

FEDERAL RESERVE SYSTEM

Bangor Bancorp, MHC
Bangor, Maine

Order Approving the Acquisition of a Bank Holding Company

Bangor Bancorp, MHC (“Bangor”), Bangor, Maine, a bank holding company within the meaning of the Bank Holding Company Act of 1956 (“BHC Act”),¹ has requested the Board’s approval under section 3 of the BHC Act² to acquire Damariscotta Bankshares, Inc. (“Damariscotta”), and thereby indirectly acquire Damariscotta’s subsidiary state nonmember bank, Damariscotta Bank & Trust Co. (“Damariscotta Bank”), both of Damariscotta, Maine. Following the proposed acquisition, Damariscotta Bank would be merged into Bangor’s state savings bank subsidiary, Bangor Savings Bank, Bangor, Maine.³

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (85 Federal Register 23353 (April 27, 2020)).⁴ The time for submitting comments has expired, and the Board has considered the proposal in light of the factors set forth in section 3 of the BHC Act.

¹ 12 U.S.C. § 1841 et seq.

² 12 U.S.C. § 1842.

³ The merger of Damariscotta Bank into Bangor Savings Bank is subject to approval by the Federal Deposit Insurance Corporation (“FDIC”), pursuant to section 18(c) of the Federal Deposit Insurance Act. 12 U.S.C. § 1828(c).

⁴ 12 CFR 262.3(b).

Bangor, with consolidated assets of approximately \$5.5 billion, is the 248th largest insured depository organization in the United States.⁵ Bangor controls approximately \$3.5 billion in consolidated deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. Bangor controls Bangor Savings Bank, which operates in Maine, Massachusetts, and New Hampshire. Bangor Savings Bank is the third largest insured depository institution in Maine, controlling deposits of approximately \$3.3 billion, which represent 10.5 percent of the total deposits of insured depository institutions in that state.⁶

Damariscotta, with consolidated assets of approximately \$205.0 million, is the 2747th largest insured depository organization in the United States. Damariscotta controls approximately \$166 million in consolidated deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. Damariscotta controls Damariscotta Bank, which operates only in Maine. Damariscotta Bank is the 23rd largest insured depository institution in Maine, controlling deposits that represent less than 1 percent of the total deposits of insured depository institutions in that state.

On consummation of the proposal, Bangor would become the 241st largest insured depository organization in the United States, with consolidated assets of approximately \$5.7 billion, which represent less than 1 percent of the total assets of insured depository organizations in the United States. Bangor would control total consolidated deposits of approximately \$3.7 billion, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. In Maine, Bangor would remain the third largest insured depository organization,

⁵ Asset data are as of June 30, 2020, and deposit data are as of June 30, 2019, unless otherwise noted.

⁶ In this context, insured depository institutions include commercial banks, savings and loan associations, and savings banks.

controlling deposits of approximately \$3.5 billion, which represent 11.0 percent of the total deposits of insured depository institutions in that state.

Competitive Considerations

Section 3 of the BHC Act prohibits the Board from approving a proposal that would result in a monopoly or would be in furtherance of an attempt to monopolize the business of banking in any relevant market.⁷ The BHC Act also prohibits the Board from approving a proposal that would substantially lessen competition or tend to create a monopoly in any banking market, unless the anticompetitive effects of the proposal are clearly outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the communities to be served.⁸

Bangor and Damariscotta have subsidiary banks that compete directly in two banking markets in Maine. The Board has considered the competitive effects of the proposal in these banking markets. In particular, the Board has considered the relative share of total deposits in insured depository institutions in each market (“market deposits”) that Bangor would control;⁹ the concentration level of market deposits and the increase in this level, as measured by the Herfindahl-Hirschman Index (“HHI”) under the Department of Justice Bank Merger Competitive Review guidelines

⁷ 12 U.S.C. § 1842(c)(1)(A).

⁸ 12 U.S.C. § 1842(c)(1)(B).

⁹ Local deposit and market share data are as of June 30, 2019, and are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors to commercial banks. See, e.g., Midwest Financial Group, 75 Federal Reserve Bulletin 386 (1989); and National City Corporation, 70 Federal Reserve Bulletin 743 (1984). Thus, the Board regularly has included thrift deposits in the market share calculation on a 50-percent weighted basis. See, e.g., First Hawaiian, Inc., 77 Federal Reserve Bulletin 52 (1991).

