FRB Order No. 2025-23
December 23, 2025

FEDERAL RESERVE SYSTEM

National Bank Holdings Corporation
Greenwood Village, Colorado

NBH Bank
Greenwood Village, Colorado

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

National Bank Holdings Corporation ("NBHC"), Greenwood Village, Colorado, 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 merge with Vista Bancshares, Inc. ("VBI"), and thereby indirectly acquire its state member bank subsidiary, Vista Bank, both of Dallas, Texas.[3] In addition, one of NBHC's state member bank subsidiaries, NBH Bank, Greenwood Village, Colorado, has requested the Board's approval to merge with Vista Bank pursuant to section 18(c) of the Federal Deposit Insurance Act ("Bank Merger Act"),[4] with NBH Bank as the surviving entity.[5] NBH Bank also has applied under section 9 of the Federal Reserve Act ("FRA")[6] to establish and operate branches at the locations of the main office and branches of Vista Bank.

---

[1] 12 U.S.C. § 1841 et seq.

[2] 12 U.S.C. § 1842.

[3] NBHC would be the surviving entity.

[4] 12 U.S.C. § 1828(c).

[5] Following the merger, NBH Bank would be renamed Vista Bank.

[6] 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 (90 Federal Register 50869 (November 12, 2025)), in accordance with the Board's Rules of Procedure.[7] 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.

NBHC, with consolidated assets of approximately $10.2 billion, is the 146th largest insured depository organization in the United States.[8] NBHC controls approximately $8.5 billion in consolidated deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States.[9] NBHC controls NBH Bank, which operates in Colorado, Idaho, Kansas, Missouri, New Mexico, Texas, Utah, and Wyoming.[10] NBH Bank is the 259th largest insured depository institution in Texas, controlling deposits of approximately $255.4 million, which

---

[7] 12 CFR 262.3(b).

[8] Consolidated asset and national ranking data are as of September 30, 2025, unless otherwise noted.

[9] Consolidated national deposit and market share data are as of September 30, 2025. State deposit data are as of June 30, 2025. In this context, insured depository institutions include commercial banks, savings associations, and savings banks.

[10] NBH Bank operates as Bank Midwest in Kansas and Missouri; Bank of Jackson Hole in Wyoming; Community Banks of Colorado in Colorado; and Hillcrest Bank in Idaho, New Mexico, Texas, and Utah. In addition to NBH Bank, NBHC controls Bank of Jackson Hole Trust ("BOJHT"), Jackson, Wyoming, a state member bank, which operates only in Wyoming and offers trust, estate, and wealth management services. Following the merger, NBHC will continue to operate BOJHT as a separate bank, and NBH Bank plans to rebrand all its branches to "Vista Bank" over time, except in Wyoming, where it will maintain the "Bank of Jackson Hole" branding.

represent less than 1 percent of the total deposits of insured depository institutions in that state.

VBI, with consolidated assets of approximately $2.4 billion, is the 471st largest insured depository organization in the United States.[11] VBI controls approximately $2.2 billion in consolidated deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. VBI controls Vista Bank, which operates in Florida and Texas. Vista Bank is the 70th largest insured depository institution in Texas, controlling deposits of approximately $1.9 billion, which represent less than 1 percent of the total deposits of insured depository institutions in that state.

On consummation of this proposal, NBHC would become the 135th largest insured depository organization in the United States, with consolidated assets of approximately $12.6 billion. NBHC would control total consolidated deposits of approximately $10.7 billion, which would represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. NBH Bank would become the 60th largest insured depository institution in Texas, controlling deposits of approximately $2.2 billion, which would represent less than 1 percent of the total deposits of insured depository institutions in that state.

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 is prohibited under state law.[12] 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

---

[11] Consolidated asset data are as of June 30, 2025.

[12] 12 U.S.C. § 1842(d)(1)(A).

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.[13]

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 statutory minimum period of time or five years.[14] When determining whether to approve an application under each provision, the Board must take into account the record of the applicant's depository institution under the Community Reinvestment Act of 1977 ("CRA")[15] and the applicant's record of compliance with applicable state community reinvestment laws.[16] 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.[17]

---

[13] 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).

