

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



ORDER APPROVING THE APPLICATION OF
BAR HARBOR BANKSHARES, BAR HARBOR, MAINE
TO MERGE WITH LAKE SUNAPEE BANK GROUP, NEWPORT, NEW HAMPSHIRE
AND FOR BAR HARBOR BANK & TRUST, BAR HARBOR, MAINE
TO MERGE WITH LAKE SUNAPEE BANK, FSB, NEWPORT, NEW HAMPSHIRE

Bar Harbor Bankshares, Bar Harbor, Maine (“BHB”) applied to the Superintendent of the Bureau of Financial Institutions (“Bureau”) to acquire by merger Lake Sunapee Bank Group, Newport, New Hampshire (“LSBG”) (the Parent Merger) and to immediately thereafter merge Lake Sunapee Bank, fsb, (“LSB”) Newport, New Hampshire, a wholly-owned subsidiary of LSBG, with and into Bar Harbor Bank & Trust, (“BHBT”) Bar Harbor, Maine, a wholly-owned subsidiary of BHB (the Bank Merger). The application requires approval pursuant to Title 9-B M.R.S. Chapters 35, 37, and 101.

The application was accepted for processing by the Bureau on July 25, 2016. Public notice, as required by Title 9-B M.R.S. 252.2(B), was provided by 1) publication in the Bangor Daily News, Union Leader, and Burlington Free Press on July 29, 2016 and August 5, 2016 and 2) a notice distributed to interested parties on July 29, 2016 affording them an opportunity to submit written comments. No comments were received by the Bureau during the public comment period ending August 28, 2016.

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

Bar Harbor Bankshares is a Maine corporation and Maine financial institution holding company with total consolidated assets of \$1.6 billion. Bar Harbor Bank & Trust, established in 1887 and headquartered in Bar Harbor, Maine, is a Maine-chartered bank operating its main office and 13 full-service branches in five Maine counties.

Lake Sunapee Bank Group is a Delaware corporation and savings and loan holding company with total consolidated assets of \$1.6 billion. Lake Sunapee Bank, fsb, chartered in 1868, is a federal savings association headquartered in Newport, New Hampshire and operating 35 full-service branches located in southern New Hampshire through central Vermont.

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The financial and managerial resources of BHB and BHBT are satisfactory. Generally, there are no significant differences in the traditional banking products and services offered by BHBT and LSB. The merger should contribute to the long-term strength and prospects of BHB and BHBT and to the financial needs and convenience of the northern New England banking market. The proposed transaction will not have a significantly adverse effect on competition as the two parties operate in separate markets.

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 application of Bar Harbor Bankshares to merge with Lake Sunapee Bank Group and for BHBT to merge with LSB is approved with resulting institutions to be named Bar Harbor Bankshares and Bar Harbor Bank & Trust, respectively.

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 November 13, 2016.



Gardiner, Maine
October 14, 2016

A handwritten signature in black ink, appearing to read "Lloyd P. LaFountain III".

Lloyd P. LaFountain III
Superintendent