FRB Order No. 2021-03
April 9, 2021

FEDERAL RESERVE SYSTEM

VeraBank, Inc.
Henderson, Texas

Order Approving the Acquisition of a Bank

VeraBank, Inc. ("VBI"), Henderson, Texas, a bank holding company within the meaning of the Bank Holding Company Act of 1956 ("BHC Act"),[1] has requested the Board's approval under section 3 of the BHC Act[2] to acquire 100 percent of the voting shares of Panola National Bank ("Panola Bank"), Carthage, Texas.

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (86 Federal Register 7870 (February 2, 2021)).[3] The time for submitting comments has expired, and the Board has considered the proposal and all comments received in light of the factors set forth in section 3 of the BHC Act.

VBI, with consolidated assets of approximately $3.0 billion, is the 363rd largest insured depository organization in the United States.[4] VBI controls approximately $2.6 billion in consolidated deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. VBI controls VeraBank, N.A. ("VeraBank"), Henderson, Texas, which operates in Texas only. VeraBank is the 39th largest insured depository organization in Texas, controlling

[1] 12 U.S.C. § 1841 et seq.

[2] 12 U.S.C. § 1842.

[3] 12 CFR 262.3(b).

[4] National asset, deposit, and market-share rankings are as of December 31, 2020, unless otherwise noted. In this context, insured depository institutions include commercial banks, savings associations, and savings banks.

deposits of approximately $2.5 billion, which represent less than 1 percent of the total deposits of insured depository institutions in that state.[5]

Panola Bank, with total assets of approximately $125.7 million, is the 3823rd largest insured depository organization in the United States. Panola Bank controls approximately $110.8 million in consolidated deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. Panola Bank operates in Texas only. Panola Bank is the 329th largest insured depository organization in Texas, controlling deposits of approximately $108.7 million, which represent less than 1 percent of the total deposits of insured depository institutions in that state.

On consummation of the proposal, VBI would become the 347th largest insured depository organization in the United States, with consolidated assets of approximately $3.1 billion, which would represent less than 1 percent of the total assets of insured depository organizations in the United States. VBI would control total consolidated deposits of approximately $2.7 billion, which would represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. In Texas, VBI would remain the 38th largest insured depository organization, controlling deposits of approximately $2.6 billion, which would represent less than 1 percent of the total deposits of insured depository institutions in the state.

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.[6] 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

[5] State deposit data and rankings are as of June 30, 2020.

[6] 12 U.S.C. § 1842(c)(1)(A).

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.[7]

VeraBank and Panola Bank compete directly in the Longview, Texas, banking market.[8] The Board has considered the competitive effects of the proposal in this banking market. In particular, the Board has considered the relative share of total deposits in insured depository institutions in the market ("market deposits") that VBI would control;[9] the concentration level of market deposits and the increase in this level, as measured by the Herfindahl-Hirschman Index ("HHI") under the Department of Justice ("DOJ") Bank Merger Competitive Review guidelines ("DOJ Bank Merger Guidelines");[10] the number of competitors that would remain in the market; and other characteristics of the market.

---

[7] 12 U.S.C. § 1842(c)(1)(B).

[8] The Longview banking market is defined as Gregg, Harrison, Marion, and Upshur counties, and the northern two-thirds of Rusk County, all in Texas.

[9] Local deposit and market share data are as of June 30, 2020, 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); and 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., First Hawaiian, Inc., 77 Federal Reserve Bulletin 52 (1991).

