

FEDERAL RESERVE SYSTEM

First Internet Bancorp  
Fishers, Indiana

Order Approving the Acquisition of a Bank Holding Company

First Internet Bancorp (“FIB”), Fishers, Indiana, a bank holding company within the meaning of the Bank Holding Company Act,<sup>1</sup> has requested the Board’s approval under section 3 of the BHC Act<sup>2</sup> to acquire First Century Bancorp. (“FCB”), Roswell, Georgia, a bank holding company, and thereby indirectly acquire FCB’s subsidiary bank, First Century Bank, National Association (“FC Bank”), Commerce, Georgia. Following the proposed merger, FC Bank would be merged with and into FCB’s subsidiary bank, First Internet Bank of Indiana (“FI Bank”), Fishers, Indiana.<sup>3</sup>

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (86 Federal Register 70127 (December 9, 2021)).<sup>4</sup> 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.

FIB, with consolidated assets of approximately \$4.2 billion, is the 302nd largest insured depository organization in the United States.<sup>5</sup> FIB controls approximately \$3.2 billion in consolidated deposits, which represent less than 1 percent of the total

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<sup>1</sup> 12 U.S.C. § 1841 et seq.

<sup>2</sup> 12 U.S.C. § 1842.

<sup>3</sup> The merger of FC Bank with and into FI Bank is subject to the approval of the Federal Deposit Insurance Corporation (“FDIC”), under section 18(c) of the Federal Deposit Insurance Act. 12 U.S.C. § 1828(c).

<sup>4</sup> 12 CFR 262.3(b).

<sup>5</sup> Consolidated asset and national ranking data are as of December 31, 2021.

amount of deposits of insured depository institutions in the United States.<sup>6</sup> FIB controls FI Bank, which operates only in Indiana. FIB is the 17th largest insured depository organization in Indiana, controlling deposits of approximately \$3.2 billion, which represent approximately 1.8 percent of the total deposits of insured depository institutions in that state.<sup>7</sup>

FCB, with consolidated assets of approximately \$486.7 million, is the 1856th largest insured depository organization in the United States. FCB controls approximately \$413.5 million in consolidated deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. FCB controls FC Bank, which operates in Georgia and South Carolina. FCB is the 87th largest insured depository organization in Georgia, controlling deposits of approximately \$251.3 million, which represent less than 1 percent of the total deposits of insured depository institutions in that state. FCB maintains a non-depository office in South Carolina.

On consummation of this proposal, FIB would become the 284th largest insured depository organization in the United States, with consolidated assets of approximately \$4.7 billion, which would represent less than 1 percent of the total assets of insured depository organizations in the United States. FIB would control total consolidated deposits of approximately \$3.6 billion, which would represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States.

### ***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

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<sup>6</sup> Consolidated national deposit and market share data are as of December 31, 2021. In this context, insured depository institutions include commercial banks, savings associations, and savings banks.

<sup>7</sup> State deposit ranking and deposit data are as of June 30, 2021.

home state of the bank holding company without regard to whether the transaction would be prohibited under state law.<sup>8</sup> The Board (1) may not approve an application that would permit an out-of-state bank holding company or bank 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;<sup>9</sup> (2) must take into account the record of the applicant's bank under the Community Reinvestment Act of 1977 ("CRA")<sup>10</sup> and the applicant's record of compliance with applicable state community reinvestment laws;<sup>11</sup> and (3) may not approve an interstate application if the bank holding company controls or, upon consummation, 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 the target bank's home state or in any state in which the acquirer and target have overlapping banking operations.<sup>12</sup>

For purposes of the BHC Act, the home state of FIB is Indiana.<sup>13</sup> FC Bank is located in Georgia and South Carolina. FIB is well capitalized and well managed under applicable law. FI Bank has a "Satisfactory" rating under the CRA, and FC Bank

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<sup>8</sup> 12 U.S.C. § 1842(d)(1)(A).

<sup>9</sup> 12 U.S.C. § 1842(d)(1)(B).

<sup>10</sup> 12 U.S.C. § 2901 *et seq.*

<sup>11</sup> 12 U.S.C. § 1842(d)(3).

<sup>12</sup> 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, headquartered, or operates a branch. See 12 U.S.C. § 1841(o)(4)-(7).

<sup>13</sup> 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.

has been in existence for more than five years. There are no state community reinvestment laws that apply to this proposal.

