



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON, DC 20551

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Dear Messrs. Cohen and Kim:

This is in response to your request on behalf of your respective clients, General Electric Company, Fairfield, Connecticut ("GE"),<sup>1</sup> and The PNC Financial Services Group, Inc., Pittsburgh, Pennsylvania ("PNC"), that the Board permit James E. Rohr to serve as a director of GE while continuing to serve as a director and executive chairman of PNC and its subsidiary bank, PNC Bank, N.A., Wilmington, Delaware, through April 2014,<sup>2</sup> and as a director of BlackRock, Inc. ("BlackRock"), an investment management firm and affiliate of PNC,<sup>3</sup> through May 2014.<sup>4</sup>

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<sup>1</sup> GE is a savings and loan holding company ("SLHC") that controls GE Capital Retail Bank, Draper, Utah, a federal savings bank, and GE Capital Bank, Holladay, Utah, an industrial loan company. GE also is the parent company of General Electric Capital Corporation ("GECC"), an entity that the Financial Stability Oversight Council has determined could pose a threat to U.S. financial stability and, therefore, should be subject to Board supervision and enhanced prudential standards pursuant to section 113 of the Dodd-Frank Act.

<sup>2</sup> Mr. Rohr's service as executive chairman of PNC began April 23, 2013, and he has indicated that he expects to serve in this role for one year, until PNC's annual meeting in April 2014. Thus, Mr. Rohr's term as executive chairman and director of PNC and PNC Bank will expire at the next annual meetings of PNC and PNC Bank, respectively, in April 2014. See PNC Form 8-K, filed February 14, 2013.

<sup>3</sup> As of March 31, 2013, PNC owned approximately 20.7 percent of BlackRock's outstanding voting common shares and approximately 21.7 percent of its total capital

The Interlocks Act and Regulation LL prohibit a management official of a depository institution or a depository holding company with total assets exceeding \$2.5 billion (or any affiliate of such organization) from serving at the same time as a management official of an unaffiliated depository organization with total assets exceeding \$1.5 billion (or any affiliate of such an organization), regardless of the location of the two depository organizations.<sup>4</sup> GE and PNC each have assets that exceed the applicable thresholds.

Under the general exemption provision of Regulation LL, however, the Board may permit an interlock that otherwise would be prohibited by the Interlocks Act if the Board determines that the interlock would not result in a monopoly or in a substantial lessening of competition and would not present safety and soundness concerns.<sup>6</sup>

The proposed temporary interlocks between GE, PNC, PNC Bank, and BlackRock would not result in a monopoly or in a substantial lessening of competition. The subsidiary depository institutions of GE and PNC operate in the Metro New York Banking Market.<sup>7</sup> If the proposed interlocks were evaluated as a *de facto* merger of GE and PNC, the increase in market concentration, as measured by the Herfindahl-Hirschman Index (“HHI”), and the combined market share in the Metro New York Banking Market would remain consistent with Board precedent and within the thresholds of the Department of Justice Merger Guidelines (“DOJ Guidelines”).<sup>8</sup> The interlocks also would not have any

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stock. The Board deems PNC to control BlackRock for Bank Holding Company Act purposes. See Federal Reserve Order Approving Acquisition of a State Member Bank, at fn. 4 (Dec. 23, 2011), available at <http://www.federalreserve.gov/newsevents/press/orders/20111223a.htm>.

<sup>4</sup> GE and PNC have represented that Mr. Rohr’s term as a director of BlackRock will end at BlackRock’s next annual meeting in May 2014.

<sup>5</sup> 12 U.S.C. § 3203; 12 CFR 238.93(c).

<sup>6</sup> 12 CFR 238.96(a).

<sup>7</sup> The Metro New York Banking Market is defined as: Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Sullivan, Ulster and Westchester Counties, all in New York State ; Bergen, Essex, Hudson, Hunterdon, Middlesex, Mercer, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union and Warren Counties, New Jersey; Monroe and Pike Counties, Pennsylvania; Fairfield County and Bridgewater, Canaan, Cornwall, Kent, New Milford, North Canaan, Roxbury, Salisbury, Sharon, Warren and Washington townships, including the cities of Cornwall Bridge, Falls Village, Lakeville, Marble Dale, New Preston, Salisbury and Washington Depot in Litchfield County, and Ansonia, Beacon Falls, Derby, Milford, Oxford and Seymour townships in New Haven County, Connecticut.