[10] In applying the DOJ Bank Merger Guidelines issued in 1995 (see https://www.justice.gov/atr/bank-merger-competitive-review-introduction-and-overview-1995), the Board looks to the DOJ's Horizontal Merger Guidelines issued in 1992 and amended in 1997, for the characterization of a market's concentration. See https://www.justice.gov/atr/horizontal-merger-guidelines-0. Under these Horizontal Merger Guidelines, which were in effect prior to 2010, 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 HHI exceeds 1800. The DOJ has informed the Board that a bank merger or acquisition generally would 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. Although the DOJ and the Federal Trade

Consummation of the proposal would be consistent with Board precedent and within the thresholds in the DOJ Bank Merger Guidelines in the Longview banking market. On consummation of the proposal, the Longview banking market would remain unconcentrated as measured by the HHI, according to the concentration measures applied by the Board. The change in HHI would be small, and numerous competitors would remain in the market.[11]

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

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

Commission issued revised Horizontal Merger Guidelines in 2010 (see https://www.justice.gov/atr/horizontal-merger-guidelines-08192010), the DOJ has confirmed that its Bank Merger Guidelines, which were issued in 1995, were not modified. See Press Release, Department of Justice (August 19, 2010), available at www.justice.gov/opa/pr/2010/August/10-at-938.html.

[11] VeraBank operates the 2nd largest depository institution in the Longview banking market, controlling approximately $1.1 billion in deposits, which represent 17.1 percent of market deposits. Panola Bank operates the 24th largest depository institution in the market, controlling deposits of approximately $14.5 million, which represent less than 1 percent of market deposits. On consummation of the proposed transaction, VeraBank would remain the 2nd largest depository organization in the market, controlling deposits of approximately $1.1 billion, which represent 17.4 percent of market deposits. The HHI for the Longview banking market would increase by eight points to 1072, and 24 competitors would remain in the market.

Financial, Managerial, and Other Supervisory Considerations

In reviewing a proposal under section 3 of the BHC Act, the Board considers the financial and managerial resources and the future prospects of the institutions involved, the effectiveness of the institutions in combatting money laundering, and any public comments on the proposal.[12] 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 the impact of the proposed funding of the transaction and 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 effectively the proposed integration of the operations of the institutions. In assessing financial factors, the Board 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.

VBI, VeraBank, and Panola Bank are well capitalized, and the combined organization would remain so on consummation of the proposal. The proposed transaction is a bank acquisition that is structured primarily as a cash purchase.[13] The

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

[13] VeraBank would effect the acquisition by forming an interim national bank, Bullfrog Interim Bank, National Association ("Interim Bank"). Interim Bank would merge with and into Panola Bank, with Panola Bank surviving the merger as a subsidiary of VBI. At the time of the merger, each share of Panola Bank common stock would be cancelled and converted into a right to receive cash. Immediately following the acquisition, VeraBank

capital, asset quality, earnings, and liquidity of VBI are consistent with approval, and VBI appears to have adequate resources to absorb the related costs of the proposal and to complete the integration of the institutions' operations. In addition, future prospects are considered consistent with approval. In reaching these conclusions, the Board also has considered VBI's plans to withstand the potential impact of near-term economic conditions.

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

VBI, VeraBank, and Panola Bank are considered to be well managed. VBI's directors and senior executive officers have knowledge of and experience in the banking and financial services sectors, and VBI's risk-management program appears consistent with approval of this expansionary proposal.

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

---

would continue to operate Panola Bank as a separate standalone bank. VBI has represented that it intends to merge Panola Bank with and into VeraBank at some time after the first merger is consummated. The bank mergers would be subject to approval by the Office of Comptroller of the Currency ("OCC") under section 18(c) of the Federal Deposit Insurance Act, 12 U.S.C. § 1828(c). VBI has the financial resources to effect the proposed acquisition and mergers.

Based on all of the facts of record, including VBI's supervisory record, managerial and operational resources, and plans for operating the combined organization after consummation, the Board determined 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 VBI, VeraBank, and Panola Bank 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.[14] In its evaluation, the Board considers whether the relevant institutions are helping to meet the credit needs of the communities they serve, as well as other potential effects of the proposal on the convenience and needs of these communities, and places particular emphasis on the records of the relevant depository institutions under the Community Reinvestment Act of 1977 ("CRA").[15] The CRA requires the federal financial supervisory agencies to encourage 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,[16] and requires the appropriate federal financial supervisory agency to assess a depository institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income ("LMI") neighborhoods, in evaluating bank expansionary proposals.[17]

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, or certain other characteristics. The Board also considers assessments of other relevant

---

[14] 12 U.S.C. § 1842(c)(2).

