maricopa counties, Arizona.

Colorado, banking market ("Colorado Springs market");[19] the Denver–Boulder, Colorado, banking market ("Denver–Boulder market");[20] the Fort Collins–Loveland, Colorado, banking market ("Fort Collins market");[21] and the Weld County, Colorado, banking market ("Weld County market").[22] The Board has considered the competitive effects of the 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 PNC would control;[23] 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

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[19] The Colorado Springs market is defined as the Colorado Springs, Colorado, regional metropolitan area ("RMA") and the non-RMA portions of El Paso and Teller counties, Colorado.

[20] The Denver–Boulder market is defined as the Denver, Colorado, RMA; Boulder County, Colorado; the non-RMA portions of Adams and Arapahoe counties, Colorado; the towns of Frederick and Keenesburg in Weld County, Colorado; and Elbert and Lincoln counties, Colorado.

[21] The Fort Collins market is defined as the Fort Collins–Loveland, Colorado, RMA and the non-RMA portion of Larimer County, Colorado, including Estes Park.

[22] The Weld County market is defined as Weld County, Colorado (minus the towns of Frederick, Colorado, and Keenesburg, Colorado, and the portions in the Denver, Colorado, and Boulder, Colorado, RMAs).

[23] Local deposit and market share data are as of June 30, 2025, 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 the market share calculation on a 50 percent weighted basis. See, e.g., Huntington Bancshares Incorporated, FRB Order No. 2021-07, at 5–6 (May 25, 2021); Hancock Whitney Corporation, FRB Order No. 2019-12 at 6 (September 5, 2019).

Guidelines”);[24] the number of competitors that would remain in each market; and other characteristics of the markets.

Consummation of the proposal would be consistent with Board precedent and within the thresholds in the 1995 Bank Merger Guidelines in the Phoenix market, the Colorado Springs market, the Denver–Boulder market, the Fort Collins market, and the Weld County market. On consummation, the Colorado Springs market would remain unconcentrated, and the change in market concentration would be well within the 1995 Bank Merger Guidelines and Board precedent. The Phoenix market, the Denver–Boulder market, the Fort Collins market, and the Weld County market each would remain moderately concentrated, and the changes in market concentrations would be well within the 1995 Bank Merger Guidelines and Board precedent. Numerous competitors would remain in each of the markets.[25]

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[24] 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 United States 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. The Board traditionally has considered a market unconcentrated if the post-merger HHI is under 1000, moderately concentrated if the post-merger HHI is between 1000 and 1800, and highly concentrated if the post-merger HHI exceeds 1800. See, e.g., Chemical Banking Corporation, 78 Federal Reserve Bulletin 74 (1992). In addition, the Board has traditionally considered a merger not to have an anticompetitive effect where the proposed merger would not increase the HHI by more than 200 points in any banking market, in the absence of other factors indicating anticompetitive effects.

[25] PNC is the 8th largest depository organization in the Phoenix market, controlling approximately $3.3 billion in deposits, which represent 1.9 percent of market deposits. FBHC is the 13th largest depository organization in the market, controlling

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approximately $1.3 billion in deposits, which represent less than 1 percent of market deposits. On consummation of the proposed transaction, PNC would become the 5th largest depository organization in the market, controlling approximately $4.6 billion in deposits, which would represent 2.6 percent of market deposits. The HHI for the Phoenix market would increase by 3 points to 1657, and 58 competitors would remain in the market, including PNC.

PNC is the 27th largest depository organization in the Colorado Springs market, controlling approximately $70.6 million in deposits, which represent less than 1 percent of market deposits. FBHC is the 4th largest depository organization in the market, controlling approximately $889.9 million in deposits, which represent 8.4 percent of market deposits. On consummation of the proposed transaction, PNC would become the 4th largest depository organization in the market, controlling approximately $960.5 million in deposits, which would represent 9.0 percent of market deposits. The HHI for the Colorado Springs market would increase by 11 points to 847, and 40 competitors would remain in the market, including PNC.

PNC is the 14th largest depository organization in the Denver–Boulder market, controlling approximately $1.5 billion in deposits, which represent 1.3 percent of market deposits. FBHC is the 3rd largest depository organization in the market, controlling approximately $17.7 billion in deposits, which represent 14.7 percent of market deposits. On consummation of the proposed transaction, PNC would become the 2nd largest depository organization in the market, controlling approximately $19.2 billion in deposits, which would represent 16.0 percent of market deposits. The HHI for the Denver–Boulder market would increase by 37 points to 1133, and 77 competitors would remain in the market, including PNC.