On consummation of the proposed transaction, FIB would control less than 1 percent of the total amount of consolidated deposits in insured depository institutions in the United States. Georgia and South Carolina each impose a 30 percent limit on the total amount of in-state deposits that a single banking organization may control.<sup>14</sup> The combined organization would control less than 1 percent of the total amount of deposits of insured depository institutions in Georgia and South Carolina. 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.<sup>15</sup> 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.<sup>16</sup>

FI Bank and FB Bank do not compete directly in any banking market. The Department of Justice 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.

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<sup>14</sup> See Ga. Code Ann. § 7-1-622(b)(2)(B); S.C. Code Ann. § 34-25-240.

<sup>15</sup> 12 U.S.C. § 1842(c)(1)(A).

<sup>16</sup> 12 U.S.C. § 1842(c)(1)(B).

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 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.<sup>17</sup> 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 effectively complete 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.

FIB, FCB, 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 acquisition that is structured as a

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<sup>17</sup> 12 U.S.C. § 1842(c)(2), (5), and (6).

stock purchase, with a subsequent merger of the subsidiary banks.<sup>18</sup> The capital, asset quality, earnings, and liquidity of FIB and FCB are consistent with approval, and FIB and FCB appear 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.

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 FIB, FCB, and their subsidiary depository institutions, including assessments of their management, risk-management systems, and operations. In addition, the Board has considered information provided by FIB; 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 a public comment on the proposal.

FIB, FCB, and their subsidiary depository institutions are 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 the proposed risk-management program appears consistent with approval of this expansionary proposal.

The Board also has considered FIB's plans for implementing the proposal. FIB 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, FIB's management has the experience and resources to operate the resulting organization in a safe and sound manner.

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<sup>18</sup> FIB would effect the holding company acquisition by merging a newly formed subsidiary of FIB with and into FCB, with FCB as the surviving entity. FCB subsequently would merge with and into FIB, with FIB surviving, and FC Bank would merge with and into FI Bank, with FI Bank as the surviving entity. FIB has the financial resources to effect the proposed acquisition and mergers.

Based on all the facts of record, including FIB’s supervisory record, 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 FIB and FCB 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.<sup>19</sup> 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. The Board considers and places particular emphasis on the records of the relevant depository institutions under the CRA. 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,<sup>20</sup> 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.<sup>21</sup>

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 supervisors, the supervisory views of examiners, other supervisory information,

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<sup>19</sup> 12 U.S.C. § 1842(c)(2).

<sup>20</sup> 12 U.S.C. § 2901(b).

<sup>21</sup> 12 U.S.C. § 2903.

information provided by the applicant, and public comments on the proposal. The Board also may consider the acquiring institution’s business model, marketing and outreach plans, 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 FI Bank and FC Bank, the fair lending and compliance records of both banks, the supervisory views of the FDIC and the Office of the Comptroller of the Currency (“OCC”), confidential supervisory information, information provided by FIB, and the public comment received on the proposal.

*Public Comment on the Proposal*

The Board received one adverse comment on the proposal. The commenter objected to the proposal, alleging that in 2020, FI Bank made fewer home loans in Indiana to African American individuals as compared to white individuals.<sup>22</sup>

*Businesses of the Involved Institutions and Response to the Public Comment*

Through FI Bank and its subsidiaries, FIB offers a variety of financial services, including retail and commercial banking, mortgage lending, commercial real estate lending, municipal lending, and trust products. Through FC Bank and primarily over the internet, FCB offers a nontraditional mix of banking products, including tax anticipation loans, treasury management services, and deposit management services.

In response to the comment, FIB represents that, in 2020, FI Bank’s average loans to white individuals as compared to African American individuals were substantially consistent with national averages. FIB also represents that FI Bank’s 2020 denial rate on applications received from African American individuals was more favorable than the national average. Further, FIB states that FI Bank prioritizes compliance with all applicable fair lending laws and the CRA and that FI Bank has adopted numerous procedures related to its lending programs, including a mandatory

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<sup>22</sup> The data cited by the commenter appear to correspond to publicly available 2020 data reported by FI Bank under the Home Mortgage Disclosure Act of 1975 (“HMDA”), 12 U.S.C. § 2801 *et seq.*



second review of all denied loans, designed to ensure that FI Bank does not engage in any illegal or discriminatory credit practices and continues to meet the credit needs of the communities in which it does business. FIB also states that FI Bank has historically achieved satisfactory ratings in its CRA performance evaluations and that FI Bank's assessment area ("AA"), which was developed in consultation with and approved by the FDIC, does not arbitrarily exclude any LMI census tracts or reflect any illegal discrimination.