[14] 12 U.S.C. § 1842(d)(1)(B); 12 U.S.C. § 1831u(a)(5).

[15] 12 U.S.C. § 2901 et seq.

[16] 12 U.S.C. § 1842(d)(3); 12 U.S.C. § 1831u(b)(3).

[17] 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

The home state of NBHC is Missouri.[18] The home state of NBH Bank is Colorado.[19] The home state of Vista Bank is Texas, and Vista Bank is located in Florida and Texas. NBHC and NBH Bank are well capitalized and well managed under applicable law, and NBHC and NBH Bank also would be well capitalized and well managed upon consummation of the proposal. NBH Bank has a "Satisfactory" rating under the CRA, and none of the jurisdictions in which NBH Bank operates has a state community reinvestment law. Vista Bank has been in existence for more than five years.

On consummation of the proposed transaction, NBHC would control less than 1 percent of the total amount of consolidated deposits in insured depository institutions in the United States. Texas, the only state in which NBHC and VBI have overlapping banking operations, imposes a 20 percent limit on the total amount of in-state deposits that a single banking organization may control.[20] The combined organization would control less than 1 percent of the total amount of deposits of insured depository institutions in Texas. 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

---

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).

[18] 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.

[19] 12 U.S.C. § 1831u(g)(4). A state bank's home state is the state by which the bank is chartered.

[20] Tex. Fin. Code § 203.004(a).

an attempt to monopolize the business of banking in any relevant market.[21] 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.[22]

NBHC and VBI have subsidiary banks that compete directly in the Austin, Texas, banking market ("Austin market")[23] and the Dallas, Texas, banking market ("Dallas market").[24] The Board has considered the competitive effects of the proposal in these banking markets. In particular, the Board has considered the relative share of total deposits in insured depository institutions in the markets ("market deposits") that NBHC would control,;[25] the concentration level of market deposits and the increase in this level, as measured by the Herfindahl-Hirschman Index ("HHI") under the 1995 Bank Merger

---

[21] 12 U.S.C. § 1842(c)(1)(A); 12 U.S.C. § 1828(c)(5)(A).

[22] 12 U.S.C. § 1842(c)(1)(B); 12 U.S.C. § 1828(c)(5)(B).

[23] The Austin market is defined as the Austin metropolitan area and Bastrop, Blanco, Caldwell, Hays, Travis, and Williamson counties, Texas.

[24] The Dallas market is defined as Collin, Dallas, Delta, Ellis, Hunt, Kaufman, Rains, and Rockwall counties, Texas; Denton County, Texas, excluding Roanoke; and Van Zandt County, Texas, excluding Van and Ben Wheeler.

[25] Local deposit and market share data are as of June 30, 2025, 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 the market share calculation on a 50-percent-weighted basis. See, e.g., Huntington Bancshares Incorporated, FRB Order No. 2021-07, at 5–6 (May 25, 2021); Hancock Whitney Corporation, FRB Order No. 2019-12 at 6 (September 5, 2019).

Competitive Review guidelines ("1995 Bank Merger Guidelines");[26] the number of competitors that would remain in each market; and other characteristics of the markets.

Consummation of the proposal would be consistent with Board precedent and within the thresholds in the 1995 Bank Merger Guidelines in the Austin market and the Dallas market. On consummation, the Austin market would remain unconcentrated, and the changes in market concentration would be well within the 1995 Bank Merger Guidelines and Board precedent. The Dallas market would remain highly concentrated, as measured by the HHI, and the HHI would not change. Numerous competitors would remain in each of the markets.[27]

---

[26] Department of Justice, Bank Merger Competitive Review – Introduction and Overview, https://www.justice.gov/sites/default/files/atr/legacy/2007/08/14/6472.pdf (1995). On September 17, 2024, the United States 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/justice-department-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). In addition, the Board has traditionally considered a merger not to have an anticompetitive effect where the proposed merger would not increase the HHI by more than 200 points in any banking market, in the absence of other factors indicating anticompetitive effects.