PNC is the 17th largest depository organization in the Fort Collins market, controlling approximately $71.7 million in deposits, which represent less than 1 percent of market deposits. FBHC is the 4th largest depository organization in the market, controlling approximately $1.1 billion in deposits, which represent 10.4 percent of market deposits. On consummation of the proposed transaction, PNC would become the 4th largest depository organization in the market, controlling approximately $1.1 billion in deposits, which would represent 11.1 percent of market deposits. The HHI for the Fort Collins market would increase by 15 points to 1191, and 27 competitors would remain in the market, including PNC.

PNC is the 21st largest depository organization in the Weld County market, controlling approximately $31.5 million in deposits, which represent less than 1 percent of market deposits. FBHC is the 5th largest depository organization in the market, controlling approximately $359.7 million in deposits, which represent 6.7 percent of market deposits. On consummation of the proposed transaction, PNC would become the 5th largest depository organization in the market, controlling approximately

The DOJ 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 proposals 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.[26] 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

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$391.3 million in deposits, which would represent 7.3 percent of market deposits. The HHI for the Weld County market would increase by 8 points to 1003, and 22 competitors would remain in the market, including PNC.

[26] 12 U.S.C. § 1842(c)(2), (5), and (6).

considers capital adequacy to be especially important. The Board considers the future prospects of the organizations involved in the proposal in light of their financial and managerial resources and the proposed business plan.

PNC, FBHC, 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 and cash exchange.[27] The capital, asset quality, earnings, and liquidity of PNC, PNC Bank, FBHC, and FirstBank are consistent with approval, and PNC and PNC Bank appear to have adequate resources to absorb the related costs of the proposal and to complete the integration of the institutions' operations as proposed. 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.[28] The Board has reviewed the examination records of PNC, FBHC, and their subsidiary depository institutions, including assessments of their management, risk-management systems, and operations. In addition, the Board has considered information provided by PNC; the Board's supervisory experiences and those of other relevant bank supervisory agencies

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[27] PNC would effect the merger by merging FBHC with and into Merger Sub, with FBHC as the survivor. Immediately after, FBHC would merge with and into PNC, with PNC as the survivor. At the time of the merger, each share of FBHC common stock would be converted into a right to receive shares of PNC common stock based on an exchange ratio, or cash. PNC has represented that it intends to merge FirstBank with and into PNC Bank approximately six months after the holding company transaction. PNC has the financial resources to effect the proposed transaction.

[28] A commenter objected to the proposal and requested that the Board consider a data breach notification letter from PNC Bank to impacted customers indicating that the customer's sensitive information had been compromised, as well as a recent class action lawsuit against PNC regarding allegations that PNC engaged in wiretapping and invasion of privacy. Birdsall v. The PNC Financial Services Group, Inc., No. GD-25-009654 (Allegheny County Court of Common Pleas, Penn., filed on Sep. 16, 2025). This litigation is ongoing, and there has not been any adjudication of fault by PNC. The Board has reviewed confidential supervisory information and consulted with the OCC with respect to PNC Bank's risk-management and consumer compliance programs.

with the organizations; the organizations' records of compliance with applicable banking, consumer protection, and anti-money-laundering laws; and the public comments on the proposal.

PNC, FBHC, and their subsidiary depository institutions 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 PNC's risk-management program appears consistent with approval of this proposal.

The Board also has considered PNC's plans for implementing the proposal. PNC 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, PNC's management has the experience and resources to operate the resulting organization in a safe and sound manner. PNC plans to apply its risk-management policies, procedures, and controls at the combined holding company following the transaction.

Based on all the facts of record, including PNC'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 PNC and FBHC 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.[29] In evaluating whether the proposal satisfies the convenience and needs

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[29] 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.

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 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.[30] 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.[31]

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

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[30] 12 U.S.C. § 2901 et seq.

[31] See 12 U.S.C. § 2901(b).

performance of PNC Bank and FirstBank, the fair lending and compliance records of both banks, the supervisory views of the OCC and the Federal Reserve Bank of Kansas City, confidential supervisory information, information provided by PNC, and the public comments received on the proposal.

