

BUREAU OF FINANCIAL INSTITUTIONS
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
STATE OF MAINE

ORDER APPROVING APPLICATION OF SKOWHEGAN SAVINGS BANK,
SKOWHEGAN, MAINE TO PURCHASE CERTAIN OF THE ASSETS AND
ASSUME CERTAIN OF THE DEPOSIT LIABILITIES OF THE JACKMAN
BRANCH OF BORDER TRUST COMPANY, AUGUSTA, MAINE

Skowhegan Savings Bank, Skowhegan, Maine (“SSB”) 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 Jackman branch office of Border Trust Company, Augusta, Maine (“BTC”).

The application was accepted for processing on April 26, 2010. 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 mail to interested parties affording them an opportunity to either submit written comments or request a hearing. The Bureau received no comments during the public comment period ending June 1, 2010.

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.

SSB is a \$435 million asset mutual savings bank that operates nine offices in central and western Maine. SSB offers a broad spectrum of consumer and business banking and financial services. BTC, a wholly-owned subsidiary of Border Bancshares, Inc., is an \$80 million asset commercial bank operating three offices in central Maine and one in western Maine. BTC’s Jackman branch has approximately \$22 million in deposits.

The Jackman market is a sparsely populated, remote area of Maine whose residents are accustomed to traveling long distances for a variety of services.^[1] BTC’s Jackman branch is the only banking office located in the Jackman market; the nearest banking offices are located in Greenville, 48 miles distant. Inasmuch as the proposed transaction merely replaces one competitor in the market with another, there is no change in the concentration level. Therefore, the Bureau concludes that this transaction will not have a significantly adverse effect on competition in the Jackman market.

SSB has the managerial and financial resources to operate the Jackman branch without adversely affecting its overall condition. The acquisition should contribute to the long-term strength of SSB and to the financial needs and convenience of the Jackman area. Generally, there are not significant differences in the traditional banking products and services offered. SSB is based closer to Jackman – its nearest office is 50 miles distant whereas BTC’s nearest office is 113 miles distant – which should be more convenient for customers of the Jackman office.

The Bureau’s analysis concludes that the proposed branch acquisition will not have a significantly adverse competitive effect in the Jackman market and that the other statutory factors are satisfactory. Therefore, the application of Skowhegan Savings Bank to acquire the Jackman branch of Border Trust Company is approved. 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 July 3, 2010.

/s/ Lloyd P. LaFountain III
Superintendent
Gardiner, Maine
June 3, 2010

[1] Total population of the three minor civil divisions that comprise the Jackman market is less than 1,000 and has been declining for more than twenty years.