

October 16, 2025

FEDERAL RESERVE SYSTEM

HPB Holdings, Inc.  
Okeene, Oklahoma

Order Approving the Acquisition of a Bank

HPB Holdings, Inc. (“HPB”),<sup>1</sup> Okeene, Oklahoma, a bank holding company within the meaning of the Bank Holding Company Act (“BHC Act”),<sup>2</sup> has requested the Board’s approval under section 3 of the BHC Act<sup>3</sup> to acquire 100 percent of the voting shares of Community Bank, Alva, Oklahoma, a state nonmember bank. Following the proposed acquisition, HPB would initially operate Community Bank as a separate bank and then merge Community Bank with and into HPB’s subsidiary state nonmember bank, High Plains Bank, Okeene, Oklahoma.<sup>4</sup>

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (90 Federal Register 42011 (August 28, 2025)), in accordance with the Board’s Rules of Procedure.<sup>5</sup> The time for submitting comments has

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<sup>1</sup> Formerly known as First Keyes Bancshares, Inc., HPB changed its name, effective August 18, 2025.

<sup>2</sup> 12 U.S.C. § 1841 et seq.

<sup>3</sup> 12 U.S.C. § 1842.

<sup>4</sup> The merger of Community Bank into High Plains Bank, which is expected to occur approximately six months after HPB’s acquisition of Community Bank, would be 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>5</sup> 12 CFR 262.3(b).

expired, and the Board did not receive any comments. The Board has considered the proposal in light of the factors set forth in section 3 of the BHC Act.

HPB, with consolidated assets of approximately \$203.8 million, is the 2,892nd largest insured depository organization in the United States.<sup>6</sup> HPB controls approximately \$178.5 million in consolidated deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States.<sup>7</sup> HPB controls High Plains Bank, which operates in Oklahoma. High Plains Bank is the 117th largest insured depository institution in Oklahoma, controlling deposits of approximately \$150.3 million, which represent less than 1 percent of the total deposits of insured depository institutions in that state.<sup>8</sup>

Community Bank, with total assets of approximately \$123.1 million, is the 3,590th largest insured depository organization in the United States. Community Bank controls approximately \$113.2 in consolidated deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. Community Bank operates in Oklahoma. Community Bank is the 133rd largest insured depository institution in Oklahoma, controlling deposits of approximately \$112.6 million, which represent less than 1 percent of the total amount of deposits of insured depository institutions in that state.

On consummation of this proposal, HPB would become the 2,273rd largest insured depository organization in the United States, with consolidated assets of approximately \$326.9 million, which would represent less than 1 percent of the total assets of insured depository organizations in the United States. HPB would control total consolidated deposits of approximately \$291.7 million, which would represent less than 1 percent of the total amount of deposits of insured depository institutions in the United

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<sup>6</sup> Consolidated asset and national ranking data are as of June 30, 2025.

<sup>7</sup> Consolidated national deposit and market share data are as of June 30, 2025. In this context, insured depository institutions include commercial banks, savings associations, and savings banks.

<sup>8</sup> State deposit ranking and deposit data are as of June 30, 2024.

States. In Oklahoma, HPB would become the 88th largest insured depository organization, controlling deposits of approximately \$262.9 million, which would represent less than 1 percent of the total deposits of insured depository institutions in that state.<sup>9</sup>

### ***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>10</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>11</sup>

HPB and Community Bank compete directly in the Woods County, Oklahoma, banking market (“Woods County market”).<sup>12</sup> 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 HPB would control;<sup>13</sup> the concentration level of market

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<sup>9</sup> The proposal does not require interstate analysis under section 3(d) of the BHC Act because the home state of HPB is Oklahoma, and Community Bank is located only within Oklahoma. See 12 U.S.C. §§ 1841(o)(4)–(7) and 1842(d).

<sup>10</sup> 12 U.S.C. § 1842(c)(1)(A).

<sup>11</sup> 12 U.S.C. § 1842(c)(1)(B).

<sup>12</sup> The Woods County market is defined as Woods County, Oklahoma.