Public Comments on the Proposal

The Board received two timely adverse comments on the proposal, both from the same commenter.[32] The commenter objected to the proposal, alleging that, based on data reported under the Home Mortgage Disclosure Act of 1975 ("HMDA"),[33] PNC Bank made fewer home loans to African American individuals as compared to white individuals nationwide, including in Pennsylvania, Michigan, Texas, Florida, Indiana, Maryland, New York, Alabama, Colorado, the District of Columbia, Illinois, Georgia, Arizona, Virginia, California, Missouri, New Jersey, North Carolina, Ohio, Tennessee, Delaware, Massachusetts, Kentucky, South Carolina, and Wisconsin in 2024. The commenter also alleged that PNC Bank denied home loan applications of African

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[32] The Board also received 14 comments in support of the proposal, noting PNC's efforts to support its communities through investment and outreach efforts. One commenter requested that the Board condition its approval on PNC Bank maintaining lending and investing as it has under a present community benefits agreement. The Board consistently has found that neither the CRA nor the federal banking agencies' CRA regulations require depository institutions to make pledges or enter into commitments or agreements with any private party. See, e.g., Capital One Financial Corporation, FRB Order No. 2025-10 at 30 n.67 (April 18, 2025); Bank of Montreal, FRB Order No. 2023-01 at 20 n.50 (January 17, 2023); U.S. Bancorp, FRB Order No. 2022-22 at 19 n.47 (October 14, 2022); Huntington Bancshares Inc., FRB Order No. 2016-13 at 32 n.50 (July 29, 2016); Citigroup Inc., 88 Federal Reserve Bulletin 485 (2002); Fifth Third Bancorp, 80 Federal Reserve Bulletin 838, 841 (1994). In its evaluation, the Board reviews the existing CRA performance record of an applicant and the programs that the applicant has in place to serve the credit needs of its CRA assessment areas ("AAs"). As part of each federal banking agency's performance evaluation of the depository institution under the CRA, the federal banking agencies make public a description of the depository institution's activities to serve the credit needs of its AAs.

[33] 12 U.S.C. § 2801 et seq.

American individuals at a higher rate than those of white individuals.[34] The commenter requested that the Board consider and hold hearings regarding a consumer complaint submitted by an unknown customer of PNC Bank to the Consumer Financial Protection Bureau ("CFPB") regarding an allegation that the consumer's account was frozen by the bank without explanation, which was published on the CFPB's consumer complaint database ("CFPB database"). The commenter also more generally requested that the Board review consumer complaints in the CFPB's database regarding PNC Bank.

Businesses of the Involved Institutions and Response to the Public Comments

Through PNC Bank, PNC engages in retail banking, asset management, and corporate and institutional banking. PNC Bank's retail banking products and services include deposit accounts, payments, lending, credit cards, wealth advisory services, brokerage services, investment-management services, and cash-management services. Deposit products offered include checking accounts, savings accounts, money market accounts, and certificates of deposit. Lending products offered include residential mortgages, home equity loans and lines of credit, automobile loans, credit cards, education loans, personal loans, and small business loans and lines of credit. The banking organization's corporate and institutional banking products and services include lending, treasury management, and capital markets-related products and services for corporations and government and nonprofit entities. Through FirstBank, FBHC offers a variety of consumer deposit accounts, mortgages, and home equity loans, along with a wide range of commercial banking services, including business financing, commercial real estate loans, and treasury management.

In response to the comment regarding PNC's lending, PNC represents that both PNC and FBHC have strong records of serving the convenience and needs of their

[34] The commenter also stated that PNC recently and abruptly closed a branch in New York, but did not provide any further details, such as the location of the branch, or assert any negative effect of the branch closure on the community.

local communities, noting that PNC Bank and FirstBank each received an "Outstanding" rating under its most recent CRA performance evaluation and that PNC Bank has received an "Outstanding" rating in every CRA performance evaluation since the enactment of the CRA. PNC further represents that, following consummation of the proposal, PNC will introduce its Regional Presidents model in FirstBank's markets, whereby Regional Presidents live and work in the communities they serve; ensure that PNC's full suite of available products, services, and community support activities are brought to the market in ways that most effectively serve those communities; and act as a point of contact to PNC's chief executive officer. PNC represents that this model enables PNC to understand, prioritize, and address the needs of the consumers, businesses, and communities in its local markets.

In the response, PNC also represents that PNC is committed to the principle of providing fair, equitable, and nondiscriminatory access to its credit products for all qualifying customers and potential customers, including both consumers and businesses, in accordance with fair lending laws. PNC represents that it has established and implemented a robust and comprehensive fair lending program, which includes a formal Fair Lending Monitoring Program ("FMLP") that is designed to identify for further investigation and possible remediation instances where there may be statistically significant differences between the lending outcomes for customers who are, and who are not, members of a protected class. According to PNC, the FMLP uses a variety of monitoring techniques, including loan file and customer complaint reviews, as well as data analytics, including linear and logistic regression analyses; spatial analyses; peer-data benchmarking; and race, gender, and ethnicity proxy estimation on products for which monitoring data are not available.