[15] 12 U.S.C. § 2901 et seq.

[16] 12 U.S.C. § 2901(b).

[17] 12 U.S.C. § 2903.

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 institution's business model and marketing and outreach plans, the organization's plans after consummation, and any other information the Board deems relevant.

In assessing the convenience and needs factor in this case, the Board has considered all the facts of record, including reports of examination of the CRA performance of VeraBank and Panola Bank, the fair lending and compliance records of both banks, the supervisory views of the OCC, confidential supervisory information, information provided by VBI, and the public comment received on the proposal.

Public Comment on the Proposal

The Board received one comment on the proposal. The commenter objected to the proposal on the basis that VeraBank allegedly made more home loans in Texas to White borrowers than it did to African American borrowers, and that VeraBank denied African American borrowers at a higher rate than it denied White borrowers, based on data reported by VeraBank under the Home Mortgage Disclosure Act of 1975 ("HMDA").[18]

Businesses of the Involved Institutions and Response to the Public Comment

Through VeraBank's branches in Texas, VBI offers consumer and commercial loan and deposit products, wealth management services, and business banking products. These products and services include a wide range of checking, savings, and money market accounts, as well as credit products, such as home equity, automobile, boat, farm, construction, and commercial loans. Through its branches in

[18] 12 U.S.C. § 2801 et seq. The commenter also stated that the Board should consider VeraBank's performance under the Paycheck Protection Program ("PPP") because of a decline in applications received between the first and second rounds of the PPP. An allegation of a decline in PPP lending without additional support does not address the limited factors that the Board is authorized to consider when reviewing an application or notice under the BHC Act. See Western Bancshares, Inc. v. Board of Governors, 480 F.2d 749 (10th Cir. 1973).

Texas, Panola Bank offers a variety of commercial and consumer loan products, including commercial and home mortgage lending. Panola Bank also provides a variety of deposit services, including checking, savings, and money market deposit accounts, individual retirement accounts, and certificates of deposit, as well as business checking and merchant card services. Both banks offer internet banking and mobile banking services.

In response to the comment, VBI represents that VeraBank's denial of certain loans is based on the bank's credit underwriting process and is not the result of any racial bias or discrimination. VBI also represents that the bank has a comprehensive fair lending program to ensure compliance with fair lending laws and regulations. VBI represents that VeraBank engages in comparative file reviews that analyze decisions made on similar applications and compare decisions made on applications by minorities to those by non-minorities. VBI represents that this comparative file review helps ensure that the bank's credit decisions are based on the credit quality of the applicant and not on a prohibited basis.

According to VBI, VeraBank supports many nonprofits and community service activities, and the bank's employees are active in promoting such services. VBI notes that VeraBank has a wholly owned community development organization, VeraBank Community Development Corporation, that funds mortgage loans to LMI individuals and in LMI communities, including non-HMDA reportable mortgages made to African American borrowers.

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, as well as other information. The Board considers the supervisory views of relevant federal supervisors, which in this case is the OCC with respect to both VeraBank and Panola Bank.[19] In

---

[19] See Interagency Questions and Answers Regarding Community Reinvestment, 81 Federal Register 48,506, 48,548 (July 25, 2016).

addition, the Board considers information provided by the applicant and by 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.[20] An institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation by the institution's primary federal supervisor of the institution's overall record of lending in its communities.

