FRB Order No. 2024-10
November 27, 2024

FEDERAL RESERVE SYSTEM

United Bankshares, Inc.
Charleston, West Virginia

United Bank,
Fairfax, Virginia

Order Approving the Merger of Bank Holding Companies, the Merger of Banks, and the Establishment of Branches

United Bankshares, Inc. ("UBI"), Charleston, West Virginia, a financial holding company within the meaning of the Bank Holding Company Act ("BHC Act"),[1] has requested the Board's approval under section 3 of the BHC Act[2] to acquire Piedmont Bancorp, Inc. ("Piedmont") and thereby indirectly acquire its nonmember bank subsidiary, The Piedmont Bank ("Piedmont Bank"), both of Peachtree Corners, Georgia. In addition, UBI's subsidiary state member bank, United Bank, Fairfax, Virginia, has requested the Board's approval to merge with The Piedmont Bank ("Piedmont Bank") pursuant to section 18(c) of the Federal Deposit Insurance Act ("Bank Merger Act"),[3] with United Bank as the surviving entity. Following the proposed transaction, United Bank would continue to be a wholly owned subsidiary of UBI and would operate in Georgia under the name "United Bankshares." United Bank also has applied under section 9 of the Federal Reserve Act ("FRA")[4] to establish and operate branches at the locations of the main office and branches of Piedmont Bank.

---

[1] 12 U.S.C. § 1841 et seq.

[2] 12 U.S.C. § 1842.

[3] 12 U.S.C. § 1828(c).

[4] 12 U.S.C. § 321. These locations are listed in the Appendix.

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (89 Federal Register 53,102 (June 25, 2024)), in accordance with the Board's Rules of Procedure.[5] The time for submitting comments has expired, and the Board received one adverse comment on the proposal. The Board has considered the proposal and the comment received in light of the factors set forth in section 3 of the BHC Act, the Bank Merger Act, and the FRA. As required by the Bank Merger Act, a report on the competitive effects of the merger was requested from the United States Attorney General, and a copy of the request has been provided to the Federal Deposit Insurance Corporation ("FDIC").

UBI, with consolidated assets of approximately $30.0 billion, is the 74th largest insured depository organization in the United States.[6] UBI controls approximately $23.1 billion in consolidated deposits, which represent less than one percent of the total amount of deposits of insured depository institutions in the United States.[7] UBI controls United Bank, which operates in the District of Columbia, Maryland, North Carolina, Ohio, Pennsylvania, South Carolina, Virginia, and West Virginia. United Bank is the 2nd largest insured depository institution in West Virginia, controlling deposits of approximately $6.0 billion, which represent approximately 13.3 percent of the total amount of deposits of insured depository institutions in that state.

Piedmont, with consolidated assets of approximately $2.1 billion, is the 532nd largest insured depository organization in the United States. Piedmont controls approximately $1.9 billion in consolidated deposits, which represent less than one percent of the total amount of deposits of insured depository institutions in the United States. Piedmont controls Piedmont Bank, which operates in Georgia. Piedmont Bank is the

---

[5] 12 CFR 262.3(b).

[6] Consolidated asset and national ranking data are as of June 30, 2024.

[7] Consolidated national deposit and market share data are as of June 30, 2024. State deposit data are as of June 30, 2023, unless otherwise noted. In this context, insured depository institutions include commercial banks, savings associations, and savings banks.

23rd largest insured depository institution in Georgia, controlling deposits of approximately $1.7 billion, which represent less than one percent of the total amount of deposits of insured depository institutions in that state.

On consummation of this proposal, UBI would become the 70th largest insured depository organization in the United States, with consolidated assets of approximately $32.1 billion, which would represent less than one percent of the total assets of insured depository organizations in the United States. UBI would control total consolidated deposits of approximately $24.9 billion, which would represent less than one 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 home state of the bank holding company without regard to whether the transaction would be prohibited under state law.[8] Similarly, section 44 of the Federal Deposit Insurance Act ("FDI Act") generally provides that, if certain conditions are met, the Board may approve an application by a bank to engage in an interstate merger transaction with a bank that has a different home state without regard to whether the transaction would be prohibited under state law, provided that the resulting bank would be well capitalized and well managed.[9]

The Board may not approve, under either provision, an application that would permit an out-of-state bank holding company or out-of-state bank to acquire a bank in a host state if the target bank has not been in existence for the lesser of the state

---

[8] 12 U.S.C. § 1842(d)(1)(A).