In addition, PNC represents that public HMDA data is insufficient to demonstrate that an institution has engaged in illegal discrimination because public HMDA data does not include essential objective factors that are relevant to the credit qualities of the application, such as the borrower's credit score and debt-to-income and loan-to-value ratios. PNC represents that PNC's fair lending program uses information that is not available in the public HMDA file to assess if objective factors explain any differences in decline rates between borrower groups.

In response to the comment regarding consumer complaints filed with the CFPB, PNC represents that all customer complaints, including those initially directed to its regulators, are managed in accordance with PNC's Customer Complaint Program ("CCP"). PNC represents that the CCP is a key element of PNC's risk-management framework and that, through this program, PNC categorizes, tracks, escalates, and resolves complaints, using a risk-tiering methodology designed to ensure that complaints that present greater regulatory compliance risk receive appropriate attention. PNC also represents that, through a root-cause-analysis process, PNC derives complaint-related insights and prioritizes opportunities to enhance the customer experience. Finally, PNC represents that its compliance department performs independent risk-based complaint reviews designed to fortify PNC's complaint oversight processes by identifying risks not detected through the complaint-handling processes and independently reviews and assesses the validity of all complaints alleging discrimination.

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 are the OCC with respect to PNC Bank and the Federal Reserve Bank of Kansas City with respect to FirstBank.[35] In addition, the Board considers information provided by the applicant and any 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.[36] An

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

[36] 12 U.S.C. § 2906.

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 PNC Bank and FirstBank, 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 HMDA, in addition to small business, small farm, and community development 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 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;[37] (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

[37] 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).

of innovative or flexible lending practices to address the credit needs of LMI individuals and geographies.[38] 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.[39]

The Board is concerned when HMDA data reflect disparities in the rates of loan applications, originations, and denials among members of different racial, ethnic, or gender groups in local areas. These types of disparities may indicate weaknesses in the adequacy of policies and programs at an institution for meeting its obligations to extend credit fairly. However, other information critical to an institution's credit decisions may not be available from public HMDA data.[40] Consequently, the Board considers additional information not available to the public that may be needed from the institution and evaluates disparities in the context of the additional information obtained regarding the lending and compliance record of an institution.

CRA Performance of PNC Bank

PNC Bank was assigned an overall rating of "Outstanding" at its most recent CRA performance evaluation by the OCC, as of June 6, 2022 ("PNC Bank

[38] See 12 CFR 228.22(b) (2023).

[39] See 12 CFR 228.23 and 228.24 (2023).

[40] Importantly, credit scores are not available in the public HMDA data. Accordingly, when conducting fair lending examinations, examiners analyze additional information not available to the public before reaching a determination regarding an institution's compliance with fair lending laws.

Evaluation").[41] The bank received "Outstanding" ratings for the Lending Test and the Investment Test, and a "High Satisfactory" rating for the Service Test.[42]

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[41] The PNC Bank Evaluation was conducted using Interagency Large Institution CRA Examination Procedures. Examiners reviewed the bank's HMDA-reportable, small business, small farm, and community development loans; qualified investments; retail banking services; and community development services from January 1, 2017, through December 31, 2021. Because PNC Bank did not operate branches in California or New Mexico until October 2021, California and New Mexico were not included as part of the PNC Bank Evaluation.

