

FEDERAL RESERVE SYSTEM

The Bank of Nova Scotia
Toronto, Canada

Order Approving the Acquisition of a Bank Holding Company

The Bank of Nova Scotia (“BNS”), Toronto, Canada, a foreign banking organization that has elected to be treated as a financial holding company within the meaning of the Bank Holding Company Act (“BHC Act”),¹ has requested the Board’s approval to become a bank holding company pursuant to section 3 of the BHC Act² by acquiring Maple Financial Holdings, Inc. (“Maple Financial”), Dallas, Texas, a bank holding company, and thereby indirectly acquiring Maple Financial’s state member bank subsidiary, MapleMark Bank (“MapleMark”), Tulsa, Oklahoma.³

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (91 *Federal Register* 41638 (July 7, 2026)), in accordance with the Board’s Rules of Procedure.⁴ The time for submitting comments has expired, and the Board received two adverse comments on the proposal, both submitted

¹ 12 U.S.C. § 1841 *et seq.*

² 12 U.S.C. § 1842.

³ To effect the proposed transaction, BNS intends to merge Cypress Merger Sub, Inc. (“Cypress”), a Texas corporation and a newly formed, wholly owned merger subsidiary of BNS, with and into Maple Financial, with Maple Financial as the surviving entity. As part of the proposed transaction, BNS applied to the Texas Department of Banking (“TDOB”) to convert MapleMark from an Oklahoma state member bank to a Texas state member bank with its main office in Dallas, Texas.

⁴ 12 CFR 262.3(i).

by the same commenter. The Board has considered the proposal and the comments received in light of the factors set forth in section 3 of the BHC Act.

BNS, with consolidated assets of approximately \$1.1 trillion, is the third largest insured depository organization in Canada.⁵ BNS provides retail and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets services, and has operations primarily in Canada. In the United States, BNS's operations primarily are conducted through an agency in New York and a branch in Texas. BNS also operates representative offices in Florida and California, and, through Scotia Holdings (USA) LLC, operates nonbanking subsidiaries in the United States.⁶ BNS currently does not control a commercial bank within the United States.⁷ Following consummation of the proposed transaction, BNS would continue to meet the requirements for a qualifying foreign banking organization under the Board's Regulation K.⁸

Maple Financial, with consolidated assets of approximately \$1.0 billion, is the 1,001st largest insured depository organization in the United States.⁹ Maple Financial controls approximately \$837.5 million in consolidated deposits, which represent less than

⁵ Consolidated asset data are as of June 30, 2026, and national ranking data are as of March 31, 2026.

⁶ These nonbanking subsidiaries include Scotia Capital (USA) Inc., a registered broker-dealer, and Scotia Financing (USA) LLC, a financing subsidiary, both of New York, New York.

⁷ However, BNS has received approval to acquire a noncontrolling investment of up to 19.99 percent of the voting shares of KeyCorp, a financial holding company that controls KeyBank National Association, a national bank, both of Cleveland, Ohio. *The Bank of Nova Scotia*, FRB Order No. 2026-18 (June 22, 2026).

⁸ 12 CFR 211.23(a).

⁹ Consolidated asset and national ranking data are as of June 30, 2026.

1 percent of the total amount of deposits of insured depository institutions in the United States.¹⁰ Maple Financial controls MapleMark, which operates in Oklahoma and Texas.

On consummation of this proposal, BNS's United States operations would have assets that represent less than 1 percent of the total assets of insured depository institutions in the United States.

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.¹¹ 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.¹²

BNS does not currently control a commercial bank in the United States, and BNS and Maple Financial do not compete directly in any retail banking market. The U.S. Department of Justice ("DOJ") has 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.

¹⁰ Consolidated national deposit and market share data are as of June 30, 2026. In this context, insured depository institutions include commercial banks, savings associations, and savings banks.

¹¹ 12 U.S.C. § 1842(c)(1)(A).

¹² 12 U.S.C. § 1842(c)(1)(B).

Financial, Managerial, and Other Supervisory Considerations

In reviewing a proposal under section 3 of the BHC Act, the Board considers the financial and managerial resources and the future prospects of the institutions involved, the effectiveness of the institutions in combatting money laundering, and any public comments on the proposal.¹³ 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.