(“DOJ Bank Merger Guidelines”);¹⁰ the number of competitors that would remain in each market; and other characteristics of each market.

Banking Market Within Established Guidelines

Consummation of the proposal would be consistent with Board precedent and within the thresholds in the DOJ Bank Merger Guidelines in the Rockland-Camden, Maine, banking market.¹¹ On consummation of the proposal, the Rockland-Camden banking market would remain highly concentrated as measured by the HHI, according to the concentration measures applied by the Board. The change in the HHI would be small, and numerous competitors would remain in the market.¹²

¹⁰ In applying the DOJ Bank Merger Guidelines issued in 1995 (see <https://www.justice.gov/atr/bank-merger-competitive-review-introduction-and-overview-1995>), the Board looks to the DOJ’s Horizontal Merger Guidelines issued in 1992 and amended in 1997, for the characterization of a market’s concentration. See <https://www.justice.gov/atr/horizontal-merger-guidelines-0>. Under these Horizontal Merger Guidelines, which were in effect prior to 2010, a market is considered unconcentrated if the post-merger HHI is under 1000, moderately concentrated if the post-merger HHI is between 1000 and 1800, and highly concentrated if the post-merger HHI exceeds 1800. The DOJ has informed the Board that a bank merger or acquisition generally would not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. Although the DOJ and the Federal Trade Commission issued revised Horizontal Merger Guidelines in 2010 (see <https://www.justice.gov/atr/horizontal-merger-guidelines-08192010>), the DOJ has confirmed that its Bank Merger Guidelines, which were issued in 1995, were not modified. See Press Release, Department of Justice (August 19, 2010), available at www.justice.gov/opa/pr/2010/August/10-at-938.html.

¹¹ The Rockland-Camden banking market is defined as Appleton, Camden, Criehaven, Cushing, Hope, Isle au Haut, North Haven, Owls Head, Rockland city, Rockport, St. George, South Thomaston, Thomaston, Union, Vinalhaven, Warren, and Washington townships; Matinicus Isle plantation; and Muscle Ridge Islands unorganized territory, all in Knox County, Maine; Hibberts Gore township in Lincoln County, Maine; and Lincolnville township in Waldo County, Maine.

¹² Bangor operates the fourth largest depository institution in the Rockland-Camden market, controlling approximately \$67.1 million in deposits, which represent 4.0 percent of market deposits. Damariscotta operates the sixth largest depository institution in the market, controlling deposits of approximately \$41.7 million, which represent 2.5 percent

Banking Market Warranting Special Scrutiny

The structural effects that consummation of the proposal would have in the Belfast, Maine, banking market (“Belfast banking market”) warrant a detailed review because the concentration levels on consummation would exceed the thresholds in the DOJ Bank Merger Guidelines and Board precedent when using initial competitive screening data.

Bangor Savings Bank is the largest depository institution in the Belfast banking market, controlling approximately \$199.9 million in deposits, which represent 52.9 percent of market deposits.¹³ Damariscotta Bank is the smallest depository institution in the market, controlling approximately \$17.8 million in deposits, which represent 4.7 percent of market deposits. On consummation of the proposal, Bangor Savings Bank would remain the largest depository institution in the Belfast banking market, controlling approximately \$217.7 million in deposits, which would represent approximately 57.6 percent of market deposits. The HHI in this market would increase 498 points, from 3895 to 4393.

To mitigate the potentially adverse competitive effects of the proposal in the Belfast banking market, Bangor has committed to divest Damariscotta’s only branch in the market, accounting for a total of approximately \$16.6 million in deposits, to a competitively suitable institution.¹⁴ After accounting for the divestiture and Bangor’s

of market deposits. On consummation of the proposed transaction, Bangor would remain the fourth largest depository organization in the market, controlling deposits of approximately \$108.8 million, which represent 6.5 percent of market deposits. The HHI for the Rockland-Camden market would increase by 20 to 4762, and eight competitors would remain in the market.

¹³ The Belfast banking market is defined as Belfast, Belmont, Brooks, Frankfort, Freedom, Islesboro, Jackson, Knox, Liberty, Monroe, Montville, Morrill, Northport, Searsmont, Searsport, Stockton Springs, Swanville, Thorndike, Unity, and Waldo townships in Waldo County, Maine; and Unity unorganized territory in Kennebec County, Maine.

