
Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

**Conditional Approval #401
June 2000**

May 26, 2000

Ms. Carol L. Mitchell
Executive Vice President and
General Counsel
Peoples Heritage Financial Group, Inc.
One Portland Square
P.O. Box 9540
Portland, Maine 04112-9540

Re: Application from Peoples Heritage Savings Bank, Portland, Maine, to convert to a national bank charter with the title Peoples Heritage Bank, National Association
Application Control Number: 2000-NE-01-0015

Dear Ms. Mitchell:

The Office of the Comptroller of the Currency (OCC) has reviewed your request, dated April 28, 2000, to convert Peoples Heritage Savings Bank to a national bank. After a thorough review of all information available, including the representations and commitments made in the application and the bank's representatives, we find that your request meets the requirements for approval to convert to a national banking association pursuant to 12 USC 35 and 12 C.F.R. § 5.24.

Title: Peoples Heritage Bank, National Association

Location: Portland, Maine

The OCC also approves your proposal to conduct fiduciary powers pursuant to 12 USC 92a. This approval constitutes a permit to conduct fiduciary powers requested in your application (12 C.F.R. 5.26(d)(4)).

This letter also constitutes official OCC authorization to operate Peoples' existing 68 branches. Attachment A lists each branch and assigns a OCC Branch Number. Please retain this letter and Attachment A as the official branch authorization. If a branch is closed, a 90-day advance notice of the proposed branch closing must be submitted to the OCC pursuant to 12 USC 1831r-1.

Prior to or as of the date of the conversion:

1. Directors must own qualifying shares in conformance with 12 U.S.C. § 72 and 12 C.F.R. § 7.2005.
2. The institution must purchase adequate fidelity bond coverage in accordance with 12 C.F.R. § 7.2013, which lists four factors the directors should consider to determine adequacy.
3. The board of directors must adopt and have in place policies, practices, and procedures to ensure the safe and sound operation of the bank. The board also must review those policies, practices, and procedures continually and ensure bank compliance with them. We are attaching the minimum policies and procedures applicable to national banks.
4. The converting institution must notify the OCC if the facts described in the filing materially change at any time prior to consummation of the conversion.

Upon completion of the above procedures, please submit to the Northeastern District Office a letter certifying that you have completed all steps required to convert to a national banking association. Your notification should include the following documents as attachments if they have not already been submitted: Secretary's Certificate certifying shareholder approval of the proposed conversion; Articles of Association; Bylaws; Organization Certificate properly signed and executed; Oath(s) of directors; and List of directors.

When the institution has satisfactorily completed all of the above steps, the OCC will issue a letter officially authorizing the institution to commence business as a national banking association. At that time, you will receive the charter certificate.

To the extent that any subsidiaries are nonconforming at the time of conversion, they may be temporarily retained and operated until the activities can be brought into conformity or otherwise disposed of. The retention period may not exceed two years from the date of the consummation of the conversion.

The OCC will send to you under separate cover an appropriate set of OCC handbooks, manuals, issuances, and selected other publications.

If the conversion is not consummated within six months from the approval date, the approval shall automatically terminate unless the OCC grants an extension of the time period.

Ms. Carol L. Mitchell

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All correspondence regarding this application should reference the application control number. If you have any questions concerning this letter, please contact Senior Corporate Analyst Edward R. Rieder in our Northeastern District Office at (212) 790-4055 or me at (202) 874-5060.

Sincerely,

~~signed~~

J. Greg Parvin
NBE/Licensing Expert
Bank Organization and Structure

Attachments