

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



ORDER APPROVING THE APPLICATION
TO ESTABLISH A NONDEPOSITORY TRUST COMPANY
TO BE KNOWN AS PORTLAND TRUST COMPANY
AND WAIVER OF TITLE 9-B M.R.S. §252(6)

Androscoggin Savings Bank, Lewiston, Maine (“ASB” or the “Bank”), a Maine state-chartered financial institution, and two individuals, James A. MacLeod, Yarmouth, Maine and Amelia I. Kurtz, Scarborough, Maine (collectively, the “Organizers”), filed an application, pursuant to Title 9-B M.R.S. Chapter 121, to establish a nondepository trust company to be known as **Portland Trust Company, LLC** (“PTC” or the “Trust Company”) and located at Two City Center, Portland, Maine.

The application was accepted for processing on May 21, 2015. Public notice, as required by Title 9-B M.R.S. 252(2)(B), was provided by publication, posted on the Bureau’s website and delivered to interested parties affording them an opportunity to either submit written comments or request a hearing. There were no comments received during the 30-day public comment period, which ended June 26, 2015.

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

ASB is an \$850 million dollar Maine state-chartered financial institution that is wholly-owned by Androscoggin Bancorp, MHC. The Bank operates 12 branches in four Maine counties: Androscoggin, Cumberland, Franklin, and Oxford, offering traditional community banking products and services for personal, commercial, and government entities. It also offers trust and wealth management services and currently holds approximately \$211 million of fiduciary assets.

The organizers propose establishing a nondepository trust company to be majority (51.0%) owned and controlled by the Bank and minority owned by James MacLeod and Amelia Kurtz (24.5% each). ASB is partnering with these two experienced and established trust professionals to manage the Trust Company. The Organizers’ intention is to transfer eligible trust assets from ASB to PTC while rebranding the trust and wealth management services outside the Bank to create greater visibility and expand the availability of services into the Southern Maine market.

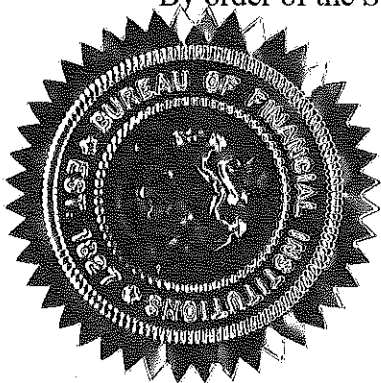
**Order Approving the Application to Establish a Nondepository Trust Company
To be Known as Portland Trust Company and Waiver of Title 9-B M.R.S §252(6)**

The proposed initial directors are comprised of three executive officers from ASB and the two proposed PTC officers, who are also the two minority shareholders. The financial and managerial resources of ASB and the individual shareholders are sound and sufficient to provide necessary support to PTC. The Bureau has considered the competitive effects, the future prospects, and the convenience and needs of the markets to be served and found them consistent with approval. Accordingly, the application of Androscoggin Savings Bank, James A. MacLeod, and Amelia I. Kurtz to establish a nondepository trust company with the name "Portland Trust Company, LLC" is approved, subject to the terms and conditions listed in Appendix A.

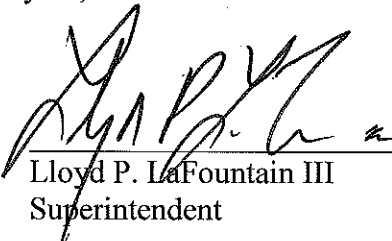
Androscoggin Savings Bank requested a waiver of the 30-day waiting period, pursuant to Title 9-B M.R.S. §252(6), to minimize delay of establishing the proposed nondepository trust company and assist in the ease of transitioning accounts from ASB to PTC. The Superintendent has determined these factors constitute extraordinary or unusual conditions and, therefore, the Superintendent agrees to grant the waiver so that the transaction may consummate effective July 15, 2015.

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 July 15, 2015.



Gardiner, Maine
July 15, 2015


Lloyd P. LaFountain III
Superintendent

APPENDIX A

TERMS & CONDITIONS

1. Paul H. Andersen, Neil J. Kiely, Thomas J. Zuke, James A. MacLeod, and Amelia I. Kurtz are approved as directors.
2. James A. MacLeod is approved as President and Amelia I. Kurtz is approved as Chief Executive Officer.
3. The minimum amount of initial Equity Capital and Tier 1 Capital shall be \$400,000, all of which should be paid in cash and funded prior to the issuance of a Certificate to Transact Business.
4. PTC shall maintain Tier 1 Capital (as defined in Bureau Regulation 27) not less than the greater of (a) \$400,000 or (b) the sum of (1) ten basis points (0.10%) of discretionary assets and (2) five basis points (0.05%) of nondiscretionary assets, including assets held in custody, unless a different amount is established by the Superintendent. As such, the Superintendent reserves the right to change the above formula for determining ongoing capital adequacy.
5. If PTC fails to maintain Tier 1 Capital in the minimum amount specified above in Condition #4, PTC shall be deemed to have inadequate capital and the Bureau shall have the authority to take any action authorized by Regulation 27.
6. Prior to the issuance of a Certificate to Transact Business, and pursuant to Title 9-B M.R.S. §1213-A, PTC shall pledge to the Bureau readily marketable assets having a fair value of at least \$100,000.
7. The Superintendent must approve the organizational documents (i.e., the LLC Agreement).
8. ASB must obtain the Bureau's prior written permission to reduce its majority ownership and controlling interest in PTC.
9. Prior to the issuance of a Certificate to Transact Business, PTC must submit evidence that it has obtained adequate fidelity bond coverage, including an Errors and Omissions rider; the coverage must be in an amount (including the amount of the deductible) and for such coverage that shall be satisfactory to the Superintendent.
10. Prior to the issuance of a Certificate to Transact Business, PTC shall submit its written Anti-Money Laundering Program and Customer Identification Program to the Bureau.
11. Prior to the issuance of a Certificate to Transact Business, the President of ASB must certify that a full review of trust account documents has been completed and that the documents allow for the transfer of fiduciary accounts to PTC.
12. On the business day prior to the issuance of a Certificate to Transact Business, the President of PTC and the President of ASB must certify in writing to the Bureau that no material adverse changes have occurred with respect to the financial condition or operation of PTC and ASB, respectively, as disclosed in the application.
13. All transactions between PTC and ASB, including any subsidiaries or affiliates of either, shall be conducted subject to the provisions of Title 9-B M.R.S. §468. Prior to

commencing operations, PTC shall enter into written agreements, acceptable to the Bureau, governing all relationships, including shared management, employees, space, and equipment, with ASB. The PTC Board of Directors shall review and approve any service agreement and other transactions with affiliates at least annually.

14. All technology-related vendor contracts must stipulate that the performance of services provided by the vendors to PTC is subject to the Bureau's examination and regulatory authority.
15. During the first two years of operations, PTC shall not implement any material change or deviation from its operating plan without the prior written approval of the Bureau.
16. During the first two years of operations, the Bureau must review and have no objection to any proposed executive officer or director of PTC.
17. During the first two years of operations, PTC may not open any additional offices, besides the Portland and Lewiston locations, without the prior written approval of the Bureau.
18. At all times, PTC shall maintain liquid assets at least equal to 25% of the minimum Tier 1 Capital requirement.
19. PTC must obtain the Bureau's prior written permission before declaring distributions as long as loans, including line of credit advances, from ASB to PTC maintain an outstanding balance.
20. PTC will comply with all applicable laws, including the Maine Banking Code Title 9-B M.R.S., regulations, and policies of the Bureau.