¹⁴ As a condition of consummation of the proposed merger, Bangor has committed that it will execute, before consummation of the proposed merger, a sales agreement with a

commitment to rebook any residual deposits not included in the divestiture outside the Belfast banking market, on consummation of the proposal Bangor would control 53.1 percent of deposits in the Belfast banking market and the HHI would be 3916.

Conclusion Regarding Competitive Effects

The DOJ conducted a review of the potential competitive effects of the proposal and has advised the Board that consummation of the proposal, taking into consideration the proposed branch divestiture in the Belfast banking market, would not likely have a significantly adverse effect on competition in that market or in any other relevant banking market. In addition, the appropriate banking agencies have been afforded an opportunity to comment and have not objected to the proposal.

Based on all of the facts of record, including the proposed divestiture, and for the reasons explained above, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition or on the concentration of resources in the banking markets in which Bangor and Damariscotta compete directly or in any other relevant banking market. Accordingly, the Board determines that competitive considerations are consistent with approval.

Financial, Managerial, and Other Supervisory Considerations

In reviewing a proposal under section 3 of the BHC Act, the Board considers the financial and managerial resources and the future prospects of the

competitively suitable banking organization. Bangor also has committed to complete the divestiture within 180 days after consummation of the proposed transaction. In addition, Bangor has committed that, if the proposed divestiture is not completed within the 180-day period, Bangor would transfer the unsold branches to an independent trustee, who would be instructed to sell them to an alternate purchaser or purchasers in accordance with the terms of this order and without regard to price. Both the trustee and any alternate purchaser must be deemed acceptable to the Board. See, e.g., BankAmerica Corporation, 78 Federal Reserve Bulletin 338 (1992); and United New Mexico Financial Corporation, 77 Federal Reserve Bulletin 484 (1991). Further, Bangor has committed that any residual deposits retained from the Damariscotta branch in the Belfast banking market will be reassigned to one or more of Bangor's branches located in a different banking market.

institutions involved, as well as the effectiveness of the institutions in combatting money laundering.¹⁵ In its evaluation of financial factors, the Board reviews information regarding the financial condition of the organizations involved on both parent-only and consolidated bases, as well as information regarding the financial condition of the subsidiary depository institutions and the organizations' significant nonbanking operations. In this evaluation, the Board considers a variety of public and supervisory information regarding capital adequacy, asset quality, liquidity, and earnings performance, as well as the impact of the proposed funding of the transaction. The Board evaluates the financial condition of the combined organization, including its capital position, asset quality, liquidity, earnings prospects, and the impact of the proposed funding of the transaction. The Board also considers the ability of the organization to absorb the costs of the proposal and to complete effectively the proposed integration of the operations of the institutions. In assessing financial factors, the Board considers capital adequacy to be especially important. The Board considers the future prospects of the organizations involved in the proposal in light of their financial and managerial resources and the proposed business plan.

Bangor, Damariscotta, and their subsidiary depository institutions are well capitalized, and the combined organization would remain so on consummation of the proposal. The proposed transaction is a bank holding company acquisition structured as a cash purchase.¹⁶ The capital, asset quality, earnings, and liquidity of Bangor and Damariscotta are consistent with approval, and Bangor and Damariscotta appear to have

¹⁵ 12 U.S.C. § 1842(c)(2), (5), and (6).

¹⁶ Bangor would effect the holding company acquisition by merging a newly formed subsidiary of Bangor ("Merger Subsidiary") with and into Damariscotta, with Damariscotta surviving the merger as a subsidiary of Bangor. Following the merger of Merger Subsidiary into Damariscotta, Damariscotta would liquidate and dissolve into Bangor. At the time of the merger of Damariscotta into Bangor, each share of Damariscotta common stock would be converted into a right to receive cash. Damariscotta Bank would then merge with and into Bangor Savings Bank, with Bangor Savings Bank as the surviving entity. Bangor has the financial resources to effect the proposed transaction.

adequate resources to absorb the related costs of the proposal and to complete the integration of the institutions' operations. In addition, future prospects are considered consistent with approval. In reaching these conclusions, the Board also has considered Bangor's plans to withstand the potential impact of near-term economic conditions.

The Board also has considered the managerial resources of the organizations involved and of the proposed combined organization. The Board has reviewed the examination records of Bangor, Damariscotta, and their subsidiary depository institutions, including assessments of their management, risk-management systems, and operations. In addition, the Board has considered information provided by Bangor; the Board's supervisory experiences and those of other relevant bank supervisory agencies with the organizations; and the organizations' records of compliance with applicable banking, consumer protection, and anti-money-laundering laws.