The capital levels of BNS exceed the minimum levels that would be required under the Basel Capital Accord and are considered to be equivalent to the capital levels that would be required of a U.S. banking organization.¹⁴ The proposed transaction

¹³ 12 U.S.C. § 1842(c)(2), (5), and (6). The Board also has analyzed the effectiveness of BNS's anti-money-laundering efforts in connection with the Board's assessment of whether BNS is subject to comprehensive supervision or regulation on a consolidated basis by appropriate authorities in its home country.

¹⁴ The Board considered the total risk-based capital ratio, tier 1 risk-based capital ratio, common equity tier 1 risk-based capital ratio, and the ratio of tier 1 capital to total assets of BNS.

is an acquisition structured as a share and cash exchange.¹⁵ The capital, asset quality, earnings, and liquidity of BNS, Maple Financial, and MapleMark are consistent with approval, and BNS appears to have adequate resources to absorb the costs of the proposal and to complete the integration of the institutions' operations. In addition, the future prospects of the institutions are 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 and other supervisory information concerning BNS's U.S. operations, Maple Financial, and MapleMark, including assessments of the institutions' management, risk-management systems, and operations. In addition, the Board has considered information provided by BNS; 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 comments on the proposal. The Board also has consulted with the Office of the Superintendent of Financial Institutions ("OSFI"), the agency with primary responsibility for the supervision of Canadian banks and other financial institutions, including BNS.

BNS, Maple Financial, and MapleMark are each considered to be well managed. BNS's directors and senior executive officers have knowledge of and experience in the banking and financial services sectors, and its risk-management program appears consistent with approval.

The Board also has considered BNS's plans for implementing the proposal. BNS 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. BNS states that it would leverage its risk-management and compliance

¹⁵ At the time of the merger between Cypress and Maple Financial, each share of Maple Financial common and preferred stock would be converted into a right to receive shares of BNS common stock based on an exchange ratio, plus cash in lieu of fractional shares. BNS has the financial resources to effect the proposed transaction.

policies, procedures, and controls in order to enhance the existing risk-management practices at Maple Financial and MapleMark, and these policies, procedures, and controls appear consistent with approval.¹⁶ In addition, the management of BNS, Maple

¹⁶ The commenter questioned BNS's compliance record, citing a number of enforcement actions involving the DOJ, the Commodity Futures Trading Commission ("CFTC"), and the Securities and Exchange Commission ("SEC"), as well as a Canadian self-regulatory organization, which resulted in BNS and its affiliates paying monetary penalties, fines, or other compensation to resolve various matters. Specifically, the commenter cited: (1) BNS's payment of a combined \$127.5 million in penalties in connection with a deferred prosecution agreement BNS entered into with the DOJ and multiple consent orders BNS entered into with the CFTC in 2020 involving a scheme to manipulate the price of futures on certain precious metals; (2) a BNS affiliate's payment of a combined \$22.5 million in penalties in 2023 to resolve certain recordkeeping failures identified by the CFTC and SEC; and (3) a BNS affiliate's payment of \$1 million in fines and \$10.8 million in compensation to clients in 2022 to resolve issues involving alleged improper recording of client transactions identified by the Mutual Fund Dealers Association of Canada. The commenter also noted BNS's March 2026 settlement of litigation brought by a Canadian nonprofit organization involving allegations that \$9.8 million was withdrawn fraudulently from the nonprofit organization's accounts at BNS. The commenter asserted that the volume and recency of these matters involving BNS reflects adversely on BNS's managerial resources with respect to the factors the Board considers in reviewing the proposed transaction under the BHC Act.

In response, BNS asserts that the commenter merely restates publicly available information without providing any new information or describing how these matters, all of which BNS asserts have been fully remediated, relate to BNS's current compliance program or practices. BNS notes that the conduct underlying each of these matters occurred long before BNS ultimately resolved them with the relevant authorities. Further, BNS asserts that BNS's existing supervisory record reflects the most relevant and current information in assessing BNS's managerial resources.

The Board has considered the comments received, representations by BNS made in response to those comments and elsewhere in the application, and the views of OSFI as the primary regulator of BNS, in evaluating BNS's managerial resources. Specifically, BNS represents that Maple Financial and MapleMark are not subject to any public enforcement actions as of May 2026, and the commenter cited no record of noncompliance involving Maple Financial and MapleMark. The enforcement actions and litigation raised by the commenter have all been resolved. For the reasons discussed above, including consideration of confidential supervisory information, the Board determines that the managerial resources of BNS, Maple Financial, and MapleMark are consistent with approval.