<sup>13</sup> Local deposit and market share data are as of June 30, 2024, 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); National City Corporation, 70 Federal Reserve Bulletin 743 (1984). Thus, the Board regularly has included thrift deposits in market share calculations on a 50 percent weighted basis. See, e.g., First Hawaiian, Inc.,

deposits and the increase in this level, as measured by the Herfindahl-Hirschman Index (“HHI”) under the 1995 Bank Merger Competitive Review guidelines (“1995 Bank Merger Guidelines”);<sup>14</sup> the number of competitors that would remain in the market; and other characteristics of the market.

The structural effects that consummation of the proposal would have in the Woods County market warrant a detailed review because the concentration levels on consummation would exceed the threshold in the 1995 Bank Merger Guidelines and Board precedent when using initial merger screening data.

HPB is the fifth largest depository organization in the Woods County market, controlling approximately \$62.4 million in deposits, which represent approximately 8.4 percent of market deposits. Community Bank is the third largest depository institution in the market, controlling approximately \$112.6 million in deposits, which represent approximately 15.1 percent of market deposits. On consummation of the proposal, HPB would become the second largest depository organization in the Woods County market, controlling approximately \$175.0 million in deposits, which would

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77 Federal Reserve Bulletin 52 (1991). There are no thrifts present in the Woods County market.

<sup>14</sup> Department of Justice, Bank Merger Competitive Review – Introduction and Overview, <https://www.justice.gov/atr/bank-merger-competitive-review-introduction-and-overview-1995> (1995). On September 17, 2024, the U.S. Department of Justice (“DOJ”) announced its withdrawal from the 1995 Bank Merger Guidelines and emphasized that the 2023 Merger Guidelines, issued on December 18, 2023, remain its sole and authoritative statement across all industries. Press Release, Department of Justice, “Justice Department Withdraws from 1995 Bank Merger Guidelines,” <https://www.justice.gov/opa/pr/justicedepartment-withdraws-1995-bank-merger-guidelines>. The 1995 Bank Merger Guidelines had been adopted together with the federal banking agencies, and none of the federal banking agencies have withdrawn from the 1995 Bank Merger Guidelines. The Board continues to apply the 1995 Bank Merger Guidelines in evaluating bank merger proposals. The Board traditionally has considered a market 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. See, e.g., Chemical Banking Corporation, 78 Federal Reserve Bulletin 74 (1992).

represent approximately 23.4 percent of market deposits. The HHI in this market would increase 253 points to a level of 2663.

The Board has considered whether factors either mitigate the competitive effects of the proposal or indicate that the proposal would not have a significantly adverse effect on competition in the Woods County market.<sup>15</sup> Factors indicate that the increase in concentration in the Woods County market, as measured by the HHI and market share, overstates the potential competitive effects of the proposal in the market.

In conducting its competitive analysis in previous cases, the Board generally has not adjusted its market share calculations to exclude categories of deposits because all deposits are typically available to support lending and other banking activities at any location, and the deposits maintained in a specific market represent a firm's ability to compete in that market. However, the Board occasionally has adjusted its market share calculations to exclude specific types of deposits when evidence supports a finding that those deposits are subject to legal or other restrictions that constrain an organization's ability to use those deposits to support its general banking activities.<sup>16</sup> In this case, both HPB and Community Bank service municipal deposit accounts, which are often subject to legal or other restrictions on the organization's ability to lend on such deposits. After making adjustments to account for these deposits, although the Woods County market would remain highly concentrated, the transaction would increase the HHI in the market by a smaller amount.

Further, analysis of small business loan originations data suggests that the transaction would be unlikely to have a substantial adverse competitive impact on small

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<sup>15</sup> The number and strength of factors necessary to mitigate the competitive effects of a proposal depend on the size of the increase in, and resulting level of, concentration in a banking market. See Magnolia Banking Corporation, FRB Order No. 2019-15 (October 11, 2019); see also NationsBank Corporation, 84 Federal Reserve Bulletin 129 (1998).

<sup>16</sup> See First Citizens BancShares, Inc., FRB Order No. 2019-17, 11–13 (December 16, 2019); Central Bancompany, Inc., FRB Order No. 2017-03, 5–6 (February 8, 2017); Huntington Bancshares Incorporated, FRB Order No. 2016-13, 12–15 (July 29, 2016).

business lending in the market. Moreover, although consummation of this proposal would eliminate one existing competitor, the Woods County market would continue to be served by four other depository organizations, two of which would have a market share of more than 20 percent of market deposits. The presence of multiple competitors suggests that HPB would have limited ability to offer less attractive terms to consumers unilaterally and that these competitors would be able to exert competitive pressure on HPB in the Woods County market.

