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Comptroller of the Currency  
Administrator of National Banks

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Licensing Division  
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July 6, 2012

**Conditional Approval #1039  
August 2012**

Eric R. Fischer  
Partner  
Goodwin Procter LLP  
Exchange Place  
Boston, Massachusetts 02109

Re: Applications by The Camden National Bank, Camden, Maine to (1) purchase certain assets and assume certain liabilities of 15 branches located in the State of Maine of Bank of America, N.A., Charlotte, North Carolina; and (2) establish a branch in Orono, Maine

OCC Control Nos: 2012-NE-02-0015 and 05-0081

Charter No.: 2311

Dear Mr. Fischer:

The Comptroller of the Currency (“OCC”) hereby conditionally approves the proposal by The Camden National Bank, Camden, Maine (“Camden” or “Bank”) to purchase certain assets and assume certain liabilities of 15 branches of Bank of America, N.A., Charlotte, North Carolina (“BofA”), located in the State of Maine. The OCC also hereby conditionally approves the proposal by Camden to establish a branch at 56 Main Street, Orono, Maine 04473 to be known as the Orono Branch, certificate number 153844A. This letter also serves as authorization for the Bank to establish 153844A. These approvals are granted after a thorough evaluation of the application, other materials you have supplied, and other information available to the OCC, including commitments and representations made in the application and by the Bank’s representatives during the application process. These approvals are also subject to the condition set out herein.

**Background**

Camden filed an application with the OCC to purchase certain assets and assume certain liabilities, including deposit liabilities of 15 branches, located in the state of Maine, of BofA. Camden’s main office and branches are located in Maine (“P&A Transaction”). Additionally, Camden has filed to establish a branch in Orono, Maine.<sup>1</sup> The Bank will also relocate its branch office located in Bangor, Maine.<sup>2</sup>

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<sup>1</sup> The Bank intends to open a branch office at the site of the former BofA branch office in Orono, Maine. This location previously housed a BofA branch office, which was closed by BofA in March 2012.

<sup>2</sup> The Bank will relocate and consolidate its branch office located at 145 Exchange Street, Bangor, Maine to an existing branch of BofA located at 80 Exchange Street, Bangor, Maine. The branch offices are located within close proximity and the proposal qualifies for a short distance relocation. The Bank will follow the branch relocation procedures and file a final branch closing notice.

## Discussion

### A. Authority for the P&A and Branch Transaction

Camden applied to the OCC for approval to purchase certain assets and assume certain liabilities of BofA. National banks have long been authorized to purchase assets and assume liabilities of other depository institutions under the authority of 12 U.S.C. § 24 (Seventh).<sup>3</sup> Camden will acquire 15 branches in Maine. Camden is headquartered in Maine and has branches in Maine. The branch acquisitions are authorized under 12 U.S.C. § 36(c).<sup>4</sup> Consequently, Camden may acquire the assets and liabilities, including deposits, as proposed.<sup>5</sup>

Based on our review, the OCC determined that approval to establish the Orono Branch is consistent with the relevant statutory factors set forth in 12 USC § 36(c), including applicable state law, and with the Community Reinvestment Act, the National Historic Preservation Act, and the National Environmental Policy Act.

### B. Bank Merger Act

The P&A Transaction is subject to review under the Bank Merger Act.<sup>6</sup> Under the Bank Merger Act, the OCC may generally not approve a transaction that would have anti-competitive effects.<sup>7</sup> The Bank Merger Act also requires the OCC to consider the financial and managerial resources and future prospects of each institution involved, each institution's effectiveness in combating money laundering, and the

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<sup>3</sup> See e.g., *City National Bank of Huron v. Fuller*, 52 F.2d 870, 872 (8th Cir. 1931); *In re Cleveland Savings Society*, 192 N.E.2d 518, 523-24 (Ohio Com. Pl. 1961).

<sup>4</sup> Under 12 U.S.C. § 36(c) a national bank may establish and operate a branch in any state in which it is situated to the same extent as state banks in that state are affirmatively permitted to establish and operate a branch, subject to applicable intrastate branching laws as applied to national banks under 12 U.S.C. § 36(c). As noted above, Camden already operates branches in Maine, so it is situated in Maine and may establish or acquire additional branches in the state.

<sup>5</sup> Camden will not acquire any separate legal entities in the P&A Transaction and also represents it will not acquire any non-conforming assets.

<sup>6</sup> This transaction is subject to the OCC's review under the Bank Merger Act because it involves the assumption of deposit liabilities. See 12 U.S.C. §1828(c)(2)(A); see also 12 C.F.R. §5.33(d)(2).