Financial, and MapleMark have the experience and resources to operate the combined organization in a safe and sound manner, and BNS plans to integrate the existing management and personnel of Maple Financial and MapleMark in a manner that augments BNS's management of its U.S. operations.

Section 3 of the BHC Act also prohibits the Board from approving a proposal unless the applicant provides adequate assurances that it will make available to the Board such information on its operations and activities and those of its affiliates that the Board deems appropriate to determine and enforce compliance with the BHC Act.¹⁷ The Board has reviewed the restrictions on disclosure in the relevant jurisdictions in which BNS operates. In addition, BNS has committed that, to the extent not prohibited by applicable law, it will make available to the Board such information on its operations and the operations of its affiliates that the Board deems necessary to determine and enforce compliance with the BHC Act, the International Banking Act of 1978,¹⁸ and other applicable federal laws. BNS also has committed to cooperate with the Board to obtain any waivers or exemptions that may be necessary to enable it or its affiliates to make such information available to the Board.

Based on all the facts of record, including the supervisory records of BNS, Maple Financial, and MapleMark and their managerial and operational resources, 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 organizations' records of effectiveness in combatting money-laundering activities,¹⁹ are consistent with approval.

¹⁷ 12 U.S.C. § 1842(c)(3)(A).

¹⁸ 12 U.S.C. § 3101 *et seq.*

¹⁹ The commenter raised potential money-laundering concerns regarding one of BNS's subsidiaries in Peru, citing events that occurred between 2000 and 2004, prior to BNS's acquisition of the subsidiary in 2006. The commenter asserted that the Board should inquire into what due diligence BNS conducted prior to acquiring the subsidiary, as well as any anti-money-laundering controls BNS has implemented at the subsidiary since its

Supervision or Regulation on a Consolidated Basis

As required by section 3 of the BHC Act, the Board considers whether BNS is subject to comprehensive supervision or regulation on a consolidated basis by appropriate authorities in its home country.²⁰ The Board previously has determined that BNS is subject to comprehensive supervision on a consolidated basis by its home country supervisor, OSFI.²¹ BNS remains supervised by OSFI on substantially the same terms

acquisition. BNS asserts that the commenter did not allege that BNS participated in the alleged activity and did not explain how the alleged activity, which BNS notes occurred over two decades ago, bears on any relevant factor to the Board's consideration of the proposed transaction. The Board has considered the comments received, BNS's representations made in response to those comments and elsewhere in the application, the record of BNS, Maple Financial, and MapleMark in combatting money-laundering activities, and the views of OSFI as the primary regulator of BNS in evaluating the proposal.

²⁰ 12 U.S.C. § 1842(c)(3)(B). As provided in Regulation Y, the Board determines whether a foreign banking organization is subject to consolidated home country supervision under the standards set forth in Regulation K. *See* 12 CFR 225.13(a)(4). Regulation K provides that a foreign bank is subject to consolidated home country supervision if the foreign bank is supervised or regulated in such a manner that its home country supervisor receives sufficient information on the worldwide operations of the foreign bank (including the relationships of the bank to any affiliate) to assess the foreign bank's overall financial condition and compliance with law and regulation. 12 CFR 211.24(c)(1)(ii).

In assessing this standard, the Board considers, among other indicia of comprehensive, consolidated supervision, the extent to which the home country supervisors (i) ensure that the bank has adequate procedures for monitoring and controlling its activities worldwide; (ii) obtain information on the condition of the bank and its subsidiaries and offices through regular reports of examination, audit reports, or otherwise; (iii) obtain information on the dealings and relationship between the bank and its affiliates, both foreign and domestic; (iv) receive from the bank financial reports that are consolidated on a worldwide basis, or comparable information that permits analysis of the bank's financial condition on a worldwide, consolidated basis; and (v) evaluate prudential standards, such as capital adequacy and risk asset exposure, on a worldwide basis. *Id.* No single factor is essential, and other elements may inform the Board's determination.

