

PNC Announces \$88 Billion Community Benefits Plan

Four-year plan developed in connection with PNC's pending acquisition of BBVA USA; Expands economic opportunity support for minorities and low- and moderate-income individuals and communities

PITTSBURGH, April 27, 2021 [/PRNewswire/](#) -- The PNC Financial Services Group, Inc. (NYSE: PNC) today announced a Community Benefits Plan to provide \$88 billion in loans, investments, and other financial support to bolster economic opportunity for low- and moderate-income (LMI) individuals and communities, people and communities of color, and other underserved individuals and communities over a four-year period beginning Jan. 1, 2022.

The Plan – developed in connection with the anticipated regulatory approval and closing of PNC's pending acquisition of BBVA USA Bancshares, Inc., including its U.S. banking subsidiary, BBVA USA – covers the geographies currently served by PNC and the new geographies PNC will expand into through the BBVA USA acquisition. The Plan incorporates, builds on and expands the pledges and plans previously announced by PNC and BBVA USA to help meet community needs, advance economic empowerment and address systemic racism.

Specifically, over the Plan period, PNC expects to:

- Originate at least **\$47 billion** in residential mortgage and home equity loans to LMI and minority borrowers and in LMI and majority-minority census tracts.
- Originate at least **\$26.5 billion** in loans to small businesses in LMI communities, majority-minority census tracts, businesses with less than \$1 million in revenue and small farms.
- Provide at least **\$14.5 billion** in community development loans and investments across all markets, including at least \$400 million for Community Development Financial Institutions (CDFIs) that help meet the banking and financial service needs of traditionally underserved communities.
- Increase to at least **\$500 million** PNC's charitable giving, including sponsorships and philanthropic grants. This includes the continuation of BBVA USA's existing multi-year grant and charitable sponsorship commitments with nonprofit organizations, and a commitment to maintain or increase the current levels of philanthropic support provided to community groups in Birmingham in recognition of the history of the city as the headquarters city of BBVA USA and its predecessor bank.

"As a Main Street bank, we believe that our success will be proportional to the prosperity we help create for our stakeholders," said PNC Chairman, President and CEO William S. Demchak. "This plan reflects that belief and builds on our longstanding commitment to provide economic opportunity for all individuals and communities we serve, as reflected in PNC Bank's and BBVA USA's overall 'Outstanding' Community Reinvestment Act (CRA) ratings in each of our organizations' most recent evaluations." PNC Bank has consistently earned an 'Outstanding' CRA rating in every performance evaluation issued since enactment of the CRA more than 40 years ago.

PNC's Community Benefits Plan was developed by PNC, in consultation with BBVA USA, and was informed by numerous community listening sessions that PNC held with the National Community Reinvestment Coalition (NCRC) that included representatives from more than 150 NCRC member organizations from across the combined PNC and BBVA USA footprint. PNC also held listening sessions with the National Diversity Coalition, the Greenlining Coalition, the California Reinvestment Coalition, Faith and Community Empowerment, and members of their respective organizations.

"We appreciate the leadership and commitment of PNC Bank to collaborate with us and our members to develop the largest-to-date community benefits plan," said NCRC CEO Jesse Van Tol. "This plan is a significant commitment by one of the largest banks in the nation to increase investments, services and loans for low- and moderate-income communities and neighborhoods of color. It's rewarding and makes me hopeful when institutions and communities can come together like this to make a meaningful commitment that's intended to have a lasting impact on lives, families and neighborhoods."

PNC's Regional President and Community Development Banking teams will serve as key points of engagement in their local communities for identifying impactful local community development initiatives and acting as liaisons with local organizations. PNC will extend this model to the new markets it enters through its pending acquisition of BBVA USA.

"As we consulted with numerous groups across the country, we learned the concerns that are top of mind to our communities: focusing on home ownership as a foundation of wealth creation for current and future generations; finding solutions to help the unbanked and underbanked who have suffered disproportionately during this pandemic; and supporting small businesses and entrepreneurs by providing access to capital and credit on par with the access enjoyed by more affluent segments of our society," said Richard Bynum, chief corporate responsibility officer for PNC. "We believe that our strategic focus on fostering economic empowerment, education and entrepreneurship in traditionally underserved populations and communities truly reflects the concerns of our communities and addresses each of these areas."

"For over three decades, I have been fond of saying, 'Banks are our neighborhoods' best hope.' The PNC plan directly responds to that hope," said NCRC President and Founder John Taylor. "It will provide a much-needed influx of investment into critical programs that improve affordable housing, mortgage lending, small business development and economic development projects for low- and moderate-income people and neighborhoods coast-to-coast. This plan would have been impossible without the clear and unwavering commitment of PNC CEO Bill Demchak and other executive leadership at the bank, as well as the critical role our local community members played in our discussions with the bank."