[27] NBHC is the 67th largest depository organization in the Austin market, controlling approximately $35.4 million in deposits, which represent less than 1 percent of market deposits. VBI is the 57th largest depository organization in the market, controlling approximately $66.6 billion in deposits, which represent less than 1 percent of market deposits. On consummation of the proposed transaction, NBHC would become the 49th largest depository organization in the market, controlling approximately $102.0 million in deposits, which would represent less than 1 percent of market deposits.

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 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.[28] 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,

---

The HHI for the Austin market would not change, and 83 competitors would remain in the market, including NBHC.

NBHC is the 79th largest depository organization in the Dallas market, controlling approximately $220.0 million in deposits, which represent less than 1 percent of the market deposits. VBI is the 30th largest depository organization in the market, controlling approximately $1.3 billion in deposits, which represent less than 1 percent of market deposits. On consummation of the proposed transaction, NBHC would become the 28th largest depository organization in the market, controlling approximately $1.5 billion in deposits, which would represent less than 1 percent of market deposits. The HHI for the Dallas market would not change, and 159 competitors would remain in the market, including NBHC.

[28] 12 U.S.C. § 1842(c)(2), (5), and (6); 12 U.S.C. § 1828(c)(5), and (11).

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.

NBHC, VBI, and their subsidiary depository institutions are well capitalized, and NBHC and NBH Bank would remain so upon consummation of the proposal. The proposed transaction is a bank holding company merger that is structured as a share exchange and cash distribution, with a subsequent merger of Vista Bank into NBH Bank.[29] The capital, asset quality, earnings, and liquidity of NBHC, VBI, and their subsidiary depository institutions are consistent with approval, and NBHC and NBH 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 NBHC, VBI, and their subsidiary depository institutions, including assessments of their management, risk-management systems, and operations. In addition, the Board has considered information provided by NBHC; the

---

[29] NBHC would effect the merger by merging VBI with and into NBHC, with NBHC as the surviving entity. At the time of the merger, each share of VBI common stock would be converted into a right to receive shares of NBHC common stock based on an exchange ratio and cash. Immediately thereafter, NBHC will merge Vista Bank with and into NBH Bank, with NBH Bank as the surviving entity. After the merger, NBH Bank will be renamed Vista Bank. NBHC has the financial resources to effect the proposed transaction.

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.

NBHC, VBI, and their subsidiary depository institutions 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 NBHC's risk-management program appears consistent with approval of this proposal.

The Board also has considered NBHC's plans for implementing the proposal. NBHC 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, NBHC's management has the experience and resources to operate the resulting organization in a safe and sound manner. NBHC plans to apply its risk-management policies, procedures, and controls at the combined organization following the transaction.

Based on all the facts of record, including NBHC's and NBH Bank'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 NBHC, NBH Bank, VBI, and Vista 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 and the Bank Merger Act, the Board considers the effects of the proposal on the convenience and needs

of the communities to be served.[30] 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 CRA.[31] 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.[32]

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

---

[30] 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.

[31] 12 U.S.C. § 2901 et seq.

[32] See 12 U.S.C. § 2901(b).

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 NBH Bank and Vista Bank, the fair lending and compliance records of both banks, the supervisory views of the Federal Reserve Bank of Dallas and the Federal Reserve Bank of Kansas City, confidential supervisory information, information provided by NBHC, and the public comment received on the proposal.

Public Comments on the Proposal

The Board received one timely adverse comment on the proposal. The commenter objected to the proposal, alleging that, based on data reported under the Home Mortgage Disclosure Act of 1975 ("HMDA"),[33] NBH Bank made fewer home loans to African American individuals as compared to white individuals nationwide, including in Colorado, in 2024. The commenter also alleged that NBH Bank denied home loan applications of African American individuals at a higher rate than those of white individuals. The commenter noted that NBH Bank's CRA investment performance in Utah and in Kansas was rated as "Low Satisfactory" and "Needs to Improve," respectively. The commenter asked the Board to consider that the most recent CRA performance evaluation of NBH Bank, as of February 26, 2024, does not take into account the 2024 HMDA data.