The DOJ conducted a review of the potential competitive effects of the proposal and has advised the Board that it did not conclude that the 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, 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

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

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.

HPB and High Plains Bank are well capitalized, and the combined organization would remain so upon consummation of the proposal. The proposed transaction is a bank acquisition that is structured as a cash purchase.<sup>18</sup> The capital, asset quality, earnings, and liquidity of HPB and High Plains Bank are consistent with approval, and HPB and High Plains Bank appear to have adequate resources to absorb the related costs of the proposal and to complete the integration of the institutions' operations as proposed. 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 HPB, High Plains Bank, and Community Bank, including assessments of their management, risk-management systems, and operations. In addition, the Board has considered information provided by HPB; the Board's supervisory experiences and those of other relevant bank supervisory agencies with the organizations; and the organizations' records of compliance with applicable banking, consumer protection, and anti-money-laundering laws.

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<sup>18</sup> To effect the transaction, HPB would acquire all of the issued and outstanding shares of common stock of Community Bank from Community Bancshares of Alva, Inc., Alva, Oklahoma, for cash consideration. HPB has the financial resources to effect the proposed transaction.

HPB and High Plains Bank are each 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.

The Board also has considered HPB's plans for implementing the proposal. HPB 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 proposal. In addition, HPB'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 HPB'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 HPB and Community 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.<sup>19</sup> 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

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<sup>19</sup> 12 U.S.C. § 1842(c)(2).



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 Community Reinvestment Act of 1977 (“CRA”).<sup>20</sup> 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.<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, 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 High Plains Bank and Community Bank, the fair lending and compliance records of both banks, the supervisory views of the FDIC, confidential supervisory information, and information provided by HPB.

*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 is the FDIC with respect to both

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<sup>20</sup> 12 U.S.C. § 2901 et seq.

<sup>21</sup> See 12 U.S.C. § 2901(b).

High Plains Bank and Community Bank.<sup>22</sup> In addition, the Board considers information provided by the applicant.

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>23</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") to evaluate the performance of small banks, such as High Plains Bank and Community Bank, in helping to meet the credit needs of the communities they serve.<sup>24</sup> 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 Home Mortgage Disclosure Act of 1975, automated loan reports, and other reports generated by the institution, in order 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 assessment areas ("AAs"); (3) record of lending to, and, as appropriate, engaging in other lending-related activities for, borrowers of different

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<sup>22</sup> See Interagency Questions and Answers Regarding Community Reinvestment, 81 Federal Register 48506, 48548 (July 25, 2016).

<sup>23</sup> 12 U.S.C. § 2906.

<sup>24</sup> 12 CFR 228.26(a)–(b)(2023).

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>

*CRA Performance of High Plains Bank*

High Plains Bank was assigned an overall rating of "Satisfactory" at its most recent CRA performance evaluation by the FDIC, as of October 7, 2024 ("High Plains Bank Evaluation").<sup>26</sup> The bank received a "Satisfactory" rating for the Lending Test.<sup>27</sup>

Examiners found that High Plains Bank's loan-to-deposit ratio was reasonable given the institution's size and financial condition and its AA's credit needs. Examiners noted that a majority of the bank's loans were inside the institution's AA. Examiners determined that the geographic distribution of the bank's loans reflected reasonable dispersion throughout its AA. Examiners found that the distribution of borrowers reflected excellent penetration among farms and businesses of different sizes. Finally, examiners noted that the bank did not receive any CRA-related complaints during the evaluation period.

*CRA Performance of Community Bank*

Community Bank was assigned an overall rating of "Satisfactory" at its most recent CRA performance evaluation by the FDIC, as of February 3, 2025

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<sup>25</sup> See 12 CFR 228.26(b) (2023).

<sup>26</sup> The High Plains Bank Evaluation was conducted using Small Institution CRA Examination Procedures. Examiners reviewed small farm and small business loan data from February 4, 2019, through October 7, 2024.

<sup>27</sup> The High Plains Bank Evaluation involved a full-scope review of the bank's activities in the bank's sole AA, consisting of Blaine, Cimarron, Washita, and Woods counties in Oklahoma. Although High Plains Bank removed Cimarron County from the AA due to the sale of certain branches in late 2023, the FDIC included Cimarron County in its evaluation because it was part of the AA for a majority of the evaluation period as well as during the year of the data analyzed and presented.