In general, federal financial supervisors apply a lending test ("Lending Test"), an investment test ("Investment Test"), and a service test ("Service Test") to evaluate the performance of large banks, such as VeraBank, in helping to meet the credit needs of the communities they serve. The Lending Test specifically evaluates an institution's lending-related activities to determine whether the institution is helping to meet the credit needs of individuals and geographies of all income levels. As part of the Lending Test, examiners review and analyze an institution's data reported under the 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 assessment areas ("AAs"); (2) the geographic distribution of the institution's lending, including the proportion and dispersion of the institution's lending in its AAs and the number and amounts of loans in low-, moderate-, middle-, and upper-income geographies; (3) the distribution of loans based on borrower characteristics, including, for home mortgage loans, the number and

[20] 12 U.S.C. § 2906.

amounts of loans to low-, moderate-, middle-, and upper-income individuals;[21] (4) the institution's community development lending, including the number and amounts of community development loans and their complexity and innovativeness; and (5) the institution's use of innovative or flexible lending practices to address the credit needs of LMI individuals and geographies.[22] The Investment Test evaluates the number and amounts of qualified investments that benefit the institution's AAs, and 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.[23] Small institutions, such as Panola Bank, are subject only to the Lending Test described above.[24]

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.[25] Consequently, the Board evaluates such disparities in the context of other information regarding the lending record of an institution.

---

[21] 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).

[22] See 12 CFR 228.22(b).

[23] See 12 CFR 228.21 et seq.

[24] 12 CFR 228.26(a).

[25] Other information relevant to credit decisions could include credit history, debt-to-income ratios, and loan-to-value ratios. Accordingly, when conducting fair lending examinations, examiners analyze such additional information before reaching a determination regarding an institution's compliance with fair lending laws.

CRA Performance of VeraBank

VeraBank was assigned an overall rating of "Satisfactory" at its most recent CRA performance evaluation by the OCC, as of April 27, 2020 ("VeraBank Evaluation").[26] The bank received a "High Satisfactory" rating on the Lending and Investment Tests and an "Outstanding" rating on the Service Test.[27]

Examiners found that a high percentage of VeraBank's loans were extended in the bank's AAs. Examiners determined that VeraBank exhibited good geographic distribution of loans in its AAs and excellent distribution of loans among individuals of different income levels and business of different sizes. Examiners found that VeraBank's community development lending had a significantly positive impact on the overall lending test for the non-MSA, and found the bank to be a leader in making community development loans.

Examiners found that VeraBank had an adequate overall level of qualified community development investments and grants, and made substantial community development-qualified investments in statewide and regional areas. Examiners determined that VeraBank exhibited adequate responsiveness to credit and community economic development needs, and the bank's qualified investments, donations, and grants were responsive to needs in its AAs.

Examiners concluded that VeraBank's retail service performance in the non-MSA and Longview AA was excellent. Examiners found that the bank was a leader in providing community development services. Examiners determined that the bank's

---

[26] The VeraBank Evaluation was conducted using Large Institution CRA Examination Procedures. Examiners reviewed loan data from January 1, 2017, through December 31, 2019. Examiners also reviewed community development activities from April 10, 2017, through December 31, 2019.

[27] The VeraBank Evaluation involved a full-scope review of the bank's activities in the Longview, Texas, metropolitan statistical area ("MSA") and the non-MSA AAs comprised of Anderson, Angelina, Henderson, Limestone, Navarro, Marion, Titus, and Walker counties; and limited-scope reviews of the Austin, Bryan–College Station, Killeen–Temple–Fort Hood, and Tyler AAs.

service delivery systems were readily accessible to geographies and individuals of different income levels in the institution's AAs.

CRA Performance of Panola Bank

Panola Bank received an overall rating of "Satisfactory" at its most recent CRA performance evaluation by the OCC, as of February 3, 2020 ("Panola Bank Evaluation").[28] The bank received a "Satisfactory" rating for the Lending Test.[29]

Examiners found that the geographic distribution of the bank's loans reflected excellent dispersion throughout the bank's AAs. Examiners found that Panola Bank's average net loan-to-deposit ratio was reasonable given the bank's asset size, financial condition, and the credit needs of the bank's AAs. Examiners noted that a substantial majority of the small business and home mortgage loans reviewed were extended within the bank's AAs. Examiners determined that the distribution of loans to businesses of different revenue sizes and individuals of different income levels in the bank's AAs was reasonable.

