



**Conditional Approval #1107
September 2014**

August 13, 2014

J.J. Cranmore, Esq.
Cranmore, Fitzgerald & Meaney
Attorneys At Law
49 Wethersfield Avenue
Hartford, Connecticut 06114-1102

Re: Application by The National Bank of Delaware County, Walton, NY to Purchase Certain Assets and Assume Certain Liabilities Related to the Proposed Acquisition of Six Branches from Bank of America, NA, Charlotte, NC
OCC Control No.: 2014-NE-Combination-138476

Charter No.: 4495

Dear Mr. Cranmore:

The Office of the Comptroller of the Currency (OCC) hereby conditionally approves the application filed on behalf of The National Bank of Delaware County, Walton, NY (NBDC or Bank) to purchase certain assets and assume certain liabilities related to the proposed acquisition of six branches from Bank of America, NA, Charlotte, NC. This approval is granted based on a thorough review of all information available, including commitments and representations made in the application, purchase and assumption agreement, and those of your representatives.

This approval is subject to the following conditions:

1. At all times, following the consummation of the Bank's purchase and assumption of the branches, the Bank shall continue to maintain capital (the Bank's "Minimum Capital Requirement") at least equal to the greater of:
 - (a) the amount required in order for the Bank to have Tier 1 Leverage Capital Ratio of at least eight percent (8.0%); or
 - (b) such other higher amount as the OCC may require pursuant to the exercise of its regulatory authority under 12 USC § 1818, 12 CFR Part 3, or in connection with any action on any application, notice, or other request made by the Bank.

2. The Bank shall not declare or pay a dividend or reduce its capital unless the Bank is in compliance with the Minimum Capital Requirement of paragraph (1) and would remain in compliance immediately following the declaration or payment of any dividend or any reduction in capital.

These conditions of approval are conditions “imposed in writing by a federal banking agency in connection with any action on any application, notice, or other request” within the meaning of 12 USC § 1818. As such, these conditions are enforceable under 12 USC § 1818.

The OCC reviewed the proposed purchase and assumption transaction under the criteria of the Bank Merger Act, 12 USC § 1828(c), and applicable OCC regulations and policies. Under the Bank Merger Act, the OCC generally may not approve a purchase and assumption that would substantially lessen competition. The Bank Merger Act also requires the OCC to take into consideration 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. 12 USC § 1828(c)(5). The OCC must also consider the effectiveness of any insured depository institution involved in the proposed purchase and assumption transaction in combating money laundering activities. 12 USC § 1828(c)(11). Furthermore, the OCC must consider the risk of the transaction to the stability of the United States banking or financial system. 12 USC § 1828(c)(5) (as amended by section 604 of Dodd-Frank). We considered these factors and found them consistent with approval under the statutory and regulatory provisions.

The Northeastern District Licensing Office must be advised in writing in advance of the desired effective date for the purchase and assumption transaction so it may issue the necessary certification letter. The effective date must follow the applicable Department of Justice’s 15-day injunction period and any other required regulatory approval. If the purchase and assumption transaction is not consummated within one year from the approval date, the approval shall automatically terminate unless the OCC grants an extension.

This 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. Our approval is based on the bank’s representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend, or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

J.J. Cranmore, Esq.
Cranmore, Fitzgerald & Meaney
Control No.: 2014-NE-Combination-138476
Page 2

We have enclosed a letter requesting your feedback on how we handled your application. We would appreciate your response so we may improve our service. All correspondence regarding this application should reference the application control number. If you have any questions, please contact Thomas B. Smith, Senior Licensing Analyst, at (212) 790-4063 or by email at smithtb@occ.treas.gov.

Sincerely,

/s/

Sandya Reddy
Acting Director for District Licensing

Enclosure: Survey Letter