[42] The PNC Bank Evaluation covered AAs located in 22 states and 16 multistate metropolitan statistical areas ("MMSAs"). The states that received a statewide rating are as follows: Alabama, Arizona, Colorado, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin. The statewide rating for a particular state did not reflect the bank's rating and performance in the part of the state that was separately captured within an MMSA in that same state. The MMSAs that received their own rating are as follows: Allentown–Bethlehem–Easton, Pennsylvania–New Jersey ("Allentown–Bethlehem–Easton MMSA"); Charlotte–Concord–Gastonia, North Carolina–South Carolina ("Charlotte–Concord–Gastonia MMSA"); Chicago–Naperville–Elgin, Illinois–Indiana–Wisconsin ("Chicago–Naperville–Elgin MMSA"); Cincinnati, Ohio–Kentucky–Indiana ("Cincinnati MMSA"); Cumberland, Maryland–West Virginia ("Cumberland MMSA"); Huntington–Ashland, Kentucky–Ohio–West Virginia ("Huntington–Ashland MMSA"); Kansas City, Missouri–Kansas ("Kansas City MMSA"); Louisville–Jefferson County, Kentucky–Indiana ("Louisville–Jefferson County MMSA"); Myrtle Beach–Conway–North Myrtle Beach, South Carolina–North Carolina ("Myrtle Beach–Conway–North Myrtle Beach MMSA"); New York–Newark–Jersey City, New York–New Jersey–Pennsylvania ("New York–Newark–Jersey City MMSA"); Philadelphia–Camden–Wilmington, Pennsylvania–New Jersey–Delaware–Maryland ("Philadelphia–Camden–Wilmington MMSA"); Salisbury, Maryland–Delaware ("Salisbury MMSA"); St. Louis, Missouri–Illinois ("St. Louis MMSA"); Virginia Beach–Norfolk–Newport News, Virginia–North Carolina ("Virginia Beach–Norfolk–Newport News MMSA"); Washington–Arlington–Alexandria, District of Columbia–Virginia–Maryland–West Virginia ("Washington–Arlington–Alexandria MMSA"); and Youngstown–Warren–Boardman, Ohio–Pennsylvania ("Youngstown–Warren–Boardman MMSA"). Thus, portions of Kansas, Missouri, New York, and the District of Columbia were reviewed as part of the evaluation of two or more states in an MMSA. The PNC Bank Evaluation included a full-scope review of one or more AAs in every state and of every MMSA where PNC Bank had an office. PNC Bank's performance under the Lending, Investment, and

With respect to the Lending Test, examiners found that a substantial majority of loans were originated in the bank's AAs. Examiners also found that the bank offered two flexible and innovative lending products that assisted LMI borrowers in buying or refinancing a home. With respect to community development loans, examiners found that the bank was responsive to the community needs of its AAs. The PNC Bank Evaluation did not consider consumer loans because examiners found that consumer lending did not constitute a substantial majority of the bank's business. In addition, qualifying lending activities performed in response to the significant impact of the COVID-19 pandemic across the United States were considered in the evaluation.

Examiners rated the bank's performance under the Lending Test as "Outstanding" in the states of Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, North Carolina, Ohio, Pennsylvania, Virginia, West Virginia, and Wisconsin, as well as in the Charlotte–Concord–Gastonia MMSA, Chicago–Naperville–Elgin MMSA, Cincinnati MMSA, Huntington–Ashland MMSA, Louisville–Jefferson County MMSA, Philadelphia–Camden–Wilmington MMSA, Salisbury MMSA, St. Louis MMSA, Virginia Beach–Norfolk–Newport News MMSA, Washington–Arlington–Alexandria MMSA, and Youngstown–Warren–Boardman MMSA. Examiners rated the bank's performance under the Lending Test as "High Satisfactory" in the states of Alabama, Maryland, New Jersey, South Carolina, Tennessee, and Texas, as well as in the Allentown–Bethlehem–Easton MMSA, the Cumberland MMSA, the Kansas City MMSA, the Myrtle Beach–Conway–North Myrtle Beach MMSA, and the New York–Newark–Jersey City MMSA. Examiners rated the bank's performance under the Lending Test as "Low Satisfactory" in the states of Arizona, Colorado, and Massachusetts.

With respect to the Investment Test, examiners found that PNC Bank was a significant originator of complex Low-Income Housing Tax Credit investments, often in

Service Tests was based on a weighted average, based on deposits, of the bank's 22 state and 16 MMSA ratings, with performance in Pennsylvania, Ohio, the New York–Newark–Jersey City MMSA, and the Philadelphia–Camden–Wilmington MMSA carrying the greatest weights.

a leadership role throughout its AAs. Examiners also found that investments and services associated with PNC Bank's Grow Up Great program, which assists in providing early childhood education for LMI children and their families, were directly responsive to community needs. With respect to qualified investments, examiners found that PNC was responsive to the community needs of its AAs.

Examiners rated the bank's performance under the Investment Test as "Outstanding" in the states of Alabama, Arizona, Florida, Georgia, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, Ohio, South Carolina, Tennessee, Texas, West Virginia, and Wisconsin, as well as in the Charlotte–Concord–Gastonia MMSA, Chicago–Naperville–Elgin MMSA, Cincinnati MMSA, Cumberland MMSA, Kansas City MMSA, Louisville–Jefferson County MMSA, New York–Newark–Jersey City MMSA, Philadelphia–Camden–Wilmington MMSA, St. Louis MMSA, Virginia Beach–Norfolk–Newport News MMSA, and Washington–Arlington–Alexandria MMSA. Examiners rated the bank's performance under the Investment Test as "High Satisfactory" in the states of Colorado, North Carolina, Pennsylvania, and Virginia, as well as in the Salisbury MMSA. Examiners rated the bank's performance under the Investment Test as "Low Satisfactory" in the states of Delaware and New Jersey, as well as in the Allentown–Bethlehem–Easton MMSA, Huntington–Ashland MMSA, Myrtle Beach–Conway–North Myrtle Beach MMSA, and Youngstown–Warren–Boardman MMSA.

