



Comptroller of the Currency
Administrator of National Banks

Northeastern District
1114 Avenue of the Americas, Suite 3900
New York, New York 10036

Corporate Decision #97-106 December 1997

DECISION

APPLICATION OF CAMDEN NATIONAL BANK, CAMDEN, MAINE TO PURCHASE THE ASSETS AND TO ASSUME THE LIABILITIES OF FOUR (4) BRANCHES, LOCATED IN MAINE, OF KEYBANK NATIONAL ASSOCIATION, CLEVELAND, OHIO

Introduction

On October 28, 1997, application was made to the Office of the Comptroller of the Currency by Camden National Bank, Camden, Maine, to purchase the assets and to assume the liabilities of the Bucksport, Damariscotta, Vinalhaven and Waldoboro Offices (each located in Maine) of KeyBank National Association, Cleveland, Ohio. The application is based upon a Branch Purchase and Assumption Agreement entered into between the proponents on October 14, 1997.

Participating Financial Institutions

As of September 30, 1997, Camden National Bank, a BIF insured national bank, had total deposits of \$317.9 million and operated six (6) offices. As of July 31, 1997, the four branches to be acquired from KeyBank National Association held \$55.1 million in BIF insured deposits. Camden National Bank, the acquiring bank, is a wholly-owned subsidiary of Camden National Corporation, a registered multi-bank holding company.

Competitive Analysis

There are three relevant geographic markets for this proposal. Each relevant geographic market consists of an area surrounding one or more of the four branches Camden will acquire from KeyBank. These are the areas where competition between the institutions is direct and immediate and where the branches derive the bulk of their deposits. The three relevant geographic markets are discussed below.

The Bangor and Damariscotta Markets The OCC has reviewed the competitive effects on these two markets by using its standard procedures for determining whether a purchase and assumption clearly has minimal or no adverse competitive effects. As a result of this review, the OCC finds that the Camden's acquisition of the KeyBank branches in these markets satisfies its criteria for a purchase and assumption that clearly has no or minimal adverse competitive effects.

Rockland Market (Knox County) Within this market, Camden competes with three other commercial banks and four thrifts for approximately \$560 million in deposits. Camden is the largest depository institution in the market with approximately 47 percent of the total deposits. KeyBank is the third largest depository institution in the market with approximately 14 percent of the deposits. KeyBank's Vinalhaven branch that is to be sold to Camden holds approximately two percent of the deposits in the market. Upon consummation of this transaction, Camden will increase its market share to 49 percent. KeyBank will remain the third largest depository institution in the market with a 12 percent market share. Considering no competitors are being eliminated from the market and Camden competes against at least two regional banking companies, consummation of this proposal should not have a significant adverse effect on competition in the relevant geographic market.

Banking Factors

The Bank Merger Act requires the OCC to consider "...the financial and managerial resources and future prospects of the existing and proposed institutions, and the convenience and needs of the community to be served." We find that the financial and managerial resources of Camden National Bank and KeyBank National Association do not raise concerns that would cause the application to be disapproved. The future prospects of proponents are favorable both before and after the purchase and assumption and it is expected that Camden National Bank, the acquiring bank, will continue to meet the convenience and needs of the community to be served.

Community Reinvestment Act

A review of the record of this application and other information available to the OCC as a result of its regulatory responsibilities has revealed no evidence that the applicants' records of helping to meet the credit needs of their communities, including low- and moderate income neighborhoods, is less than satisfactory. The proposal does not contemplate the closing of any of Camden National Bank's existing branch offices or any of the offices to be acquired. Acquiring bank plans to offer all services and products it currently offers to customers of the branches being acquired.

Conclusion

We have analyzed this proposal pursuant to the Bank Merger Act (12 U.S.C. 1828(c)) and find that it will not lessen significantly competition in any relevant market. Other factors considered in evaluating this proposal are satisfactory. Accordingly, this application is approved.

_____/s/
MICHAEL G. TISCIA
Licensing Manager

Date: December 11, 1997

Charter Number: 2311
ACN: 97 NE 02 055