

MAINE BUREAU OF FINANCIAL INSTITUTIONS
ORDER APPROVING APPLICATION OF UNIVERSITY CREDIT UNION,
ORONO, MAINE TO MERGE WITH BANSCO CREDIT UNION, BANGOR,
MAINE UNDER THE CHARTER AND WITH THE TITLE OF UNIVERSITY
CREDIT UNION

University Credit Union, Orono, Maine ("University CU") applied to the Superintendent of the Maine Bureau of Financial Institutions ("the Superintendent"), pursuant to 9-B M.R.S.A. Chapter 87, to merge with BANSCO Credit Union, Bangor, Maine ("BANSCO CU") under the charter and with the title of University Credit Union.

The application was accepted for processing on November 22, 2004. 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 submit written comments or request a hearing. The Bureau received no comments during the public comment period which ended December 26, 2004.

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

University CU is a multiple common bond-based credit union whose field of membership consists primarily of employees, students and alumni of the University of Maine System. BANSCO CU is community development credit union whose field of membership consists of members and employees of the Boards of Education in Penobscot County, Maine. University CU is headquartered in Orono and operates two branches, one in Bangor and one in Portland. BANSCO CU operates from its owned premises in Bangor, located less than two miles from University CU's Bangor branch. Although both credit unions share a common bond of serving primarily an educational-based membership, their fields of membership do not overlap fully. Accordingly, to facilitate this merger, University CU submitted a request to amend its bylaws to expand its field of membership to include employees of the Boards of Education in Penobscot County. By separate action, the Bureau approved the bylaw amendment which requested the field of membership expansion.

At September 30, 2004, University CU had total assets of \$138 million and 16,204 members. As of the same date, BANSCO CU had total assets of \$12 million and 2,140 members.

In recent years, BANSCO CU has operated with marginal capital and earnings and its membership has declined for seven consecutive quarters. The proposed

transaction should ensure continued credit union service to members of BANSCO CU and provide them access to increased financial products and services. University CU has the managerial and financial resources to absorb BANSCO CU without adversely affecting its overall condition. The merger should contribute to the long-term strength of University CU and to the financial needs of the Bangor market area. Therefore, the application of University Credit Union to merge with BANSCO Credit Union is approved. 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 close of business January 27, 2005.

/s/ Colette L. Mooney
Acting Superintendent
Gardiner, Maine
December 28, 2004