

MAINE BUREAU OF FINANCIAL INSTITUTIONS  
ORDER APPROVING APPLICATION OF MACHIAS SAVINGS BANK,  
MACHIAS, MAINE TO PURCHASE CERTAIN OF THE ASSETS AND ASSUME  
CERTAIN OF THE DEPOSIT LIABILITIES OF THE ROCKLAND BRANCH OF  
CAMDEN NATIONAL BANK, CAMDEN, MAINE

**Machias Savings Bank**, Machias, Maine ("Machias SB") applied to the Superintendent of the Maine Bureau of Financial Institutions ("the Superintendent"), pursuant to Title 9-B M.R.S.A. 355, to purchase certain of the assets and assume certain of the deposit liabilities of the Rockland branch office of Camden National Bank, Camden, Maine ("CNB"). The branch being acquired is located at 3 Glen Street, Rockland and was formerly a branch office of Union Trust Company ("Union Trust"), which was merged into CNB effective January 3, 2008.

The application was accepted for processing on January 22, 2008. Public notice, as required by Title 9-B M.R.S.A. 252.2(B), was provided by publication, posting on the Bureau's website and e-mail to interested parties affording them an opportunity to either submit written comments or request a hearing. No comments were received by the Bureau during the public comment period ending February 23, 2008.

A Principal Bank Examiner of the Maine Bureau of Financial Institutions conducted an investigation of this transaction. All evidence and pertinent material that were considered by the Examiner were also considered by the Superintendent in reaching his decision.

Machias SB is an \$819 million asset universal bank that operates twelve offices in eastern and northern Maine. CNB is a \$2.3 billion asset bank operating forty offices in coastal, western, central and eastern Maine. CNB's Rockland branch has approximately \$15 million in deposits.

CNB's Rockland branch is located in the Rockland banking market, as defined by the Federal Reserve Bank of Boston. CNB is the largest depository institution operating in the Rockland market and, as part of its acquisition of Union Trust, planned to divest the Rockland branch. Machias SB currently does not operate any offices in the Rockland banking market. Thus, the acquisition by Machias SB will introduce a new competitor into the Rockland banking market. Accordingly, the Bureau concludes that consummation of the transaction would not have a significantly adverse effect on competition in the Rockland banking market.

Machias SB has the managerial and financial resources to operate the Rockland branch without adversely affecting its overall condition. The acquisition should contribute to the long-term strength of Machias SB and to the

financial needs and the convenience of the Rockland area. Generally, there are not significant differences in the products and services offered. Therefore, the application of Machias Savings Bank to acquire the Rockland branch of Camden National Bank is approved. The applicant has requested a partial waiver of the thirty-day waiting period so that the acquisition may be consummated after the close of business on February 29, 2008. Machias SB cites the inconvenience to Rockland branch accountholders who, without the waiver, would be subjected to an extra account systems conversion when CNB completes its data conversion related to its acquisition of Union Trust Company. The Superintendent has determined that this factor constitutes extraordinary or unusual conditions and, therefore, the Superintendent agrees to grant the partial waiver in order that the acquisition may be consummated after the close of business on February 29, 2008. The transaction shall be completed within one year of the effective date of this Order, unless a written extension is granted by the Superintendent.

Any person aggrieved by this Order shall be entitled to a judicial review of the Order in accordance with the Maine Administrative Procedure Act, Title 5, Chapter 375, subchapter VII.

By order of the Superintendent, effective close of business February 26, 2008.

/s/Lloyd P. LaFountain III  
Superintendent  
Gardiner, Maine  
February 26, 2008