[9] 12 U.S.C. § 1831u(a)(1). Section 44 of the FDI Act also requires that each bank involved in the interstate merger transaction be adequately capitalized. 12 U.S.C § 1831u(b)(4).

statutory minimum period of time or five years.[10] When determining whether to approve an application under these provisions, the Board must take into account the record of the applicant's depository institution under the Community Reinvestment Act of 1977 ("CRA")[11] and the applicant's record of compliance with applicable state community reinvestment laws.[12] In addition, the Board may not approve an interstate application under these provisions if the bank holding company or resulting bank controls or, upon consummation of the proposed transaction, 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 or resulting bank, upon consummation, would control 30 percent or more of the total deposits of insured depository institutions in any state in which the acquirer and target have overlapping banking operations.[13]

For purposes of these provisions, the home state of UBI is Virginia.[14] The home state of United Bank is Virginia.[15] The home state of Piedmont Bank is Georgia,

---

[10] 12 U.S.C. § 1842(d)(1)(B); 12 U.S.C. § 1831u(a)(5).

[11] 12 U.S.C. § 2901 et seq.

[12] 12 U.S.C. § 1842(d)(3); 12 U.S.C. § 1831u(b)(3).

[13] 12 U.S.C. § 1842(d)(2)(A) and (B); 12 U.S.C. § 1831u(b)(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, is headquartered, or operates a branch. See 12 U.S.C. § 1841(o)(4)–(7). Moreover, the Bank Merger Act includes a prohibition on approval of interstate transactions where the resulting insured depository institution, together with its insured depository institution affiliates, upon consummation of the proposed transaction would control more than 10 percent of the total amount of deposits of insured depository institutions in the United States. 12 U.S.C. § 1828(c)(13).

[14] 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.

[15] 12 U.S.C. § 1831u(g)(4). A state bank's home state is the state by which the bank is chartered.

and the bank is located in Georgia. UBI and United Bank are well capitalized and well managed under applicable law, and United Bank also would be well capitalized and well managed upon consummation of the proposal. Piedmont Bank has been in existence for more than five years, and United Bank has a "Satisfactory" rating under the CRA.[16]

On consummation of the proposed transaction, UBI would control less than one percent of the total amount of consolidated deposits in insured depository institutions in the United States. UBI and Piedmont do not have overlapping banking operations for the purposes of section 3(d) of the BHC Act or sections 18(c) and 44 of the FDI Act. 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, section 44 of the FDI Act, or the interstate provisions of the Bank Merger Act.

Competitive Considerations

Section 3 of the BHC Act and the Bank Merger Act prohibit 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.[17] The BHC Act and the Bank Merger Act also prohibit 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.[18]

United Bank and Piedmont Bank do not compete directly in any banking market. The U.S. Department of Justice conducted a review of the potential competitive effects of the proposal and has advised the Board that it did not conclude that the

---

[16] Two jurisdictions in which United Bank operates, the District of Columbia and West Virginia, have state community reinvestment laws. See D.C. Code § 26-431.01 et seq.; W. Va. Code §§ 31A-8B-1 et seq. UBI represents that United Bank is in compliance with these state community reinvestment laws.

[17] 12 U.S.C. § 1842(c)(1)(A); 12 U.S.C. § 1828(c)(5)(A).

[18] 12 U.S.C. § 1842(c)(1)(B); 12 U.S.C. § 1828(c)(5)(B).

proposal would have a significantly adverse effect on competition. In addition, the appropriate banking agencies have been afforded an opportunity to comment and have not objected to the proposal.

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 proposals under section 3 of the BHC Act and the Bank Merger 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.[19] 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 complete the proposed integration of the operations of the institutions effectively. 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.

---

[19] 12 U.S.C. § 1842(c)(2), (5), and (6); 12 U.S.C. § 1828(c)(5) and (11).

UBI, Piedmont, 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 merger that is structured as a share exchange, with an immediately subsequent merger of Piedmont Bank into United Bank.[20] The capital, asset quality, earnings, and liquidity of UBI, Piedmont, and their subsidiary depository institutions are consistent with approval, and UBI and United Bank appear to have adequate resources to absorb the related costs of the proposal and to complete the integration of the institutions' operations effectively. In addition, the future prospects of the institutions 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 UBI, Piedmont, and their subsidiary depository institutions, including assessments of their management, risk-management systems, and operations. In addition, the Board has considered information provided by UBI; 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 the public comment on the proposal.