²¹ *See The Bank of Nova Scotia*, FRB Order No. 2026-18 (June 22, 2026); *The Bank of Nova Scotia*, FRB Order No. 2024-11 (Dec. 12, 2024); *The Bank of Nova Scotia*, 93

and conditions. Based on this finding and all the facts of record, the Board concludes that BNS continues to be subject to comprehensive supervision on a consolidated basis by its home country supervisor.

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.²² 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 organizations. 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 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 Community Reinvestment Act of 1977 ("CRA").²³ 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.²⁴

Federal Reserve Bulletin C136 (3rd Quar. 2007); *The Bank of Nova Scotia*, 93 Federal Reserve Bulletin C73 (1st Quar. 2007).

²² 12 U.S.C. § 1842(c)(2). 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.

²³ 12 U.S.C. § 2901 *et seq.*

²⁴ *See* 12 U.S.C. § 2901(b).

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 MapleMark; the fair lending and compliance records of MapleMark; the supervisory views of the Federal Reserve Bank of Kansas City ("FRB Kansas City") as the current primary federal supervisor of MapleMark; confidential supervisory information; information provided by BNS; and the public comments received on the proposal.

Public Comments on the Proposal

The Board received two timely adverse comments on the proposal, both from the same commenter. The commenter objected to the proposal, contending that BNS is not acquiring MapleMark for its existing direct retail or mortgage lending footprint, which the commenter characterized as minimal, but to use MapleMark as a funding vehicle for BNS's broader mortgage-related activity, including its mortgage capital markets business. The commenter argued that the expansion of MapleMark's activities under the proposed transaction raises concerns over MapleMark's ability to serve the convenience and needs of the local communities in which MapleMark currently operates. Further, the commenter alleged that, based on MapleMark's data reported under the Home Mortgage Disclosure Act of 1975 ("HMDA"),²⁵ MapleMark made fewer

²⁵ 12 U.S.C. § 2801 *et seq.*

loans to African American individuals as compared to white individuals in 2025. The commenter also noted that MapleMark's most recent CRA performance evaluation found that MapleMark originated no small business loans in low-income census tracts in MapleMark's CRA assessment area ("AA") in the Tulsa, Oklahoma, Metropolitan Statistical Area ("Tulsa MSA") and that MapleMark's small business lending in moderate-income census tracts in the same AA fell below the relevant demographic benchmark.

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

As noted above, BNS provides retail and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets services, and has operations primarily in Canada. In the United States, BNS's operations primarily are conducted through an agency in New York and a branch in Texas. BNS also operates representative offices in Florida and California, and, through Scotia Holdings (USA) LLC, operates nonbanking registered broker-dealer and financing subsidiaries in the United States.²⁶ Through MapleMark, Maple Financial engages in the business of banking by providing deposit, lending, and other financial services to customers. Maple Financial's sole operating and insured depository institution subsidiary is MapleMark, and MapleMark has no subsidiaries.

In response to the commenter's concern that MapleMark's potential growth after consummation of the proposed transaction may harm its ability to serve the convenience and needs of its communities, BNS asserts that the commenter did not provide an accurate description of BNS's reasons for pursuing the proposed transaction or its intentions regarding MapleMark's expected growth after consummation. Additionally, BNS represents that MapleMark does not plan to alter or discontinue any

²⁶ As noted, BNS also maintains a noncontrolling investment in the voting shares of KeyCorp, a financial holding company that controls KeyBank National Association, a national bank.

products or services aimed at meeting the needs of LMI consumers or communities or small businesses. BNS further represents that MapleMark is modernizing its product and service offerings through a digital delivery channel, which BNS expects to enhance access to, and delivery of, MapleMark's products and services for all its clients and the communities it serves after consummation of the proposed transaction.

In response to the commenter's concern regarding disparities in loans to African Americans in 2025 by MapleMark, BNS asserts that MapleMark's commitment to serving the needs of its communities is demonstrated by its record of making community development loans, originating mortgage loans to LMI borrowers and in LMI census tracts, and engaging in CRA-qualified investment activity, as well as the records of community service and volunteering activities of MapleMark employees. Further, BNS asserts that HMDA data do not provide a complete picture of an institution's lending activity and that this is especially true for MapleMark, which has a more limited record of HMDA-reported data because MapleMark was not subject to HMDA reporting requirements until the 2023 reporting year. Moreover, BNS asserts that MapleMark engages in more limited HMDA-reportable activities because small business loans make up a significant portion of MapleMark's lending activity and, under HMDA, demographic information is reported only in respect of loans to individuals, not businesses. BNS also asserts that MapleMark engages in a higher proportion of CRA-reportable loan purchases relative to originations, and that HMDA data exclude CRA-qualifying purchased loans. Finally, BNS argues that the commenter did not allege, or provide any basis to allege, that MapleMark has failed to comply with any laws relevant to the Board's review of the proposed transaction.

