

MAINE BUREAU OF FINANCIAL INSTITUTIONS

ORDER APPROVING APPLICATION OF BAR HARBOR BANK & TRUST, BAR HARBOR, MAINE TO PURCHASE ASSETS AND ASSUME LIABILITIES OF BORDER TRUST COMPANY, AUGUSTA, MAINE

Bar Harbor Bank & Trust, Bar Harbor, Maine ("BHBT") applied to the Superintendent of the Maine Bureau of Financial Institutions ("the Superintendent"), pursuant to 9-B M.R.S.A. Chapter 35, to purchase substantially all of the assets and to assume substantially all of the liabilities, including all of the deposit liabilities, of Border Trust Company, Augusta, Maine ("BTC"). ^[1]

The application was accepted for processing on May 25, 2012. 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 June 29, 2012.

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

BHBT is a wholly-owned subsidiary of Bar Harbor Bancshares, a registered bank holding company. BHBT operates 12 offices throughout downeast and midcoast Maine, offering a full range of banking products and services to individuals, businesses, municipalities and non-profit organizations. As of March, 31, 2012, BHBT had total assets of \$1.2 billion and deposits of \$725 million.

BTC is a wholly-owned subsidiary of Border Bancshares, Inc. ("Bancshares"), a registered bank holding company. BTC operates three offices in Augusta, South China and Topsham and offers a full range of retail and commercial banking products and services. As of Mar-31-2012, BTC had total assets of \$47 million and deposits of \$41 million.

BHBT has the financial and managerial resources to acquire BTC without adversely affecting its overall condition. The Bureau has considered the competitive effects, the future prospects, the convenience and needs of the markets to be served, and the fairness of the transaction and found them consistent with approval. Accordingly, the application of Bar Harbor Bank & Trust to acquire substantially all of the assets and to assume substantially all of

the liabilities, including all of the deposit liabilities, of Border Trust Company is approved. 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 August 2, 2012.

/s/ Lloyd P. LaFountain III
Superintendent
Gardiner, Maine
July 2, 2012

^[1] Because BTC is selling substantially all of its assets, pursuant to Title 9-B MRSA §355.3, the approval of BTC's investors is required. The Board of Directors of Bancshares approved the sale on March 20, 2012 and the shareholders of Bancshares approved the sale at a special meeting held on June 12, 2012. After consummation of the sale of substantially all of its assets and the assumption of substantially all of its liabilities, including all of its deposit liabilities, and the consummation of a separate sale of assets, it is the intention of BTC to file a voluntary liquidation plan with the Superior Court pursuant to Title 9-B MRSA §364. The Superintendent has no objection to that filing.