UBI, Piedmont, and their subsidiary depository institutions are each considered to be well managed. UBI's senior executive officers and principals have knowledge of and experience in the banking and financial services sectors, and UBI's risk-management program appears consistent with approval.

The Board also has considered UBI's plans for implementing the proposal. UBI has conducted comprehensive due diligence and is devoting sufficient financial and other resources to address all aspects of the post-acquisition integration process for this

---

[20] To effect the transaction, each share of Piedmont common stock would be converted into a right to receive shares of UBI common stock, based on an exchange ratio, plus cash in lieu of any fractional shares. UBI has the financial resources to effect the proposed transaction.

proposal. In addition, UBI's management has the experience and resources to operate the resulting organization in a safe and sound manner.

Based on all the facts of record, including UBI's, United Bank's, and Piedmont's supervisory records, 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 UBI, Piedmont, and their subsidiary depository institutions 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 and the Bank Merger Act, the Board considers the effects of the proposal on the convenience and needs of the communities to be served.[21] In evaluating whether the proposal satisfies the convenience and needs statutory factor, the Board considers the impact that the proposal will or is likely to have on the communities served by the combined organization. The Board reviews a variety of information to determine whether the relevant institutions' records demonstrate a history of helping to meet the needs of their customers and communities. The Board also reviews the combined institution's post-consummation plans and the expected impact of those plans on the communities served by the combined institution, including on low- and moderate-income ("LMI") individuals and communities. The Board considers whether the relevant institutions are helping to meet the credit needs of the communities they serve and are providing access to banking products and services that meet the needs of customers and communities, including the potential impact of branch closures, consolidations, and relocations on that access. In addition, the Board reviews the records of the relevant depository institutions under the

[21] 12 U.S.C. § 1842(c)(2); 12 U.S.C. § 1828(c)(5). Where applicable, the Board also considers any timely substantive comments on the proposal and, in its discretion, may consider any untimely substantive comments on the proposal.

CRA. The Board strongly encourages 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 and their obligations under the CRA.[22]

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, gender, or certain other characteristics. The Board also considers assessments of other relevant 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 acquiring institution's business model and intended marketing and outreach, the combined 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 United Bank and Piedmont Bank; the fair lending and compliance records of both banks; the supervisory views of the FDIC, the Consumer Financial Protection Bureau ("CFPB"), and the Federal Reserve Bank of Richmond ("Richmond Reserve Bank"); confidential supervisory information; information provided by UBI; 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 2023, United Bank made fewer home loans to African American individuals as compared to white individuals in West Virginia and Virginia.[23] The commenter further alleged that United Bank denied home loan

---

[22] See 12 U.S.C. § 2901(b).

[23] The data cited by the commenter corresponds to publicly available 2023 data by United Bank under the Home Mortgage Disclosure Act of 1975 ("HMDA"), 12 U.S.C. § 2801 et seq.

applications of African American individuals at a higher rate than those of white individuals in those states.

Businesses of the Involved Institutions and Response to the Public Comment

Through United Bank, UBI offers products related to community banking. These products include consumer and commercial banking, wealth management, mortgage products and services, online and mobile banking, and ATM services. Through Piedmont Bank, Piedmont offers similar products and services. Additionally, United Bank offers brokerage services and custody, trust, and estate services.

In response to the comment, UBI states that the data cited by the commenter did not account for the activities of United Bank's company-wide mortgage activities, specifically United Bank's wholly owned mortgage subsidiary. Including this subsidiary, UBI claims that United Bank's denial rates for black applicants compared to white applicants are comparable to those of its peer institutions. UBI also states that the subsidiary's mortgage operations were consolidated into United Bank in early 2024.

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 and the supervisory views of relevant federal supervisors, which in this case are the Richmond Reserve Bank with respect to United Bank and the FDIC with respect to Piedmont Bank.[24] In addition, the Board considers information provided by the applicant and 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.[25] An institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site

---

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

[25] 12 U.S.C. § 2906.