The Community Benefits Plan builds on PNC's commitment to providing economic opportunity for all individuals and communities, including LMI and minority individuals and communities, as well as women, veterans and LGBTQ+ individuals and businesses. In addition, the Plan reflects PNC's commitment to addressing systemic racism, promoting social justice and advancing diversity and inclusion, not just within PNC, but within the broader financial system and its communities.

In 2020 the PNC Board of Directors formed a Special Committee on Equity and Inclusion in order to provide oversight of these important issues. The Board's Special Committee will also be responsible for oversight of PNC's execution of the Plan.

PNC's plan to better meet the needs of the unbanked and underbanked includes the addition of 20 new branches and 25 remote automated teller machines in LMI communities across PNC's expanded footprint, and 10 mobile banking units primarily dedicated to servicing LMI communities. PNC also expects to increase its spending with diverse suppliers by at least 20% over the plan period.

PNC also plans to expand the reach of its innovative banking products and initiatives designed to meet the needs of LMI individuals, underserved communities and the elderly. This includes the company's recent announcement of its groundbreaking Low Cash ModeSM digital offering, which addresses the \$17 billion that some studies estimate U.S. consumers pay each year in overdraft fees. Low Cash ModeSM helps PNC's Virtual Wallet[®] customers avoid overdraft fees and remain in the banking system through unprecedented account transparency and control to manage through low-cash moments or mis-timed payments. Low Cash ModeSM launches nationwide in June and July. Pending regulatory approval and the anticipated close and conversion of BBVA USA customers to PNC's systems later this year, it will be available to BBVA USA customers with Virtual Wallet accounts.

In addition, PNC will expand into its new BBVA USA geographies its *SmartAccess* and Foundation Checking accounts—two products that meet the Cities for Financial Empowerment Fund's [Bank On national certification](#). Bank On's 2021-2022 Standards require low cost, no overdraft, and full-functioning features. PNC is the only bank with two Bank On certified products.

"PNC is committed to continuing to reduce barriers to banking, increasing access to financial services and capital, and implementing financial solutions that position LMI and minority-owned businesses for effective growth, development, and sustainability," Bynum said.

Under the Community Benefits Plan, PNC also will create a Community Advisory Council that will meet semi-annually to discuss the bank's progress toward the goals and objectives of the plan, as well as emerging areas of community need. In addition, PNC will host an annual Community Leadership Symposium for members of the Council, key representatives of its member organizations and other invited guests to discuss broader developments affecting community development needs and how financial institutions, like PNC, can best help to meet those needs.

Finally, under the Plan, PNC will increase recruiting from historically Black colleges and universities while also exploring opportunities to increase its recruitment from higher education institutions primarily serving Latinx students.

PNC will use its best efforts to meet and, where possible, exceed the goals included in the Plan, assuming regulatory approval and consummation of the planned acquisition of BBVA USA.

In Nov. 2020, PNC and the Spanish financial group, Banco Bilbao Vizcaya Argentaria, S.A. (NYSE and MAD: BBVA) announced a definitive agreement for PNC to acquire BBVA USA Bancshares, Inc., including its U.S. banking subsidiary, BBVA USA, headquartered in Houston, Texas, that operates 637 branches in Texas, Alabama, Arizona, California, Florida, Colorado and New Mexico. When combined with PNC's existing footprint, the company will have a coast-to-coast franchise with a presence in 29 of the 30 largest markets in the U.S.

The PNC Financial Services Group, Inc. is one of the largest diversified financial services institutions in the United States, organized around its customers and communities for strong relationships and local delivery of retail and business banking including a full range of lending products; specialized services for corporations and government entities, including corporate banking, real estate finance and asset-based lending; wealth management and asset management. For information about PNC, visit www.pnc.com.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are typically identified by words such as "believe," "plan," "expect," "anticipate," "see," "look," "intend," "outlook," "project," "forecast," "estimate," "goal," "will," "should" and other similar words and expressions, including, but not limited to, statements regarding the outlook for our future business and financial performance. Forward-looking statements speak only as of the date made. We do not assume any duty and do not undertake to update forward-looking statements. Forward-looking statements are necessarily subject to numerous assumptions, risks and uncertainties, which change over time. There are important factors that could cause our actual results, level of activity, performance or achievements, including those under the Community Benefits Plan, to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements in this press release, including, but not limited to, future changes to our business strategy, performance of the U.S. economy, or changes to the laws and regulations affecting us, our customers and the U.S. economy (including, but not limited to, tax laws and regulations), risks and uncertainties related to the acquisition of BBVA USA Bancshares, Inc., including its U.S. banking subsidiary, BBVA USA, and the integration of the acquired business into PNC after closing, as well as the risks described in our Annual Report on Form 10-K for the year ended Dec. 31, 2020 and in our subsequent Securities and Exchange Commission filings. Thus, there can be no assurance that the Community Benefits Plan will achieve the results or outcome originally expected or anticipated by us. As a result, we caution against placing undue reliance on any forward-looking statements.

CONTACT:

Marcey Zwiebel
(412) 762-4550
media.relations@pnc.com

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