(“Community Bank Evaluation”).<sup>28</sup> The bank received a “Satisfactory” rating for the Lending Test.<sup>29</sup>

Examiners found that Community Bank’s loan-to-deposit ratio was reasonable given the institution’s size and financial condition and its AA’s credit needs. Examiners noted that a majority of the bank’s loans were inside the institution’s AA. Examiners found that the distribution of borrowers reflected excellent penetration among farms and businesses of different sizes. Finally, examiners found that the bank did not receive any CRA-related complaints during the evaluation period.

*Additional Supervisory Views*

In its review of the proposal, the Board consulted with and considered the views of the FDIC as the primary federal supervisor of both High Plains Bank and Community Bank. The Board also considered the results of the most recent consumer compliance examinations of High Plains Bank and Community Bank, which included reviews of the banks’ compliance management programs and their compliance with consumer protection laws and regulations, including fair lending.

The Board has taken this information, as well as the CRA performance records of High Plains Bank and Community Bank, into account in evaluating the proposal, including in considering whether HPB 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

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<sup>28</sup> The Community Bank Evaluation was conducted using Small Institution CRA Examination Procedures. Examiners reviewed small farm and small business loan data from February 25, 2019, through February 3, 2025.

<sup>29</sup> The Community Bank Evaluation involved a full-scope review of the bank’s activities in the bank’s sole AA, consisting of Woods County, Oklahoma.

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.

HPB represents that, following consummation of the transaction, it expects Community Bank's current programs, products, activities, lending, investments, and services to remain largely unchanged. HPB represents that High Plains Bank also intends to continue with its current programs, products, activities, lending, investments, and services. High Plains Bank also expects to bring its leadership and lending expertise to Community Bank, thereby enabling Community Bank to make additional extensions of credit available to the Woods County banking market.

#### *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.<sup>30</sup> In addition, the federal banking

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<sup>30</sup> 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.

supervisory agencies evaluate a bank's record of opening and closing branches, particularly branches located in LMI geographies or that primarily service LMI individuals, as part of the CRA examination process, as applicable.<sup>31</sup>

HPB represents that it would operate High Plains Bank and Community Bank as separate institutions for approximately six months following consummation of the proposal. HPB represents that, following the bank merger, it expects to consolidate an existing branch with the former main office of Community Bank in Alva, Oklahoma. HPB asserts that customers of the affected office would receive closure notices consistent with the requirements of applicable law and that it does not expect the proposed transaction to result in any other branch closures.

The Board has considered all the facts of record relating to branch closures, consolidations, and relocations, including the records of the relevant depository institutions under the CRA and fair lending laws in relation to branch closures; the institutions' policies and procedures on and records of compliance with federal banking law regarding branch closures; the views of the FDIC; supervisory information; and information provided by HPB. Based on that review, the Board concludes that HPB has established policies, programs, and procedures designed to ensure the bank's branching network is consistent with the bank's CRA and fair lending obligations and to mitigate the impact of any branch closures on communities to be served by the combined bank.

#### *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 HPB, 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.

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<sup>31</sup> For small banks evaluated pursuant to the Small Bank Lending Test, this evaluation is at the option of the bank. See 12 CFR 228.21(a)(3) (2023).

### ***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>32</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>33</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>34</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>32</sup> 12 U.S.C. § 1842(c)(7).

<sup>33</sup> Many of the metrics considered by the Board measure an institution’s activities relative to the United States financial system.

<sup>34</sup> 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.<sup>35</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>36</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 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. 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

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<sup>35</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>36</sup> HPB and Community Bank offer a range of retail and commercial banking products and services. HPB 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.



specifically conditioned on compliance by HPB 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 HPB 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 extended for good cause by the Board or the Federal Reserve Bank of Kansas City, acting under delegated authority.

By order of the Board of Governors,<sup>37</sup> effective October 16, 2025.

*(Signed) Benjamin W. McDonough*

Benjamin W. McDonough  
Deputy Secretary of the Board

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<sup>37</sup> Voting for this action: Chair Powell, Vice Chair Jefferson, Vice Chair for Supervision Bowman, Governors Waller, Cook, Barr, and Miran.