*Records of Performance under the CRA*

In evaluating the convenience and needs factor and CRA performance of an institution, the Board generally considers the institution's most recent CRA evaluation, as well as information and views provided by the appropriate federal financial supervisors. In this case, the Board considered the supervisory views of the FDIC with respect to FI Bank and the OCC with respect to FC Bank.<sup>23</sup> In addition, the Board considers information provided by the applicant and by 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.<sup>24</sup> 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") and a community development test ("Community Development Test") to evaluate the performance of an intermediate small bank, such as FI Bank, in helping to meet the credit needs of the communities it serves. The Lending Test specifically evaluates an institution's lending-related activities to determine whether the institution is helping to

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<sup>23</sup> See Interagency Questions and Answers Regarding Community Reinvestment, 81 Federal Register 48,506, 48,548 (July 25, 2016).

<sup>24</sup> 12 U.S.C. § 2906.

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 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 the institution's (1) loan-to-deposit ratio and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments; (2) percentage of loans and, as appropriate, other lending-related activities located in the bank's AAs; (3) record of lending to, and, as appropriate, engaging in other lending-related activities for, borrowers of different income levels and businesses and farms of different sizes; (4) geographic distribution of loans; and (5) record of taking action, if warranted, in response to written complaints about the institution's performance in helping to meet credit needs in the bank's AAs.<sup>25</sup> The Community Development Test evaluates the number and amounts of the institution's community development loans and qualified investments; the extent to which the institution provides community development services; and the institution's responsiveness through such activities to community development lending, investment, and service needs.<sup>26</sup> Small institutions, such as FC Bank, are subject only to the Lending Test.<sup>27</sup>

The CRA permits an insured depository institution to apply to its primary federal financial supervisor to be evaluated under a strategic plan.<sup>28</sup> The CRA performance of such an institution is assessed by evaluating the institution's record of

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<sup>25</sup> See 12 CFR 228.26(b).

<sup>26</sup> See 12 CFR 228.26(c).

<sup>27</sup> See 12 CFR 228.26(a).

<sup>28</sup> See, e.g., 12 CFR 228.21(a)(4). Under the federal financial supervisory agencies' CRA regulations, the appropriate federal financial supervisory agency will assess an institution's CRA performance under a strategic plan if, among other things, the institution invites public comment on the plan and the plan is approved by the relevant supervisor. See, e.g., 12 CFR 228.27.

meeting the credit needs of its AAs under its strategic plan.<sup>29</sup> The evaluation involves an assessment of the institution’s performance under the lending, investment, and service goals outlined in its strategic plan.<sup>30</sup> The FDIC evaluated FI Bank under a strategic plan, and the OCC evaluated FC Bank under a strategic plan.<sup>31</sup>

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.<sup>32</sup> Consequently, the Board requests 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 FI Bank*

FI Bank was assigned an overall rating of “Satisfactory” at its most recent CRA performance evaluation by the FDIC, as of April 6, 2021 (“FI Bank Evaluation”).<sup>33</sup> The FI Bank Evaluation was conducted pursuant to an FDIC-approved strategic plan, which specifies measurable goals for meeting the lending and community development

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<sup>29</sup> See, e.g., 12 CFR 228.27.

<sup>30</sup> Id.

<sup>31</sup> The FDIC approved FI Bank’s strategic plan under 12 CFR 345.27, and the OCC approved FC Bank’s strategic plan under 12 CFR 25.27.

<sup>32</sup> 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, such as credit scores, before reaching a determination regarding an institution’s compliance with fair lending laws.

<sup>33</sup> The FI Bank Evaluation was conducted using the Interagency Strategic Plan CRA Examination Procedures. Examiners reviewed FI Bank’s performance under its strategic plan from January 1, 2018, through December 31, 2020.

needs of the bank's AA. The FI Bank Evaluation included a review of the bank's performance toward meeting these goals.<sup>34</sup>

Examiners concluded that FI Bank substantially met the strategic plan goals for satisfactory performance over the entire evaluation period. Examiners noted that the bank's performance was particularly strong with respect to qualified investments and community development services. Examiners also noted that weaknesses included a low volume of community development lending and a low level of lending to businesses with revenues of \$1 million or less.