Bangor, Damariscotta, and their subsidiary depository institutions are each considered to be well managed. Bangor's directors and senior executive officers have knowledge of and experience in the banking sector, and Bangor's risk-management program appears consistent with approval of this expansionary proposal.

The Board also has considered Bangor's plans for implementing the proposal. Bangor has conducted comprehensive due diligence and is devoting significant financial and other resources to address all aspects of the post-acquisition integration process for this proposal. In addition, Bangor's management has the experience and resources to operate the combined organization in a safe and sound manner.

Based on all of the facts of record, including Bangor's supervisory record, managerial and operational resources, and plans for operating the combined institution after consummation, the Board determines that considerations relating to the financial and managerial resources and the future prospects of the organizations involved in the proposal, as well as the record of effectiveness of Bangor and Damariscotta in combatting money-laundering activities, are consistent with approval.

Convenience and Needs Considerations

In acting on a proposal under section 3 of the BHC Act, the Board considers the effects of the proposal on the convenience and needs of the communities to be served.¹⁷ In its evaluation, the Board considers whether the relevant institutions are helping to meet the credit needs of the communities they serve, as well as other potential effects of the proposal on the convenience and needs of these communities, and places particular emphasis on the records of the relevant depository institutions under the Community Reinvestment Act (“CRA”). The CRA requires the federal financial supervisory agencies to encourage insured depository institutions to help meet the credit needs of the local communities in which they operate, consistent with the institutions’ safe and sound operation,¹⁸ and requires the appropriate federal financial supervisory agency to assess a depository institution’s record of helping to meet the credit needs of its entire community, including low- and moderate-income (“LMI”) neighborhoods, in evaluating bank expansionary proposals.¹⁹

In addition, the Board considers the banks’ overall compliance records and recent fair lending examinations. Fair lending laws require all lending institutions to provide applicants with equal access to credit, regardless of their race, ethnicity, or certain other characteristics. The Board also considers assessments of other relevant supervisors, the supervisory views of examiners, other supervisory information, and information provided by the applicant. The Board also may consider the acquiring institution’s business model and marketing and outreach plans, the organization’s plans after consummation, and any other information the Board deems relevant.

In assessing the convenience and needs factor in this case, the Board has considered all the facts of record, including reports of examination of the CRA performance of Bangor Savings Bank and Damariscotta Bank, the fair lending and

¹⁷ 12 U.S.C. § 1842(c)(2).

¹⁸ 12 U.S.C. § 2901(b).

¹⁹ 12 U.S.C. § 2903.

compliance records of both banks, the supervisory views of the FDIC, confidential supervisory information, and information provided by Bangor.

Records of Performance under the CRA

In evaluating the CRA performance of the involved institutions, the Board generally considers each institution's most recent CRA evaluation, as well as other information and the supervisory views of relevant federal supervisors, which in this case is the FDIC with respect to both Bangor Savings Bank and Damariscotta Bank.²⁰

The CRA requires that the appropriate federal financial supervisor for a depository institution prepare a written evaluation of the institution's record of helping to meet the credit needs of its entire community, including LMI neighborhoods.²¹ An institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation by the institution's primary federal supervisor of the institution's overall record of lending in its communities.

In general, federal financial supervisors apply a lending test ("Lending Test"), investment test ("Investment Test"), and service test ("Service Test") to evaluate the performance of large insured depository institutions, such as Bangor Savings Bank, in helping to meet the credit needs of the communities they serve. The Lending Test specifically evaluates an institution's lending-related activities to determine whether the institution is helping to meet the credit needs of individuals and geographies of all income levels. As part of the Lending Test, examiners review and analyze an institution's data reported under the Home Mortgage Disclosure Act of 1975,²² automated loan reports, and other reports generated by the institution, in order to assess an institution's lending activities with respect to borrowers and geographies of

²⁰ See Interagency Questions and Answers Regarding Community Reinvestment, 81 Federal Register 48506, 48548 (July 25, 2016).

²¹ 12 U.S.C. § 2906.