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 United Bank and Piedmont Bank, 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 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 amounts of loans to low-, moderate-, middle-, and upper-income individuals;[26] (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

[26] 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) (2023).

lending practices to address the credit needs of LMI individuals and geographies.[27] The Investment Test evaluates the number and amounts of qualified investments that benefit the institution's AAs. 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.[28]

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.[29] Consequently, the Board considers 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 United Bank

United Bank was assigned an overall rating of "Satisfactory" at its most recent CRA performance evaluation by the Richmond Reserve Bank, as of October 17,

---

[27] See 12 CFR 228.22(b) (2023).

[28] See 12 CFR 228.23 and 228.24 (2023).

[29] 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 before reaching a determination regarding an institution's compliance with fair lending laws.

2022 ("United Bank Evaluation").[30] The bank received "High Satisfactory" ratings for the Lending and Service Tests, and an "Outstanding" rating for the Investment Test.[31]

With respect to the Lending Test, examiners found that United Bank's lending activity reflects good responsiveness to the credit needs of the bank's AAs. Examiners also found that a substantial majority of the institution's HMDA and small business and small farm loans were originated within the bank's AAs and that the overall geographic distribution performance is considered good, and the borrower distribution performance is considered good. Examiners noted that United Bank exhibits a good record of serving the credit needs of low-income individuals and geographies as well as very small businesses. Examiners found that overall, during the review period, United Bank made use of innovative and/or flexible lending practices in serving AA credit needs, particularly small businesses, and that United Bank was a leader in providing community development loans. In West Virginia, an area of concern for the commenter, United Bank received a "High Satisfactory" rating for the Lending Test. In Virginia, another area of concern for the commenter, United Bank received a "High Satisfactory" rating for the Lending Test.

With respect to the Investment Test, examiners found that United Bank has an excellent level of qualified community development investments that demonstrate an

---

[30] The United Bank Evaluation was conducted using Interagency Large Institution CRA Examination Procedures. Examiners reviewed HMDA and CRA loan originations and purchases from January 1, 2020, through December 31, 2021. Examiners also reviewed community development activities since the previous evaluation dated August 5, 2020.

[31] The United Bank Evaluation involved a full-scope review of the bank's activities in its Washington-Baltimore-Arlington, DC-VA-MD-WV Combined Statistical Area ("CSA"); Wheeling, WV-OH Metropolitan Statistical Area ("MSA"); Myrtle Beach-Conway, SC-NC CSA; Charlotte-Concord-Gastonia, NC-SC; Charleston-Huntington-Ashland, WV CSA; Morgantown, WV MSA; Fayetteville-Sanford-Lumberton, NC; Greenville-Kinston-Washington, NC CSA; Raleigh-Durham-Cary, NC; Wilmington, NC MSA; Charleston-North Charleston, SC MSA; Harrisonburg-Staunton, VA CSA; and Pittsburgh, PA AAs. The United Bank Evaluation also conducted a limited-scope review of United Bank's remaining 21 AAs.

excellent responsiveness to local credit needs, and that it makes occasional use of innovative and/or complex investments to support community development initiatives.

With respect to the Service Test, examiners determined that United Bank's delivery systems and branch locations are readily accessible to geographies and individuals of different income levels within the institution's AAs. Examiners found that United Bank's services do not vary in a way that inconveniences low- or moderate-income geographies or individuals. Examiners noted that United Bank's branch closings have not adversely affected the accessibility of its delivery systems. Examiners also noted that, during the evaluation period, United Bank was a leader in providing community development services.

United Bank's Efforts since the United Bank Evaluation

UBI represents that, since the United Bank Evaluation, United Bank has originated 116 community development loans totaling $338 million, including loans for affordable housing and community services for LMI individuals. Further, over 1,100 United Bank employees have served 752 organizations, dedicating over 15,000 hours of CRA-eligible activity. UBI also represents that United Bank has made 773 CRA-eligible donations to over 484 organizations, totaling $3 million, to support community development activities and social service organizations throughout its AAs.

CRA Performance of Piedmont Bank

Piedmont Bank was assigned an overall rating of "Satisfactory" at its most recent CRA performance evaluation by the FDIC, as of June 10, 2024 ("Piedmont Bank Evaluation").[32] The bank received "Low Satisfactory" ratings for the Lending, Investment, and Service Tests.[33]

---

[32] The Piedmont Bank Evaluation was conducted using Interagency Large Institution CRA Examination Procedures. The evaluation period was January 1, 2021, through December 31, 2023.