With respect to the Services Test, examiners analyzed PNC's network of retail branches and deposit-taking ATMs for the availability and effectiveness of delivering retail-banking services. Examiners gave the most weight to the geographic distribution of bank branches and changes in branch locations. Examiners focused the analysis of retail branches on the current distribution of the bank's branches in LMI geographies. With respect to PNC Bank's branch openings and closures, examiners found that the bank established a process to assess and mitigate any negative effect of branch closures to LMI customers and communities.

Examiners rated the bank's performance under the Service Test as "Outstanding" in the states of Georgia, Indiana, Michigan, Pennsylvania, and West Virginia, as well as in the Chicago–Naperville–Elgin MMSA, Cincinnati MMSA, Louisville–Jefferson County MMSA, Salisbury MMSA, St. Louis MMSA, and Washington–Arlington–Alexandria MMSA. Examiners rated the bank's performance under the Service Test as "High Satisfactory" in the states of Alabama, Arizona, Delaware, Florida, Illinois, Kentucky, Maryland, New Jersey, North Carolina, Ohio, and Wisconsin, as well as in the Allentown–Bethlehem–Easton MMSA, Charlotte–Concord–Gastonia MMSA, Huntington–Ashland MMSA, New York–Newark–Jersey City MMSA, Philadelphia–Camden–Wilmington MMSA, Virginia Beach–Norfolk–Newport News MMSA, and Youngtown–Warren–Boardman MMSA. Examiners rated the bank's performance under the Service Test as "Low Satisfactory" in the states of Colorado, Massachusetts, South Carolina, Tennessee, Texas, and Virginia, as well as in the Kansas City MMSA and Myrtle Beach–Conway–North Myrtle Beach MMSA. Examiners rated the bank's performance under the Service Test as "Needs to Improve" in the Cumberland MMSA, however, the overall CRA rating for the Cumberland MMSA is "Satisfactory."

CRA Performance of FirstBank

FirstBank was assigned an overall rating of "Outstanding" at its most recent CRA performance evaluation by the Federal Reserve Bank of Kansas City, as of October 16, 2023 ("FirstBank Evaluation").[43] The bank received a "High Satisfactory"

[43] The FirstBank Evaluation was conducted using Interagency Large Institution CRA Examination Procedures. Examiners reviewed the bank's HMDA-reportable and small business loans from January 1, 2021, through December 31, 2022. Examiners also reviewed the bank's community development loans, qualified investments, retail-banking services, and community development services from July 1, 2021, through December 31, 2022, including qualified investments made prior to this period that were still outstanding.

rating for the Lending Test and "Outstanding" ratings for the Investment and Service Tests. [44]

With respect to the Lending Test, examiners found that FirstBank's lending levels reflected good responsiveness to AA credit needs. Examiners also found that a substantial majority of loans were originated within the bank's AAs and that the geographic distribution of loans was adequate. Examiners stated that the bank's distribution of loans among individuals of different income levels, including LMI individuals, and businesses of different sizes was good. Examiners also noted that FirstBank was a leader in making community development loans and made extensive use of innovative and flexible lending practices in serving AA credit needs.

With respect to the Investment Test, examiners found that FirstBank made an excellent level of qualified community development investments and grants and was occasionally in a leadership position. Examiners found that FirstBank occasionally used innovative and complex investments to support community development initiatives. Examiners also found FirstBank exhibited excellent responsiveness to credit and community development needs.

With respect to the Service Test, examiners determined that FirstBank's delivery systems were accessible to geographies and/or individuals of different income levels in its AAs. Examiners found that the bank's record of opening and closing of branches had not adversely affected the accessibility of its delivery systems, particularly in LMI geographies or to LMI individuals. Examiners also noted that products, services, and business hours did not vary in a way that inconvenienced its AAs, particularly LMI geographies or LMI individuals. Finally, examiners found that the bank was a leader in

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[44] The FirstBank Evaluation involved a full-scope review of the bank's activities in the Denver–Boulder–Greeley, Colorado Combined Statistical Area AA; the Phoenix, Arizona Metropolitan Statistical Area ("MSA") AA, and the Coachella Valley, California Metropolitan AA. The FirstBank Evaluation also involved a limited-scope review of the bank's activities in the Colorado Springs, Colorado MSA AA, the Fort Collins, Colorado MSA AA, and the Mountain, Colorado AA. In March 2025, FirstBank sold its branches in California, and FirstBank no longer has a presence in California.

providing community development services within its AAs and was responsive to the available service opportunities.