²² 12 U.S.C. § 2801 et seq.

different income levels. The institution's lending performance is evaluated based on the institution's (1) loan-to-deposit ratio and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments; (2) percentage of loans and, as appropriate, other lending-related activities located in the bank's assessment areas ("AAs"); (3) record of lending to, and, as appropriate, engaging in other lending-related activities for, borrowers of different income levels and businesses and farms of different sizes; (4) geographic distribution of loans; and (5) record of taking action, if warranted, in response to written complaints about the institution's performance in helping to meet credit needs in the bank's AAs.²³ The Investment Test evaluates the number and amounts of qualified investments that benefit the institution's AAs, and the Service Test evaluates the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of the institution's community development services.²⁴ Small institutions, such as Damariscotta Bank, are subject only to the Lending Test described above.²⁵

CRA Performance of Bangor Savings Bank

Bangor Savings Bank was assigned an overall "Outstanding" rating at its most recent CRA performance evaluation by the FDIC, as of October 29, 2018 ("Bangor Savings Bank Evaluation").²⁶ Bangor Savings Bank received an "Outstanding" rating for each of the Lending, Investment, and Service Tests.

²³ See 12 CFR 228.22(b).

²⁴ See 12 CFR 228.21 *et seq.*

²⁵ 12 CFR 228.26(a).

²⁶ The Bangor Savings Bank Evaluation was conducted using Large Institution CRA Examination Procedures. FDIC examiners reviewed home mortgage and small business lending data, community development loans, community development investments and services, as well as innovative and flexible lending practices, from July 28, 2015, through October 29, 2018. The Bangor Savings Bank Evaluation covered Bangor Savings Bank's six AAs located in the states of Maine and New Hampshire. The Bangor Savings Bank

Examiners found that Bangor Savings Bank's lending levels reflected excellent responsiveness to AA credit needs. Examiners noted that the bank's geographic distribution of loans reflected excellent penetration throughout the bank's AAs. Examiners found that the bank's lending to borrowers reflected excellent penetration among retail customers of different income levels and business customers of different sizes, given the product lines offered by the institution. Examiners noted that the bank made extensive use of innovative and flexible lending practices in order to serve AA credit needs. In addition, examiners found that the bank is a leader in making community development loans.

Examiners found that Bangor Savings Bank had an excellent level of qualified community development investments and donations. Examiners noted that the bank exhibited excellent responsiveness to credit and community economic development needs. Examiners also noted that the bank made significant use of innovative and complex investments to support community development initiatives.

Examiners found that Bangor Savings Bank's delivery systems were readily available to all portions of the bank's AAs. Examiners noted that the services and business hours offered by Bangor Savings Bank did not vary in a way that inconvenienced customers in its AAs, particularly LMI geographies or individuals. Examiners also noted that the bank was a leader in providing community development services, which benefited organizations throughout its AAs, including organizations focused on small business development, financial education, and programs for youth.

CRA Performance of Damariscotta Bank

Damariscotta Bank was assigned an overall "Satisfactory" rating at its most recent CRA performance evaluation by the FDIC, as of December 7, 2015

Evaluation included a full-scope review of four of these AAs. A limited-scope review was conducted in the remaining two AAs.

(“Damariscotta Bank Evaluation”).²⁷ Damariscotta Bank received a “Satisfactory” rating for the Lending Test.

Examiners found that Damariscotta Bank’s loan-to-deposit ratio was reasonable given the bank’s size and financial condition as well as the credit needs of its AA. Examiners noted that the bank made a substantial majority of the sampled home mortgage and small business loans in its AA. Examiners found that the distribution of borrowers reflected a reasonable penetration of loans among businesses of different sizes and retail customers of different income levels.

Additional Convenience and Needs Considerations

The Board also considers other potential effects of the proposal on the convenience and needs of the communities to be served. Bangor represents that consummation of the proposal would provide an expanded branch and ATM network to Bangor Saving Bank’s and Damariscotta Bank’s existing customers. In addition, Bangor represents that the proposal would create a stronger financial institution that would provide better service to the communities served by Bangor Savings Bank and Damariscotta Bank.

Conclusion on Convenience and Needs Considerations

The Board has considered all the facts of record, including the records of the relevant depository institutions under the CRA, the institutions’ records of compliance with fair lending and other consumer protection laws, confidential supervisory information, information provided by Bangor, as well as the potential effects of the proposal on the convenience and needs of the communities to be served. Based on

²⁷ The Damariscotta Bank Evaluation was conducted using the Interagency Small Institution CRA Examination Procedures. Examiners reviewed home mortgage and business lending data from February 9, 2009, through December 7, 2015. The Damariscotta Bank Evaluation reviewed the bank’s activities in its sole AA, comprising 14 census tracts in mid-coastal Maine.

that review, the Board determines that the convenience and needs factor is consistent with approval.

