

BUREAU OF FINANCIAL INSTITUTIONS
Department of Professional and Financial Regulation
State of Maine



ORDER APPROVING THE APPLICATIONS OF
KENNEBEC FEDERAL SAVINGS AND LOAN ASSOCIATION, WATERVILLE,
MAINE TO CONVERT TO A MAINE-CHARTERED MUTUAL FINANCIAL
INSTITUTION AND KENNEBEC SAVINGS BANK, AUGUSTA, MAINE TO
MERGE WITH KENNEBEC FEDERAL SAVINGS AND LOAN ASSOCIATION UPON
ITS CONVERSION TO A MAINE CHARTER

Kennebec Savings Bank, Augusta, Maine applied to the Superintendent of the Bureau of Financial Institutions (“Bureau”) to acquire by merger Kennebec Federal Savings and Loan Association, Waterville, Maine. To facilitate the merger, Kennebec Federal Savings and Loan Association simultaneously applied to the Superintendent to convert to a state-chartered mutual financial institution. The applications require approval by the Superintendent pursuant to Title 9-B M.R.S. Chapters 34, 35, and 105.

The applications were accepted for processing by the Bureau on August 17, 2020. Public notice, as required by Title 9-B M.R.S. § 252(2)(B), was provided by 1) publication in the Kennebec Journal on August 19 and August 26, 2020 and 2) a notice distributed to interested parties on August 19, 2020, affording them an opportunity to submit written comments. No comments were received by the Bureau during the public comment period ending September 18, 2020.

A Principal Bank Examiner of the Bureau conducted an investigation of the transactions using the Decision-Making Criteria identified in Title 9-B M.R.S. § 253. All evidence and pertinent material that were considered by the Examiner were also considered by the Superintendent in reaching his decision.

Kennebec Savings Bank, established in 1870 and headquartered in Augusta, Maine is a Maine-chartered stock bank and a wholly-owned subsidiary of Kennebec Savings, Inc. and Kennebec Savings, MHC, with total consolidated assets of \$1.2 billion, operating its main office and three full-service branches in Kennebec County, and another branch in Cumberland county.

Kennebec Federal Savings and Loan Association, established in 1936 and headquartered in Waterville, Maine is a Federal mutual savings and loan institution with total assets of \$95.3 million operating its main office and one additional full-service branch in Waterville, Maine.

Order approving the applications of Kennebec Federal Savings and Loan Association to convert to a Maine-chartered mutual financial institution and Kennebec Savings Bank to merge with Kennebec Federal Savings and Loan Association upon its conversion to a Maine charter

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The financial and managerial resources of Kennebec Savings Bank are satisfactory. Generally, there are no significant differences in the banking products and services offered by Kennebec Savings Bank and Kennebec Federal Savings and Loan Association. The merger should contribute to the long-term strength and prospects of Kennebec Savings MHC, Kennebec Savings Inc., and Kennebec Savings Bank, and to the financial needs and convenience of the Maine banking market. The proposed transaction is not expected to have a significant adverse effect on competition.

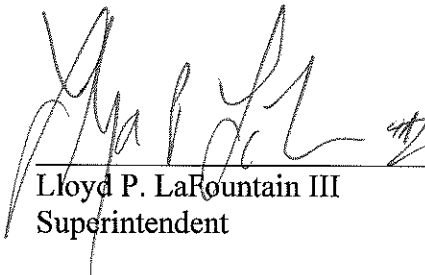
The Bureau has considered the public convenience and advantage as well as the competitive effects, the future prospects, the convenience and needs of the markets to be served, and the fairness of the transaction and found them to be consistent with approval. Therefore, the applications of Kennebec Federal Savings and Loan Association to convert to a Maine Mutual Financial Institution to be known as KFS State Bank, and for Kennebec Savings Bank to merge with Kennebec Federal Savings and Loan Association upon its conversion to KFS State Bank, are approved with the resulting institution to be named Kennebec Savings Bank.

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 7.

By order of the Superintendent, effective December 4, 2020.



Gardiner, Maine
November 4, 2020



Lloyd P. LaFountain III
Superintendent