Additional Supervisory Views

In its review of the proposal, the Board consulted with and considered the views of the OCC as the primary federal supervisor of PNC Bank, and of the Federal Reserve Bank of Kansas City as the primary federal supervisor of FirstBank. The Board also considered the results of the most recent consumer compliance examinations of PNC Bank and FirstBank, which included reviews of the banks' compliance management programs and their compliance with consumer protection laws and regulations, including fair lending. Lastly, the Board also considered the results of the most recent consumer compliance examinations of PNC Bank and FirstBank by the CFPB.

The Board has taken this information, as well as the CRA performance records of PNC Bank and FirstBank, into account in evaluating the proposal, including in considering whether PNC 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. 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.

PNC represents that the proposal will enable PNC to build upon FBHC's commitment to serving its communities and will spur economic empowerment through strategic investments, community development, and employee volunteerism. In this regard, PNC notes that it has contributed more than $85 billion nationwide in support of affordable housing, economic development, and small businesses, including contributing

$3.4 billion in Colorado and Arizona, which is where FirstBank's branches are located. In addition, PNC represents that FirstBank customers will maintain access to the products and services on which they rely and also benefit from the expanded products and services offered by PNC to the markets FirstBank serves. This includes offering PNC Bank's Low Cash Mode grace period, which is a feature of its Virtual Wallet product; providing access to PNC Bank's mobile branch units, which go into LMI communities in several cities throughout the country and make numerous stops per route; offering reduced consumer overdraft protection fees and no non-sufficient-funds fees for consumer accounts; providing access to a low-fee checking account; and offering certain investment products that FirstBank does not currently offer in the markets FirstBank serves.

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.[45] In addition, the federal banking

[45] 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.

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.[46]

PNC represents that it expects to close 14 branches of PNC Bank[47] due to their close proximity to FirstBank branches, and to consolidate four branches of PNC Bank[48] that are also located in close proximity to FirstBank branches. PNC indicates that the PNC Bank closures and consolidations are being done in order to reduce redundancy and to make the delivery of customer services more efficient. None of the PNC Bank branches expected to be closed or consolidated are located in an LMI census tract or in an underserved or distressed census tract. PNC represents that PNC Bank will provide prior notice of any branch closures to the OCC and to customers in accordance with applicable law, regulations, and regulatory guidance, and that PNC Bank will provide customers prior notice of any branch consolidation or relocation. In addition, PNC represents that it

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[46] See, e.g., 12 CFR 228.24(d)(2) (2023).

[47] The 14 PNC Bank branches expected to be closed are located at: (1) 8008 Yarrow Street, Arvada, Colorado (middle-income census tract); (2) 800 N Broadway, Denver, Colorado (upper-income census tract); (3) 101 Garfield Street, Denver, Colorado (upper-income census tract); (4) 2805 Dublin Boulevard, Colorado Springs, Colorado (middle-income census tract); (5) 8100 E Arapahoe Road, Centennial, Colorado (upper-income census tract); (6) 7335 E Doubletree Ranch Road, Scottsdale, Arizona (upper-income census tract); (7) 3501 W 12th Street, Greeley, Colorado (upper-income census tract); (8) 2640 E Harmony Road, Fort Collins, Colorado (middle-income census tract); (9) 9001 Kimmer Drive, Lone Tree, Colorado (upper-income census tract); (10) 15580 E 104th Avenue, Commerce City, Colorado (middle-income census tract); (11) 7315 E Osborn Road, Scottsdale, Arizona (middle-income census tract); (12) 20299 E Smoky Hill Road, Centennial, Colorado (upper-income census tract); (13) 2850 E Camelback Road, Phoenix, Arizona (upper-income census tract); and (14) 6450 Indiana Street, Arvada, Colorado (middle-income census tract).

[48] The four PNC Bank branches that are expected to be consolidated into a nearby FirstBank branch are: (1) 1590 Lawrence Street, Denver, Colorado (upper-income census tract); (2) 303 S Saulsbury Street, Lakewood, Colorado (middle-income census tract); (3) 19202 N R H Johnson Boulevard, Sun City West, Arizona (middle-income census tract); and (4) 11239 S Pikes Peak Drive, Parker, Colorado (middle-income census tract).

does not expect to close or consolidate any FirstBank branches in connection with the proposal.