[33] The Piedmont Bank Evaluation involved full-scope reviews of the bank's activities in the Atlanta MSA. The Piedmont Bank Evaluation also involved a limited-scope review

With respect to the Lending Test, examiners found that Piedmont Bank's lending levels reflect good responsiveness to its AAs' credit needs. Examiners also found that an adequate percentage of loans were made in the institution's AAs, and that the geographic distribution of loans reflected adequate penetration throughout the AAs. Examiners noted that the distribution of borrowers reflects adequate penetration among business customers of different sizes and retail customers of different income levels, given the product lines offered by the institution. Examiners also noted that Piedmont Bank has made an adequate level of community development loans and makes little use of innovative or flexible lending practices in order to serve the AAs' credit needs.

With respect to the Investment Test, examiners found that Piedmont Bank had an adequate level of qualified community development investments and grants and that the bank exhibits adequate responsiveness to credit and community development needs. Examiners noted that the bank does not use innovative or complex investments to support community development initiatives.

With respect to the Service Test, examiners determined that Piedmont Bank's delivery systems were reasonably accessible to essentially all portions of its AAs. Examiners found that Piedmont Bank's services do not vary in a way that inconveniences portions of its AAs, particularly in LMI geographies and/or to LMI individuals. Examiners noted that Piedmont Bank's branch openings have generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals. Examiners also noted that the bank provides a limited level of community development services.

Additional Supervisory Views

In its review of the proposal, the Board consulted with and considered the views of the Richmond Reserve Bank as the primary federal supervisor of United Bank

---

of its Gainesville MSA, GA AA, and its Non-MSA, which includes Fannin County, Jackson County, and White County, all of Georgia.

Examiners noted that more weight was given to bank activities in the Atlanta MSA assessment area, due to the number of branches and amount of activity therein.

and of the FDIC as the primary federal supervisor of Piedmont Bank. The Board also considered the results of the most recent consumer compliance examinations of United Bank and Piedmont Bank, which included reviews of the banks' compliance management programs and compliance with consumer protection laws and regulations, including fair lending. Lastly, the Board also considered the results of the most recent consumer compliance examination of United Bank by the CFPB.

The Board has taken this information, as well as the CRA performance records of United Bank and Piedmont Bank, into account in evaluating the proposal, including in considering whether UBI has the experience and resources to ensure that the combined organization 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. This includes, for example, the combined organization's business model and intended marketing and outreach and existing and anticipated product and service offerings in the communities to be served by the organization; any additional plans the combined organization has for meeting the needs of its communities following consummation; and any other information the Board deems relevant. UBI represents that, following consummation of the proposal, it intends to continue offering comparable products and services currently offered by each of United Bank and Piedmont Bank through the resulting bank's combined branch network.

UBI further represents that, as a result of the transaction, customers will benefit from an expanded branch footprint, as well as an expanded set of product offerings for current customers of Piedmont Bank. UBI represents that United Bank and Piedmont Bank have a number of programs, products, and activities designed to meet the needs of their respective communities.

Branch Closures

Physical branches remain important to many banking organizations' ability to meet the credit needs of the local communities in which they operate. When banking

organizations combine, whether through acquisitions, mergers, or consolidations, the combination has the potential to increase or to reduce consumers' and small businesses' access to available credit and other banking services. Although the Board does not have the authority to prohibit a bank from closing a branch, the Board focuses on the impact of expected branch closures, consolidations, and relocations that occur in connection with a proposal on the convenience and needs of the communities to be served by the resulting institution. In particular, the Board considers the effect of any closures, consolidations, or relocations on LMI communities.

Federal banking law provides a specific mechanism for addressing branch closings, including requiring that a bank provide notice to the public and the appropriate federal supervisory agency before a branch is closed.[34] In addition, the federal banking supervisory agencies evaluate a bank's record of opening and closing branches, particularly branches located in LMI geographies or primarily serving LMI individuals, as part of the CRA examination process.[35]

UBI represents that United Bank plans to retain all of Piedmont Bank's branches and that no Piedmont Bank branch would be closed, consolidated, or relocated in connection with 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, supervisory information, information provided by UBI, the public comment on the proposal, and other potential effects of the proposal on the convenience and needs of the communities to be served. The Board has considered relevant facts of the record pertaining to the issues the commenter raised, including the supervisory records of the institutions

---

[34] See 12 U.S.C. § 1831r-1. The bank also is required to provide reasons and other supporting data for the closure, consistent with the institution's written policy for branch closings.