Businesses of the Involved Institutions

Through NBH Bank, NBHC engages in commercial and specialty banking, retail banking, and trust and wealth management services. Deposit products offered include deposit accounts and treasury-management products. Lending products offered include commercial and industrial loans and leases; business loans; non-owner occupied commercial real estate loans; Small Business Administration, U.S. Department of Agriculture, and Farm Service Agency loans; residential real estate loans; and personal

---

[33] 12 U.S.C. § 2801 et seq.

loans. Through BOJHT, NBHC offers trust, estate, and wealth management services. Through Vista Bank, VBI engages in commercial lending, including by offering business deposit accounts and lending products; and personal banking, including by offering savings accounts, money market accounts, certificates of deposit, and individual retirement accounts.

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 Federal Reserve Bank of Kansas City with respect to NBH Bank and the Federal Reserve Bank of Dallas with respect to Vista Bank.[34] In addition, the Board considers information provided by the applicant and 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.[35] An institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation by the institution's primary federal supervisor of the institution's overall record of lending in its communities.

In general, federal financial supervisors apply a lending test ("Lending Test"), an investment test ("Investment Test"), and a service test ("Service Test") to evaluate the performance of large banks, such as NBH 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

---

[34] See Interagency Questions and Answers Regarding Community Reinvestment, 81 Federal Register 48506, 48548 (July 25, 2016).

[35] 12 U.S.C. § 2906.

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;[36] (4) the institution's community development lending, including the number and amounts of community development loans and their complexity and innovativeness; and (5) the institution's use of innovative or flexible lending practices to address the credit needs of LMI individuals and geographies.[37] 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.[38]

---

[36] 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).

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

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

Federal financial supervisors apply a streamlined Lending Test[39] and a community development test ("Community Development Test")[40] to evaluate the performance of an intermediate small bank, such as Vista Bank, in helping to meet the credit needs of the communities it serves. 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.[41]

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.[42] 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 NBH Bank

NBH Bank was assigned an overall "Satisfactory" rating at its most recent CRA performance evaluation by the Federal Reserve Bank of Kansas City, as of

---

[39] See 12 CFR 228.26(a)(2) and (b) (2023); see also 70 Federal Register 44256 (Aug. 2, 2005).

[40] See 12 CFR 228.26(a)(2), (b), and (c) (2023).

[41] See 12 CFR 228.26(c) (2023).

[42] 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.

February 26, 2024 ("NBH Bank Evaluation").[43] The bank received an "Outstanding" rating for the Service Test and "High Satisfactory" ratings for each of the Lending and Investment Tests.[44]

With respect to the Lending Test, examiners found that NBH Bank's lending levels reflected good responsiveness to AA credit needs. Examiners observed that the bank made limited use of innovative and flexible lending practices to serve AA credit needs. Examiners also found that a high percentage of loans was originated in the bank's AAs and that the geographic distribution of loans was adequate. Examiners stated that the bank's distribution of loans among individuals of different income levels, including LMI individuals, and businesses and farms of different sizes was good. Examiners also noted that the bank was a leader in making community development loans. Examiners rated the bank's performance under the Lending Test as "Outstanding" in the Kansas City MMSA; "High Satisfactory" in the states of Kansas, New Mexico, and Utah; and "Low Satisfactory" in the states of Colorado, Missouri, and Texas. On an overall basis, the bank received a "High Satisfactory" rating.

With respect to the Investment Test, examiners found that NBH Bank made a significant level of qualified community development investments and grants and was

---

[43] The NBH Bank Evaluation was conducted using Interagency Large Institution CRA Examination Procedures. Examiners reviewed the bank's HMDA-reportable, small business, and small farm loans from 2020 through 2022; and community development loans, qualified investments and grants, and retail banking and community development services from January 1, 2021, to December 31, 2022. Because NBH Bank did not operate branches in Wyoming and Idaho until the latter half of 2022, Wyoming and Idaho were not included as part of the NBH Bank Evaluation.