Financial Stability

Section 3 of the BHC Act requires the Board to consider “the extent to which a proposed acquisition, merger, or consolidation would result in greater or more concentrated risks to the stability of the United States banking or financial system.”²⁸

To assess the likely effect of a proposed transaction on the stability of the United States banking or financial system, the Board considers a variety of metrics that capture the systemic “footprint” of the resulting firm and the incremental effect of the transaction on the systemic footprint of the acquiring firm. These metrics include measures of the size of the resulting firm, the availability of substitute providers for any critical products and services offered by the resulting firm, the interconnectedness of the resulting firm with the banking or financial system, the extent to which the resulting firm contributes to the complexity of the financial system, and the extent of the cross-border activities of the resulting firm.²⁹ These categories are not exhaustive, and additional categories could inform the Board’s decision. In addition to these quantitative measures, the Board considers qualitative factors, such as the opaqueness and complexity of an institution’s internal organization, that are indicative of the relative degree of difficulty of resolving the resulting firm. A financial institution that can be resolved in an orderly manner is less likely to inflict material damage on the broader economy.³⁰

The Board’s experience has shown that proposals involving an acquisition of less than \$10 billion in total assets, or that result in a firm with less than \$100 billion in

²⁸ 12 U.S.C. § 1842(c)(7).

²⁹ Many of the metrics considered by the Board measure an institution’s activities relative to the United States financial system.

³⁰ For further discussion of the financial stability standard, see Capital One Financial Corporation, FRB Order No. 2012-2 (Feb. 14, 2012).

total assets, are generally not likely to pose systemic risks. Accordingly, the Board presumes that a proposal does not raise material financial stability concerns if the assets involved fall below either of these size thresholds, absent evidence that the transaction would result in a significant increase in interconnectedness, complexity, cross-border activities, or other risk factors.³¹

In this case, the Board has considered information relevant to risks to the stability of the United States banking or financial system. The proposal involves a target that has less than \$10 billion in total assets and a pro forma organization of less than \$100 billion in total assets. Both the acquirer and the target are predominantly engaged in retail and commercial banking activities.³² The pro forma organization would not have cross-border activities or exhibit an organizational structure, complex interrelationships, or unique characteristics that would complicate resolution of the firm in the event of financial distress. In addition, the organization would not be a critical services provider or so interconnected with other firms or the markets that it would pose a significant risk to the financial system in the event of financial distress.

In light of all the facts and circumstances, this transaction would not appear to result in meaningfully greater or more concentrated risks to the stability of the United States banking or financial system. Based on these and all other facts of record, the Board determines that considerations relating to financial stability are consistent with approval.

³¹ See People's United Financial, Inc., FRB Order No. 2017-08 at 25-26 (March 16, 2017). Notwithstanding this presumption, the Board has the authority to review the financial stability implications of any proposal. For example, an acquisition involving a global systemically important bank could warrant a financial stability review by the Board, regardless of the size of the acquisition.

³² Bangor and Damariscotta both offer a range of retail and commercial banking products and services. Bangor has, and as a result of the proposal would continue to have, a small market share in these products and services on a nationwide basis.

Conclusion

Based on the foregoing and all the facts of record, the Board determines that the application should be, and hereby is, approved. In reaching its conclusion, the Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act and other applicable statutes. The Board's approval is specifically conditioned on compliance by Bangor with all the conditions imposed in this order and on any commitments made to the Board in connection with the proposal. The Board's approval is also conditioned on receipt by Bangor of all required regulatory approvals. For purposes of this action, the conditions and commitments are deemed to be conditions imposed in writing by the Board in connection with its findings and decision herein and, as such, may be enforced in proceedings under applicable law.

The proposal may not be consummated before the 15th calendar day after the effective date of this order or later than three months thereafter, unless such period is extended for good cause by the Board or the Federal Reserve Bank of Boston, acting under delegated authority.

By order of the Board of Governors,³³ effective October 22, 2020.

Ann E. Misback (signed)

Ann E. Misback
Secretary of the Board

³³ Voting for this action: Chair Powell, Vice Chair Clarida, Vice Chair for Supervision Quarles, and Governors Bowman and Brainard.