[35] See, e.g., 12 CFR 228.24(d)(2) (2023).

involved and UBI's representations regarding efforts the organization will make to satisfy the convenience and needs of its community, including LMI communities. Based on that review, the Board determines that the convenience and needs factor is consistent with approval.

Establishment of Branches

United Bank has applied under section 9 of the FRA to establish branches at the current locations of Piedmont Bank.[36] The Board has assessed the factors it is required to consider when reviewing an application under that section, including United Bank's financial condition, management, capital, actions in meeting the convenience and needs of the communities to be served, CRA performance, and investment in bank premises.[37] For the reasons discussed in this order, the Board determines that those factors 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."[38] In

---

[36] See 12 U.S.C. § 321. Under section 9 of the FRA, state member banks may establish and operate branches on the same terms and conditions as are applicable to the establishment of branches by national banks. Thus, a state member bank resulting from an interstate merger transaction may maintain and operate a branch in a state other than the home state of the bank in accordance with section 44 of the FDI Act. See 12 U.S.C. §§ 36(d). In addition, a state member bank may retain any branch following a merger that might be established as a new branch of the resulting bank under state law. See 12 U.S.C. § 36(b)(2) and (c). Upon consummation, United Bank's branches would be permissible under applicable state law. See Ga. Code § 7-1-628.4.

[37] 12 CFR 208.6. Upon consummation of the proposed transaction, United Bank's investments in bank premises would remain within the legal requirements of section 208.21(a) of the Board's Regulation H, 12 CFR 208.21(a).

[38] 12 U.S.C. § 1842(c)(7).

addition, the Bank Merger Act requires the Board to consider "risk to the stability of the United States banking or financial system."[39]

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.[40] 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.[41]

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

---

[39] 12 U.S.C. § 1828(c)(5).

[40] Many of the metrics considered by the Board measure an institution's activities relative to the United States financial system.

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

would result in a significant increase in interconnectedness, complexity, cross-border activities, or other risk factors.[42]

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.[43] 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 proposal should be, and hereby is, approved.[44] In reaching its conclusion, the

---

[42] 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.

[43] UBI and Piedmont offer a range of retail and commercial banking products and services. UBI 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.

[44] The adverse 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

Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act, Bank Merger Act, the FRA, and other applicable statutes. The Board's approval is specifically conditioned on compliance by UBI and United Bank 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 UBI and United Bank 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.

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

---

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, 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 adverse commenter's request in light of all the facts of record. In the Board's view, the adverse 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 adverse 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 adverse commenter also requested an extension of the comment period for the application. The adverse commenter's request 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.

extended for good cause by the Board or the Richmond Reserve Bank, acting under delegated authority.

By order of the Board of Governors,[45] effective November 27, 2024.

(Signed) Ann E. Misback

Ann E. Misback
Secretary of the Board

[45] Voting for this action: Chair Powell, Vice Chair Jefferson, Vice Chair for Supervision Barr, Governors Bowman, Waller, Cook, and Kugler.

Appendix

Branches to Be Established

1. 136 N Main Street, Cleveland, White County, Georgia
2. 56 Hiram Drive, Hiram, Paulding County, Georgia
3. 5100 Peachtree Parkway, Peachtree Corners, Gwinnett County, Georgia
4. 1420 Winder Highway, Jefferson, Jackson County, Georgia
5. 5140 Cleveland Highway, Clermont, Hall County, Georgia
6. 4901 Floyd Road SW, Mableton, Cobb County, Georgia
7. 1035 Old Peachtree Road NW, Lawrenceville, Gwinnett County, Georgia
8. 185 Gwinnett Drive, Lawrenceville, Gwinnett County, Georgia
9. 1725 Mount Vernon Road, Dunwoody, Dekalb County, Georgia
10. 5070 Peachtree Boulevard, Suite B110, Chamblee, Dekalb County, Georgia
11. 1045 Peachtree Parkway, Cumming, Forsyth County, Georgia
12. 111 Collins Avenue, Blue Ridge, Gwinnett County, Georgia
13. 3112 Main Street, Suite 100, Duluth, Gwinnett County, Georgia
14. 995 Riverside Drive, Gainesville, Hall County, Georgia
15. 2243 Lewis Street, Kennesaw, Cobb County, Georgia
16. 2775 Old Milton Parkway, Suite 100, Alpharetta, Fulton County, Georgia