[44] The NBH Bank Evaluation covered AAs located in six states and one multistate metropolitan statistical area ("MMSA"). The states that received a statewide rating are Colorado, Kansas, Missouri, New Mexico, Texas, and Utah. The statewide rating for a particular state did not reflect the bank's rating and performance in the part of the state that was separately captured within an MMSA in that same state. The Kansas City MMSA received its own rating. Thus, portions of Kansas and Missouri were reviewed as part of the evaluation of two or more states in the Kansas City MMSA. The NBH Bank Evaluation included a full-scope review of one or more AAs in every state and of the Kansas City MMSA.

occasionally in a leadership role throughout its AAs. Examiners also found that the bank made occasional use of innovative and complex investments to support community development initiatives and exhibited good responsiveness to the credit and community development needs of its AAs. Examiners rated the bank's performance under the Investment Test as "Outstanding" in the state of Texas; "High Satisfactory" in the Kansas City MMSA and the states of Colorado, Missouri, and New Mexico; "Low Satisfactory" in the state of Utah; and "Needs to Improve" in the state of Kansas. On an overall basis, the bank received a "High Satisfactory" rating.

With respect to the Service Test, examiners determined that NBH Bank's delivery systems were reasonably accessible to geographies and/or individuals of different income levels in its AAs. Examiners found that the bank's record of opening and closing branches had not adversely affected the accessibility of its delivery systems, particularly in LMI geographies or to LMI individuals. Examiners also noted that products, services, and business hours did not vary in a way that inconvenienced its AAs, particularly LMI geographies or LMI individuals. Finally, examiners found that the bank was a leader in providing community development services within its AAs and was responsive to the available service opportunities. Examiners rated the bank's performance under the Service Test as "Outstanding" in the states of Colorado, Kansas, New Mexico, Texas, and Utah; and "High Satisfactory" in the Kansas City MMSA and the state of Missouri. On an overall basis, the bank received an "Outstanding" rating.

CRA Performance of Vista Bank

Vista Bank was assigned an overall "Outstanding" rating at its most recent CRA performance evaluation by the Federal Reserve Bank of Dallas, as of April 1, 2024

("Vista Bank Evaluation").[45] The bank received a "Satisfactory" rating for the Lending Test and an "Outstanding" rating for the Community Development Test. [46]

With respect to the Lending Test, examiners found that Vista Bank's NLTD ratio was reasonable given the bank's size, financial condition, and the credit needs of its AAs. Examiners noted that a majority of loans was originated within the bank's AAs. Examiners also found that the geographic distribution of loans reflected reasonable dispersion throughout the bank's AAs and that lending reflected a reasonable distribution among individuals of different income levels, including LMI individuals, and businesses of different sizes.

With respect to the Community Development Test, examiners found that Vista Bank demonstrated excellent responsiveness to the needs in its AAs. Examiners observed that the bank addressed the community development needs of its AAs through qualified loans, investments, and services. Examiners also noted that neither Vista Bank

---

[45] The Vista Bank Evaluation was conducted using Interagency Intermediate Small Institution CRA Examination Procedures. Examiners reviewed the bank's 12-quarter average net loan-to-deposit ("NLTD") ratio, ending December 31, 2023; HMDA-reportable loans from 2022; small business loans from July 1, 2023, through December 31, 2023; qualified community development loans, investments, and donations from January 1, through December 31, 2023; and information from three members of the communities served by the bank. Because Vista Bank opened a branch in Palm Beach Gardens, Florida, on July 15, 2023, near the end of the Vista Bank Evaluation review period, examiners did not evaluate its performance in the West Palm Beach Metropolitan AA.

[46] The Vista Bank Evaluation involved a full-scope review of the bank's activities in the Lubbock Metropolitan AA and Dallas–Fort Worth Metropolitan Statistical Area ("MSA"). The Vista Bank Evaluation also involved a limited-scope review of the bank's activities in the Austin MSA, the Hale County Nonmetropolitan AA, and the Haskell County Nonmetropolitan AA.

nor the Federal Reserve Bank of Dallas received any CRA-related complaints since the bank's previous evaluation.