In response to the commenter's concern over MapleMark's lack of small business loan originations in low-income census tracts in the Tulsa MSA AA, BNS asserts that the commenter's statements are selective, taken out of context, and incomplete regarding MapleMark's lending record. BNS asserts that MapleMark's commitment to serving the credit needs of its communities, including LMI individuals and neighborhoods, is recognized by MapleMark's overall rating of "Satisfactory" in its

most recent CRA performance evaluation. BNS further represents that MapleMark has continued its progress in meeting the credit needs of its communities since its most recent CRA performance evaluation. Specifically, through June 30, 2026, BNS represents that MapleMark has originated 15 small business loans in the Tulsa MSA AA, of which approximately 13 percent were in low-income census tracts and approximately 53 percent were in moderate-income census tracts, which BNS asserts exceed peer performance in that AA.

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 FRB Kansas City and was the Federal Deposit Insurance Corporation ("FDIC") with respect to MapleMark's most recent CRA performance evaluation.²⁷ 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.²⁸ An institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site

²⁷ See Interagency Questions and Answers Regarding Community Reinvestment, 81 *Federal Register* 48506, 48548 (July 25, 2016). On September 26, 2025, MapleMark converted from a Texas state nonmember bank to an Oklahoma state nonmember bank. FRB Kansas City subsequently approved the application by MapleMark to become a member of the Federal Reserve System in November 2025, and MapleMark officially became an Oklahoma state member bank in May 2026. As such, primary federal supervisory responsibility for MapleMark passed from the FDIC to FRB Kansas City, including with respect to MapleMark's CRA performance. As noted, MapleMark has applied with TDOB to convert from an Oklahoma state member bank to a Texas state member bank, at which point primary federal supervisory responsibility for MapleMark will pass from FRB Kansas City to the Federal Reserve Bank of Dallas.

²⁸ 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")²⁹ and a community development test ("Community Development Test")³⁰ to evaluate the performance of an intermediate small bank, such as MapleMark, in helping to meet the credit needs of the communities it serves. The Lending Test specifically evaluates an institution's lending-related activities to determine whether the institution is helping to 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 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 AAs; (3) record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; (4) geographic distribution of loans; and (5) record of taking action, if warranted, in response to written complaints about its performance in helping to meet the credit needs in its AAs. 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.³¹

²⁹ See 12 CFR 228.26(a)(2) and (b) (2023).

³⁰ See 12 CFR 228.26(a)(2), (b), and (c) (2023).

³¹ See 12 CFR 228.26(c) (2023).

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.³² 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 MapleMark

MapleMark was assigned an overall rating of "Satisfactory" at its most recent CRA performance evaluation by the FDIC, as of July 8, 2024 ("MapleMark Evaluation").³³ The bank received a "Satisfactory" rating for both the Lending and Community Development Tests.³⁴

With respect to the Lending Test, examiners found that MapleMark's loan-to-deposit ratio was more than reasonable given the bank's size, financial condition, and

³² 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.

³³ The MapleMark Evaluation was conducted using Interagency Intermediate Small Bank Examination Procedures. Examiners reviewed MapleMark's small business loans originated or purchased in 2023. Examiners also reviewed MapleMark's community development activities since its prior CRA performance evaluation dated November 21, 2022, as well as all community development investments that remained outstanding since the prior evaluation. Examiners also noted that MapleMark began reporting HMDA loan data for calendar year 2023 and that the bank was not required to report HMDA data prior to that year. Due to the lack of a complete year of aggregate HMDA-reportable lending at the time of the MapleMark Evaluation, examiners did not evaluate the bank's HMDA-reportable lending in this evaluation.

