Office of the Comptroller of the Currency

Washington, DC 20219

May 14, 2021

Corproate Decision #2021-01
June 2021

Patricia A. Robinson, Of Counsel
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019

Re: Application for the merger of BBVA USA, Birmingham, Alabama with and into PNC Bank, National Association, Wilmington, Delaware
Charter No.: 1316
OCC Control No.: 2020-LB-Combination-318991

Dear Ms. Robinson:

The Office of the Comptroller of the Currency (OCC) hereby approves the application to merge BBVA USA, Birmingham, Alabama (BBVA USA) with and into PNC Bank, National Association, Wilmington, Delaware (PNC Bank or Bank) under the charter and the title of the latter. This approval is granted based on a thorough review of all information available, including commitments and representations made in the application, merger agreement, and those of your representatives.

The OCC reviewed the proposed merger transaction under the criteria of the Bank Merger Act, 12 USC 1828(c), and applicable OCC regulations and policies. Among other matters, we found that the proposed transaction would not have significant anticompetitive effects. We also considered the financial and managerial resources of the banks, their future prospects, their effectiveness in combating money laundering activities, the convenience and needs of the communities to be served, and the risk of the transaction to the stability of the United States banking or financial system. Furthermore, the OCC reviewed the banks' records of compliance with the Community Reinvestment Act, 12 USC 2903(a)(2). In addition, the OCC may not approve a merger if the resulting insured depository institution (including all insured depository institutions which are affiliates of the resulting insured depository institution), upon consummation of the transaction, would control more than 10 percent of the total amount of deposits of insured depository institutions in the United States. We considered these factors and found them consistent with approval.

As part of the merger, PNC Bank seeks approval to retain as branches, the main office and branches of BBVA USA.[1] The business combination of PNC Bank and BBVA USA is legally authorized as an interstate merger transaction under the Riegle-Neal Act, 12 USC 215a-1 and 1831u(a).

[1] BBVA USA also has 14 approved but unopened branches that PNC Bank will acquire as part of the merger.

Accordingly, PNC Bank, as the resulting bank, is authorized to retain and operate its main office as the main office of the resulting bank and may retain and operate as branches its own branches and the main office and branches of BBVA USA pursuant to 12 USC 36(d) and 1831u(d)(1). Any BBVA USA branch that opens before consummation of the merger may be retained by PNC Bank pursuant to 12 USC 36(d) and 1831u(d)(1). Any approved but unopened BBVA USA branch that does not open before consummation of the proposed merger may be established by PNC Bank pursuant to 12 USC 36(c) and 12 CFR 5.30.

PNC Bank also seeks to retain 24 subsidiaries of BBVA USA. The activities of these subsidiaries are legally permissible for national banks. Twenty-one of the subsidiaries qualify as operating subsidiaries pursuant to 12 CFR 5.34. The activities performed by BBVA Insurance Agency, Inc., a financial subsidiary, are permissible activities for a financial subsidiary of a national bank pursuant to 12 CFR 5.39. Two subsidiaries, TMF Holding, Inc. and Texas Mezzanine Fund, Inc., are authorized pursuant to 12 USC 24(Eleventh) and 12 CFR 24. Accordingly, PNC Bank may retain these 24 subsidiaries of BBVA USA after the merger under 12 USC 24(Seventh), 24(Eleventh) and 215a(e), and 12 CFR 5.34, 5.39, and 24.

PNC Bank has represented there is a possibility it may acquire certain subsidiaries that BBVA USA was unable to dissolve prior to the merger. To the extent that any such subsidiary acquired by PNC Bank holds nonconforming assets or engages in nonconforming activities, PNC Bank may have up to two years from the date of the merger to divest or conform the asset or discontinue or conform the activity of the subsidiary.

Public Comment Letters and Public Welfare Investments

The OCC received numerous public comment letters[2] on the proposed merger from public groups in support of the Bank's application to acquire BBVA USA.

In connection with the application of PNC Bank to acquire BBVA USA, the Bank has submitted information on investments it intends to acquire and retain pursuant to 12 USC 24(Eleventh) and 12 CFR 24 concerning national bank community and economic development entities, community development projects, and other public welfare investments (the “public welfare investment authority”). As of December 31, 2020, BBVA USA held $764.5 million in investments under the public welfare investment authority for state member banks, Regulation H, 12 CFR 208.22.

The Bank states that as of December 31, 2020, PNC Bank’s and BBVA USA’s combined public welfare investments are estimated to represent 7.56 percent of their combined capital and surplus. In accordance with its opinion letter to PNC Bank dated May 26, 2004, the OCC will continue to permit the Bank to provide after-the-fact notifications for its Part 24 investments up to 10 percent of its capital and surplus. The OCC's decision to allow the Bank to make after-the-fact notices up to 10 percent of its capital and surplus is based on the determination that the Bank continues to be at least adequately capitalized, and that the additional investment amounts do not pose risk. In no event shall the Bank’s aggregate public investments and commitments under the

[2] The OCC received over 200 public comment letters in support of the proposed merger.

Regulation and Statute exceed 15 percent of its capital and surplus. If requested by the OCC, the Bank will provide reports concerning its public welfare investments.

The response set forth in this letter is based on information and representations provided to us by the Bank. Any change in the nature, amount, or purpose of the Bank's investment could result in a different response being rendered concerning the conformance of the Bank's investment with 12 USC 24(Eleventh) and 12 CFR 24.

Merger Consummation Requirements

As a reminder, you should advise Large Bank Licensing in writing ten (10) days in advance of the desired effective date for the merger, so it may issue the necessary certification letter. The effective date must follow the applicable Department of Justice's injunction period and any other required regulatory approval. The OCC will issue a letter certifying consummation of the transaction when we receive documentation that all other required regulatory approvals, non-objections, or waivers have been obtained, as applicable.

If the merger is not consummated within six months from the approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time in writing.

This approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. Our approval is based on the Bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval, if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

A separate letter is enclosed requesting your feedback on how we handled the referenced application. We would appreciate your response so we may improve our service. Please include the OCC control number on any correspondence related to this filing. If you have any questions, please contact Licensing Analyst Laurie Powell at (212) 790-4055 or laurie.powell@occ.treas.gov.

Sincerely,

/s/

Stephen A. Lybarger
Deputy Comptroller for Licensing

cc: Christopher Abbott/OCC