Additional Supervisory Views

In its review of the proposal, the Board consulted with the OCC regarding the CRA, consumer compliance, and fair lending records of VeraBank. The Board also considered the results of the most recent consumer compliance examinations of VeraBank and Panola Bank, which included reviews of the banks' compliance management programs and compliance with consumer protection laws and regulations.

The Board has taken the foregoing consultations and examinations into account in evaluating the proposal, including in considering whether VBI has the experience and resources to ensure that the VeraBank and Panola Bank would help meet

---

[28] The Panola Bank Evaluation was conducted using Small Bank CRA Examination Procedures. Examiners reviewed home mortgage and consumer loan data from January 1, 2017, through December 31, 2019.

[29] The Panola Bank Evaluation reviewed the bank's activities in Harrison County (MSA) and Panola County (non-MSA).

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. VBI represents that customers of VeraBank and Panola Bank would benefit from the combined strengths of the resulting organization. VBI asserts that the banks would leverage the greater resources of the resulting organization to enhance product offerings, customer service, and community involvement. VBI also represents that, with the exception of balloon mortgages, which are currently offered by Panola Bank, VBI does not anticipate discontinuing or making significant modifications to any existing products or services of the banks following consummation of 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, confidential supervisory information, information provided by VBI, the public comment 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 considerations are 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."[30]

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

---

[30] 12 U.S.C. § 1842(c)(7).

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.[31] These categories are not exhaustive, and additional categories could inform the Board's decision. In addition to these quantitative measures, the Board considers qualitative factors, such as the opacity and complexity of an institution's internal organization, that are indicative of the relative degree of difficulty of resolving the resulting firm. A financial institution that can be resolved in an orderly manner is less likely to inflict material damage on the broader economy.[32]

The Board's experience has shown that proposals involving an acquisition of less than \$10 billion in total assets, or that result in a firm with less than \$100 billion in total assets, generally are not likely to pose systemic risks. Accordingly, the Board presumes that a proposal does not raise material financial stability concerns if the assets involved fall below either of these size thresholds, absent evidence that the transaction would result in a significant increase in interconnectedness, complexity, cross-border activities, or other risk factors.[33]

In this case, the Board has considered information relevant to risks to the stability of the United States banking or financial system. The proposal involves a target

---

[31] Many of the metrics considered by the Board measure an institution's activities relative to the U.S. financial system.

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

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

that has less than $10 billion in total assets and a pro forma organization of less than $100 billion in total assets. Both the acquirer and the target are predominantly engaged in retail and commercial banking activities.[34] The pro forma organization would not exhibit an organizational structure, complex interrelationships, or unique characteristics that would complicate resolution of the firm in the event of financial distress. In addition, the organization would not be a critical services provider or so interconnected with other firms or the markets that it would pose a significant risk to the financial system in the event of financial distress.

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

Conclusion

Based on the foregoing and all the facts of record, the Board determines that the application should be, and hereby is, approved. In reaching its conclusion, the Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act and other applicable statutes. The Board's approval is specifically conditioned on compliance by VBI 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 VBI 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.

[34] VeraBank and Panola Bank offer a range of retail and commercial banking products and services. VBI has, and as a result of the proposal would continue to have, a small market share in these products and services on a nationwide basis.

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 Dallas, acting under delegated authority.

By order of the Board of Governors,[35] effective April 9, 2021.

Michele Taylor Fennell (signed)
Michele Taylor Fennell
Deputy Associate Secretary of the Board

[35] Voting for this action: Chair Powell, Vice Chair Clarida, Vice Chair for Supervision Quarles, and Governors Bowman, Brainard and Waller.