³⁴ The MapleMark Evaluation involved a full-scope review of the bank's activities in both of its AAs: the Tulsa MSA AA and the Dallas–Plano–Irving, Texas, Metropolitan Division ("Dallas MD") AA.

the credit needs of its Dallas MD and Tulsa MSA AAs. Examiners noted that a majority of loans were 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 businesses of different sizes. Examiners also noted that MapleMark had not received any CRA-related complaints since the bank's previous evaluation. Regarding the Tulsa MSA AA, an area of concern for the commenter, examiners found that MapleMark demonstrated reasonable performance under the Lending Test.

With respect to the Community Development Test, examiners found that MapleMark demonstrated adequate responsiveness to the community development needs in its AAs, including in the Tulsa MSA AA noted by the commenter. Examiners observed that the bank addressed the community development needs of its AAs through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development.

Additional Supervisory Views

In its review of the proposal, the Board consulted with and considered the views of FRB Kansas City as the current primary federal regulator of Maple Mark, as well as supervisory information provided by the FDIC. The Board also considered the results of the most recent consumer compliance examination of MapleMark, which included review of the bank's compliance-management program and its compliance with consumer protection laws and regulations, including fair lending.

The Board has taken this information, as well as the CRA performance record of MapleMark, into account in evaluating the proposal, including in considering whether BNS 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 resulting 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 resulting organization has for meeting the needs of its communities following consummation, and any other information the Board deems relevant.

BNS represents that it does not anticipate that the proposed transaction would result in any material changes to MapleMark's operations, including any reduction in its product and service offerings or its facilities.³⁵

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

³⁵ As noted, the commenter raised a general concern that MapleMark's potential growth after consummation of the proposed transaction may harm its ability to serve the convenience and needs of its communities. The Board has considered the comments received, representations by BNS made in response to those comments, and information provided by BNS in the application, including the proposed business plan, in evaluating the effects of the proposal on the convenience and needs of the communities to be served. The Board believes that the proposed business plan is consistent with MapleMark's ability to continue to meet the convenience and needs of the communities to be served after consummation of the proposed transaction.

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.³⁶ 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.³⁷

BNS represents that it does not anticipate that any existing branches of MapleMark would be closed or consolidated in connection with the proposal.

Conclusion on Convenience and Needs Considerations

The Board has considered all the facts of record, including the record of MapleMark under the CRA, the institution's record of compliance with fair lending and other consumer protection laws, supervisory information, information provided by BNS, the public comments 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."³⁸ 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 acquiring firm and the incremental effect of the transaction on

³⁶ 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.

³⁷ See, e.g., 12 CFR 228.24(d)(2) (2023).

³⁸ 12 U.S.C. § 1842(c)(7).

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.³⁹ 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.⁴⁰

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.⁴¹

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

³⁹ Many of the metrics considered by the Board measure an institution's activities relative to the United States financial system.

⁴⁰ For further discussion of the financial stability standard, see *Capital One Financial Corporation*, FRB Order No. 2012-2 (Feb. 14, 2012).

⁴¹ 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.

with less than \$10 billion in total assets. In the United States, BNS engages primarily in commercial and wholesale banking activities through a U.S. agency and branch, as well as securities brokerage activities through Scotia Capital (USA) Inc.⁴² MapleMark is 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's U.S. operations 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 U.S. financial system in the event of financial distress.

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

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 As noted, BNS also maintains a noncontrolling investment in the voting shares of KeyCorp, a financial holding company that controls KeyBank National Association, a national bank.

⁴³ MapleMark offers deposit, lending, and other financial services to customers. BNS, Maple Financial, and MapleMark have, 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 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

Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act and other applicable statutes. The Board's approval is specifically conditioned on compliance by BNS 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 BNS 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.⁴⁵

The proposal may not be consummated before the fifteenth calendar day after the effective date of this order or later than three months thereafter, unless such

comments on the proposal and, in fact, submitted written comments 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 but did not identify any circumstances that would warrant such an extension. Accordingly, the Board has determined not to extend the comment period.

⁴⁵ See 12 U.S.C. § 1818(b)(1).

period is extended for good cause by the Board or the Federal Reserve Bank of Dallas, acting under delegated authority.

By order of the Board of Governors,⁴⁶ effective October 29, 2026.

(Michele Taylor Fennell)

Michele Taylor Fennell
Associate Secretary of the Board

⁴⁶ Voting for this action: Chairman Warsh, Vice Chair Jefferson, Vice Chair for Supervision Bowman, and Governors Powell, Waller, Cook, and Barr.