Additional Supervisory Views

In its review of the proposal, the Board consulted with and considered the views of the Federal Reserve Bank of Kansas City as the primary federal supervisor of NBH Bank, and of the Federal Reserve Bank of Dallas as the primary federal supervisor of Vista Bank. The Board also considered the results of the most recent consumer compliance examinations of NBH Bank and Vista 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 NBH Bank and Vista Bank, into account in evaluating the proposal, including in considering whether NBH Bank 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.

NBHC represents that the proposal will strengthen NBH Bank's position as a regional branch franchise. NBHC notes that the proposal will enable NBH Bank's growth in the Texas market, including through the use of NBHC's liquidity. NBHC also notes that the proposal will allow it to enhance the banking capabilities offered to Vista Bank's small business and middle-market clients and to introduce trust and wealth services to Vista Bank's Private Client network and small and medium-sized business

owners. NBHC further represents that NBH Bank and Vista Bank customers will have access to expanded loan capacity and a larger capital base, which will support greater commercial and community development lending and investment capacity.

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.[47] In addition, the federal banking 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.[48]

NBHC represents that, in connection with the proposal, it may close or consolidate one or more bank branches, none of which would be in an LMI census tract, in geographies where branches overlap or for other business reasons. However, NBHC represents that it is likely that all bank branches will be retained at the time of the merger and any consolidations or closings would occur at a later date.

---

[47] 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.

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

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 NBHC, 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."[49] In addition, the Bank Merger Act requires the Board to consider "risk to the stability of the United States banking or financial system."[50]

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.[51] These categories are not exhaustive, and additional categories could inform the Board's decision.

---

[49] 12 U.S.C. § 1842(c)(7).

[50] 12 U.S.C. § 1828(c)(5).

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

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.[52]

The Board's experience has shown that proposals involving an acquisition of less than $10 billion in total assets, or that result in a firm with less than $100 billion in total assets, generally are not likely to pose systemic risks. Accordingly, the Board presumes that a proposal does not raise material financial stability concerns if the assets involved fall below either of these size thresholds, absent evidence that the transaction would result in a significant increase in interconnectedness, complexity, cross-border activities, or other risk factors.[53]

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.[54] 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

---

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

[53] 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.

[54] NBH Bank and Vista Bank offer a range of retail and commercial banking products and services. NBH 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.

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.

Establishment of Branches

NBH Bank has applied under section 9 of the FRA to establish branches at the current locations of Vista Bank.[55] The Board has assessed the factors it is required to consider when reviewing an application under that section, including NBH 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.[56] For the reasons discussed in this order, the Board determines that those factors are consistent with approval.

---

[55] 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). 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, NBH Bank's branches would be permissible under applicable state law. See Tex. Fin. Code §§ 32.203; 32.301(c); Fla. Stat. § 658.2953.

[56] 12 CFR 208.6. Upon consummation of the proposed transaction, NBH 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).

Conclusion

Based on the foregoing and all the facts of record, the Board determines that the proposal should be, and hereby is, approved.[57] 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, the Bank Merger Act, the FRA, and other applicable statutes. The Board's approval is specifically conditioned on compliance by NBHC and NBH 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 NBHC and NBH 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.

---

[57] 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, 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 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.

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,[58] effective December 23, 2025.

(signed) Benjamin W. McDonough

Benjamin W. McDonough,
Deputy Secretary of the Board

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

Appendix

Branches to Be Established

1. 3835 PGA Boulevard, Suite 305, Palm Beach Gardens, Florida
2. 6801 Preston Road, Dallas, Texas
3. 100 Crescent Court, Suite 1250, Dallas, Texas
4. 3225 Martin Luther King Jr. Boulevard, Dallas, Texas
5. 5840 W. Northwest Highway, Dallas, Texas
6. 412 S. Highway 156, Justin, Texas
7. 4515 98th Street, Lubbock, Texas
8. 4621 50th Street, Lubbock, Texas
9. 4350 19th Street, Lubbock, Texas
10. 1508 Texas Avenue, Lubbock, Texas
11. 1300 Summit Avenue, Fort Worth, Texas
12. 3720 Jefferson Street, Austin, Texas