<sup>8</sup> Under the DOJ Guidelines for bank mergers and acquisitions, a market is considered 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

substantial effect on competition with respect to the nonbanking activities of GE, PNC, or BlackRock.

In addition, the interlocks would not present safety and soundness concerns. Mr. Rohr appears to have the background and experience to serve on the boards of GE, PNC, PNC Bank, and BlackRock. Furthermore, GE has represented that as long as Mr. Rohr serves on the board of GE, as well as on the board of PNC, PNC Bank, or BlackRock, Mr. Rohr will restrict his participation in GE's affairs to the extent such affairs pertain to: (1) the management of GECC, or (2) any relationship between GE, on the one hand, and PNC, PNC Bank, or BlackRock, on the other hand.

Specifically, GE and Mr. Rohr have committed that, during the time of his interlocking service:

- Neither will take actions that would cause Mr. Rohr to be deemed a "senior executive officer" and thus a "management official" of GECC for purposes of the Interlocks Act and the Federal Reserve's Regulation LL;
- Mr. Rohr will not become a member of GECC's board of directors or a member of the Audit Committee or Risk Committee of GE's board of directors, as these committees have been delegated specific oversight responsibilities for GECC;
- Mr. Rohr will not participate in any manner in any deliberations on any proposed or existing transactions or business relationships between PNC and its subsidiaries or BlackRock and its subsidiaries, on the one hand, and GE and its subsidiaries, on the other hand;
- Mr. Rohr will not request, review, or have access to any non-public confidential information concerning GECC, other than as may arise in connection with his review of reports concerning GECC that are

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HHI exceeds 1800. The Department of Justice ("DOJ") has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. The DOJ has stated that the higher-than-normal HHI thresholds for screening bank mergers and acquisitions for anticompetitive effects implicitly recognize the competitive effects of limited-purpose and other nondepository financial entities. Although the DOJ and the Federal Trade Commission issued revised Horizontal Merger Guidelines, see Press Release, Department of Justice (August 19, 2010), [www.justice.gov/opa/pr/2010/August/10-at-938.html](http://www.justice.gov/opa/pr/2010/August/10-at-938.html), the DOJ has confirmed that its Bank Merger Guidelines, which were issued in 1995, were not modified.



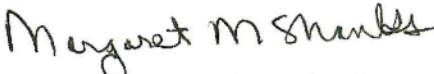
prepared and distributed to GE directors in their capacity as directors of GE; and

- During the period of his dual service at GE and PNC, PNC Bank, or BlackRock, Mr. Rohr will abstain from voting on all GECC matters that come before the GE board of directors.

The Board has reviewed your request to permit Mr. Rohr to serve, for a limited period of time, as a director of GE while also serving as a director and executive chairman of PNC and PNC Bank, and as a director of BlackRock, and has determined that the exemption would not result in a monopoly or in a substantial lessening of competition and would not present safety and soundness concerns. Based on the foregoing and all the facts of record, the Board has granted a temporary exemption to allow Mr. Rohr to serve as a director of GE while also serving as a director and executive chairman of PNC and PNC Bank through April 30, 2014, and as a director of BlackRock, through May 31, 2014.

The management interlocks with regard to GE and PNC and PNC Bank may continue through April 30, 2014, and with regard to GE and BlackRock, through May 31, 2014, so long as, in the interim, they do not result in a monopoly or a substantial lessening of competition or present safety and soundness concerns.

Sincerely yours,

  
Margaret McCloskey Shanks  
Deputy Secretary of the Board

cc: David E. Johnston, Assistant Vice President, and  
Allen M. Brown, Banking Supervisor  
Federal Reserve Bank of Cleveland

Amy S. Friend  
Kevin C. Corcoran  
Richard B. Taft  
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