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 PNC, 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."[49]

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 activities of the resulting firm.[50] These categories are not exhaustive, and additional categories could inform the Board's decision.

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[49] 12 U.S.C. § 1842(c)(7).

[50] Many of the metrics considered by the Board measure an institution's activities relative to the United States financial system.

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.[51]

In this case, the Board has considered information relevant to risks to the stability of the U.S. banking or financial system. The Board reviewed publicly available data, data compiled through the supervisory process, and data obtained through information requests to the institutions involved in the proposal, as well as qualitative information.

An organization's size is one important indicator of the risk that the organization may pose to the U.S. banking or financial system. Congress has imposed specific size-based limitations on the amount of deposits and liabilities a banking organization may control.[52] Size is also among the factors that the Board must take into consideration in differentiating among banking organizations under section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.[53] The proposed acquisition would increase PNC's size by only approximately 5 percent as measured by total assets, with similar impact as measured by deposits or total leverage exposures, and the resulting firm would still hold less than 2 percent of total U.S. financial system assets.[54]

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

[52] 12 U.S.C. §§ 1842(d)(2)(A) and 1852 (imposing a 10 percent nationwide deposit limit and a 10 percent nationwide liabilities limit on potential combinations by banking organizations).

[53] See 12 U.S.C. § 5365(a)(2)(A). The Board has previously used size as a simple measure of a banking organization's potential systemic impact and has differentiated the stringency of capital and liquidity requirements based on total consolidated asset size.

[54] This financial data is reported as of June 30, 2025.

Analysis of non-size measures of financial stability risks points to limited risks, with de minimis increases in these measures as a result of the acquisition. The resulting firm would not be a critical services provider or so interconnected with other firms or markets that it would pose significant risk to the financial system in the event of financial distress. In addition, the resulting firm would have minimal cross-border activities and would not exhibit an organizational structure, complex interrelationships, or unique characteristics that would complicate resolution of the firm.[55]

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 proposal should be, and hereby is, approved.[56] In reaching its conclusion, the

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[55] In addition, the Board also considered the Global Systemically Important Bank ("G-SIB") method 1 score of the combined organization. The G-SIB method 1 score is a measure of an institution's systemic importance and is a weighted sum of an institution's indicators of size, interconnectedness, complexity, cross-jurisdictional activity, and substitutability. See 80 Federal Register 49082 (Aug. 14, 2015). On consummation of the proposal, the Board estimates that PNC's G-SIB method 1 score would not increase materially and would remain well below the threshold that identifies a financial institution as a G-SIB.

[56] The commenter requested that the Board hold public hearings on the proposal. Under section 3(b) of the BHC Act, the Board must hold a public hearing on a proposal if the appropriate supervisory authorities for the acquiring bank or the bank to be acquired make a timely written recommendation of disapproval of the proposal. 12 U.S.C. § 1842(b); see also 12 CFR 225.16(e). The Board has not received such a recommendation from the appropriate supervisory authorities. Under its rules, the Board, in its discretion, may hold a public hearing if appropriate to allow interested persons an opportunity to provide relevant testimony when written comments would not adequately present their views. The Board has considered the commenter's request in light of all the facts of record. In the Board's view, the commenter has had ample opportunity to submit

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 PNC 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 also is conditioned on receipt by PNC 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,[57] effective December 11, 2025.

(Signed) Michele Taylor Fennell

Michele Taylor Fennell
Associate Secretary of the Board

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comments on the proposal and, in fact, submitted written comments that the Board has considered in acting on the proposal. The commenter's request does not identify disputed issues of fact that are material to the Board's decision and would be clarified by a public hearing. In addition, the request does not demonstrate why written comments do not present the commenter's views adequately or why a hearing otherwise would be necessary or appropriate. For these reasons, and based on all the facts of record, the Board has determined that a public hearing is not required or warranted in this case. Accordingly, the request for public hearings on the proposal is denied.

The commenter also requested an extension of the comment period for the application. The commenter's request for additional time to comment did not identify circumstances that would warrant an extension of the public comment period for this proposal. Accordingly, the Board has determined not to extend the comment period.

[57] Voting for this action: Chair Powell, Vice Chair Jefferson, Vice Chair for Supervision Bowman, Governors Waller, Cook, Barr, and Miran.