

MAINE BUREAU OF FINANCIAL INSTITUTIONS

ORDER APPROVING APPLICATION OF CHITTENDEN CORPORATION, BURLINGTON, VERMONT TO ACQUIRE MERRILL MERCHANTS BANCSHARES, BANGOR, MAINE

Chittenden Corporation, Burlington, Vermont ("Chittenden") applied to the Superintendent of the Maine Bureau of Financial Institutions ("the Superintendent"), pursuant to 9-B M.R.S.A. Chapter 101, to acquire 100% of the stock of Merrill Merchants Bancshares, Bangor, Maine ("Bancshares") and thereby acquire its wholly-owned subsidiary, Merrill Merchants Bank, Bangor, Maine ("MMB").

The application was accepted for processing on March 6, 2007. 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 e-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 April 18, 2007.

A Principal Bank Examiner of the Maine Bureau of Financial Institutions conducted an investigation of this transaction. All evidence and pertinent material considered by the Examiner was also considered by the Superintendent in reaching his decision.

Chittenden is a registered bank holding company operating five commercial banks with nearly 125 offices in Vermont, New Hampshire, Massachusetts, Maine and Connecticut. Through its subsidiary banks, Chittenden offers a broad range of financial products and services, including deposit accounts and services; commercial and consumer loans; insurance; and investment and trust services to businesses, individuals, and the public sector. Bancshares is a registered financial holding company whose sole subsidiary is MMB. MMB conducts a general commercial and retail banking business through its 11 offices in Penobscot (9), Somerset (1) and Kennebec (1) Counties.

As of December 31, 2006, Chittenden had total deposits of \$5.4 billion and MMB had total deposits of \$360 million. Chittenden and MMB do not directly compete in any relevant banking market and, therefore, the Bureau concludes that consummation of this transaction would not have a significantly adverse effect on competition.

The financial and managerial resources of Chittenden and MMB are satisfactory and the future prospects of both institutions, individually and combined, are considered satisfactory. Both Chittenden and MMB should benefit from increased

efficiencies produced by consolidation of operations and economies of scale. Generally, there are not significant differences in the products and services offered.

The terms and conditions of the transaction appear equitable to all parties. The proposed merger should contribute to the strength of Chittenden, Merrill Merchants Bank and to the banking needs of northern and central Maine. Therefore, the application of Chittenden Corporation to acquire Merrill Merchants Bancshares is approved, subject to Chittenden/Merrill Merchants Bank entering into an agreement with the Superintendent as required by Title 9-B M.R.S.A. §1013(3)(A). The transaction shall be completed within one year of the effective date of this Order, unless the Superintendent grants a written extension.

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 May 27, 2007.

/s/ Lloyd P. LaFountain III
Superintendent
Gardiner, Maine
April 27, 2007