<sup>7</sup> See 12 U.S.C. §1828(c)(5). There are four relevant geographic markets for this transaction. The markets are Bangor, Lewiston, Rockland, and Waterville Banking Markets, as defined by the Federal Reserve. In all four markets, there is an overlap in the retail banking operations of Camden and BofA. The OCC has evaluated each of these four markets using the Herfindahl-Hirschman Index ("HHI") test. See Comptroller's Licensing Manual, Business Combinations Booklet, page 13. In three of the four markets where Camden and BofA both have offices, the proposed transaction would not result in concentration levels above the HHI threshold. Thus, the structural analysis indicates that the transaction will not significantly reduce competition in these markets. In the fourth market, the Rockland Banking Market, the P&A Transaction proposed would exceed the HHI thresholds. As noted above, based on the potential for competition to be reduced in the Rockland Market, Camden and BofA executed a Letter of Agreement with the Department of Justice on June 26, 2012, to divest one branch and associated deposits and customer relationships in this market. In this case, the proposed divestiture appears to be sufficient to outweigh any adverse effect on competition in the Rockland Banking Market. Based on the above, the OCC concludes that the P&A Transaction will not have a significant anti-competitive effect on the Rockland Banking Market or any other geographic market.

convenience and needs of the community to be served.<sup>8</sup> The OCC must also consider the risk to the stability of the United States banking or financial system.<sup>9</sup> The OCC has reviewed the P&A Transaction and considered these factors, as well as applicable OCC regulations and policies, and finds them consistent with approval.

### **C. Section 1818 condition**

This approval is subject to the following condition:

Camden shall comply with the requirements of the June 25, 2012, Letter of Agreement executed with the Department of Justice.

This condition of approval is a condition “imposed in writing by a Federal Agency in connection with any action on any application, notice or other request” within the meaning of 12 U.S.C. § 1818. As such, the condition is enforceable under 12 U.S.C. § 1818.

### **D. Consummation**

Please refer to the Business Combination booklet for steps to complete the P&A Transaction. As a reminder, the Northeastern District Licensing Office must be advised in writing in advance of the desired effective date for the P&A Transaction’s consummation and the branch establishment in order to issue the necessary certification and authorization letters. The consummation date may not be less than 15 calendar days after the date of this conditional approval. The effective date must also follow the applicable Department of Justice’s injunction period and any other required regulatory approval. If you have not already done so, please ensure that you have submitted evidence of the following prior to the desired consummation date:

- Camden must ensure that all other required regulatory approvals, non-objections, or waivers have been received.
- An executed purchase and assumption agreement.

If the P&A Transaction has not been consummated within one year from the date of this conditional approval, the approval shall automatically terminate, unless the OCC grants an extension of the time period. If the Orono Branch is not opened within 18-months from the date of this approval, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

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<sup>8</sup> 12 U.S.C. §1828(c)(5) and (11).

<sup>9</sup> 12 U.S.C. §1828(c)(5) (as amended by section 604 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”). Dodd-Frank also added another provision to the Bank Merger Act that prevents, subject to certain exceptions, approval of a transaction between unaffiliated insured depository institutions if the resulting insured depository institution and its affiliates would, upon consummation of the transaction, control more than ten percent of the total amount of deposits of insured depository institutions in the United States. *See* 12 U.S.C. §1828(c)(13). Camden’s nationwide share of deposits is well below the ten percent limit. The nationwide deposit concentration limit in the Bank Merger Act is similar to the one adopted as part of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, which is not applicable here. *See* 12 U.S.C. §1831u(b)(2)(A).

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Within 10 days after opening the branch, the bank must advise this office of the branch's opening date, so that OCC may complete its records. Please reference control number 2012-NE-05-0081 in your letter.

If this branch is closed, a 90-day advance notice of proposed branch closing must be submitted to the OCC pursuant to 12 USC 1831r-1. Following the closing of the branch office, a final closing notice should be submitted to this office.

This conditional approval, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. The OCC may modify, suspend or rescind these approvals if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which these approvals pertain. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

A separate letter is enclosed requesting your feedback on how the OCC handled your applications. We would appreciate your response so we may continue to improve our service.

If you have any questions regarding this matter, please contact Robin J. Miller, Licensing Analyst at (212) 790-4055 or by email at [Robin.Miller@occ.treas.gov](mailto:Robin.Miller@occ.treas.gov). Please reference the application control number in any correspondence.

Very truly yours,

*Sandya Reddy*

Sandya Reddy  
Acting Director for District Licensing