#### *CRA Performance of FC Bank*

FC Bank was assigned an overall rating of "Outstanding" at its most recent CRA performance evaluation by the OCC, as of April 6, 2020 ("FC Bank Evaluation").<sup>35</sup> The FC Bank Evaluation was conducted pursuant to an OCC-approved strategic plan, which specified measurable goals for meeting the community development lending, investment, and services needs of the bank's AA. The FC Bank Evaluation included a review of the bank's performance toward meeting these goals.<sup>36</sup> Examiners concluded that FC Bank exceeded the strategic plan goals for outstanding performance for community development lending, investments, and services in 2019.

#### *Additional Supervisory Views*

In its review of the proposal, the Board consulted with the FDIC regarding the CRA, consumer compliance, and fair lending records of FI Bank and with the OCC regarding FC Bank. The Board also considered the results of the most recent consumer compliance examinations of FI Bank and FC Bank, which included reviews of the banks'

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<sup>34</sup> FI Bank's AA consists of Marion, Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Morgan, and Shelby counties, all within the Indianapolis-Carmel-Anderson, Indiana, Metropolitan Statistical Area.

<sup>35</sup> The FC Bank Evaluation was conducted using the Federal Financial Institutions Examination Council CRA Strategic Plan Examination Procedures. Examiners reviewed FC Bank's performance under its strategic plan from January 1, 2019, through December 31, 2019.

<sup>36</sup> FC Bank's AA consists of Hall County, Georgia.

compliance management programs and compliance with consumer protection laws and regulations.

The Board has taken this information, as well as the CRA performance records of FI Bank and FC Bank, into account in evaluating the proposal, including in considering whether FIB has the experience and resources to ensure that the combined bank 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. FIB represents that, following consummation of the proposal, FI Bank's national platform and larger lending limit would allow the combined bank to better service the lending needs of FC Bank's customers. FIB further represents that the transaction would enhance both FI Bank's leadership in digital banking and FC Bank's services to existing customers by combining FI Bank's infrastructure with FC Bank's technology-enabled services. In addition, FIB expects that FI Bank customers would benefit from products and services currently featured by FC Bank, including prepaid debit cards for payroll, gifts, travel, and incentives; ACH processing services; and tax-refund anticipation loans.

*Conclusion on Convenience and Needs Considerations*

The Board has considered all the facts of record, including the records of FI Bank and FC Bank under the CRA, the institutions' records of compliance with fair lending and other consumer protection laws, supervisory information provided by the FDIC and the OCC, confidential supervisory information, information provided by FIB, 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 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.”<sup>37</sup>

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.<sup>38</sup> 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.<sup>39</sup>

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

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<sup>37</sup> 12 U.S.C. § 1842(c)(7).

<sup>38</sup> Many of the metrics considered by the Board measure an institution’s activities relative to the U.S. financial system.

<sup>39</sup> For further discussion of the financial stability standard, see Capital One Financial Corporation, FRB Order No. 2012-2 (Feb. 14, 2012).

would result in a significant increase in interconnectedness, complexity, cross-border activities, or other risk factors.<sup>40</sup>

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 with less than \$10 billion in total assets and a pro forma organization with less than \$100 billion in total assets. Both the acquirer and the target are predominantly engaged in retail and commercial banking activities.<sup>41</sup> 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 U.S. 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.

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<sup>40</sup> 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.

<sup>41</sup> FI Bank is a retail and commercial lender, and FC Bank uses technology-embedded services to enhance deposit growth and increase non-interest income. FI Bank 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.

## *Conclusion*

Based on the foregoing and all the facts of record, the Board determines that the application should be, and hereby is, approved.<sup>42</sup> 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 FIB with all the conditions imposed in this order, including receipt of all required regulatory approvals, and on any commitments made to the Board in connection with the proposal. 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.

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<sup>42</sup> 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 also, 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 comments on the proposal and, in fact, submitted a written comment 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 requests 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.



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 Chicago, acting under delegated authority.

By order of the Board of Governors,<sup>43</sup> effective April 29, 2022.

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

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<sup>43</sup> Voting for this action: Chair Pro Tempore Powell and Governors Bowman, Brainard, and Waller.