



VERMONT BANKING INDUSTRY: FIRST QUARTER 2006

*(Note: Your subscription expiration date is
on the label of the envelope in which you received the Review)*

Dear Banking Industry Observer:

The following is BAC's Quarterly Review of the Vermont banking industry for the quarter ending March 31, 2006. It includes data on all 19 Federal and State chartered commercial banks, savings banks and savings and loan associations in Vermont. Our analysis on pages 6-8 also presents a four-year retrospective between 2003-2006 using aggregate industry data. All financial data is based on Call Reports from the FDIC and OTS. Bank stock data as of 7/31/06 is included on pages 15-16.

In certain states, recent merger/acquisition activity has resulted in a single bank charter now operating branches across more than one state, thereby complicating the construction of a "statewide" balance sheet and income statement. This is because Call Report data is collected based on the state of record for the bank charter. Vermont may be among those states impacted by this change. Therefore, year-to-year comparisons in the aggregate statewide data should be used with caution as can be seen in the data below. Here is a synopsis of the Vermont banking industry for the quarter ending March 31, 2006:

FIRST QUARTER 2006 STATUS REPORT:

On an aggregate basis, the 19 remaining banks in Vermont (steady at 19 since December of 2003), recorded a .8% increase in earnings for the twelve month period ending 3/31/06 relative to the same period in 2005. However, the aggregate data is distorted by one-time restructuring charges associated with mergers and acquisitions and jurisdictional reporting changes. A closer inspection of the banks existing in both time periods, indicates that 11 institutions (58%) registered a decrease in earnings from 1st quarter 2005 and 8 institutions (42%) reported an increase. The median performance for all institutions was a -4.7% decrease from the 1st quarter of 2005. Nonetheless, 100% of all institutions were profitable during Q1-06. Here is the aggregate data; individual institutional data is contained on pages 9-14.

19 VERMONT INSTITUTIONS (see page 6-8 for complete details)	12 Months Ending: 12/31/05	3 Months Ending: 3/31/05	3 Months Ending: 3/31/06	% Change Q1-05 vs Q1-06
Net Income After Tax (\$ millions)	\$107	\$25	\$25	0.8%
Return on Assets (R.O.A.)	1.32%	1.28%	1.22%	
Gross Loans (\$ billions)	\$5.7	\$5.3	\$6	9.3%
Deposits (\$ billions)	\$7.0	\$6.5	\$7	5.8%
Net Interest Margin	4.33%	4.29%	4.23%	
Efficiency Ratio	61.8%	63.2%	64.4%	
Non-Interest Inc. % Avg. Assets	1.2%	1.1%	1.1%	
Non-Performing Assets (\$ millions)	\$35	\$35	\$39	12.9%
Tier 1 Leverage	8.9%	8.8%	8.7%	
Reserves % Non-Perf. Loans	219%	215%	191%	
Provision for Losses (\$ millions)	\$7	\$2	\$1	-9.4%
Liquidity (loans % deposits)	82%	82%	85%	

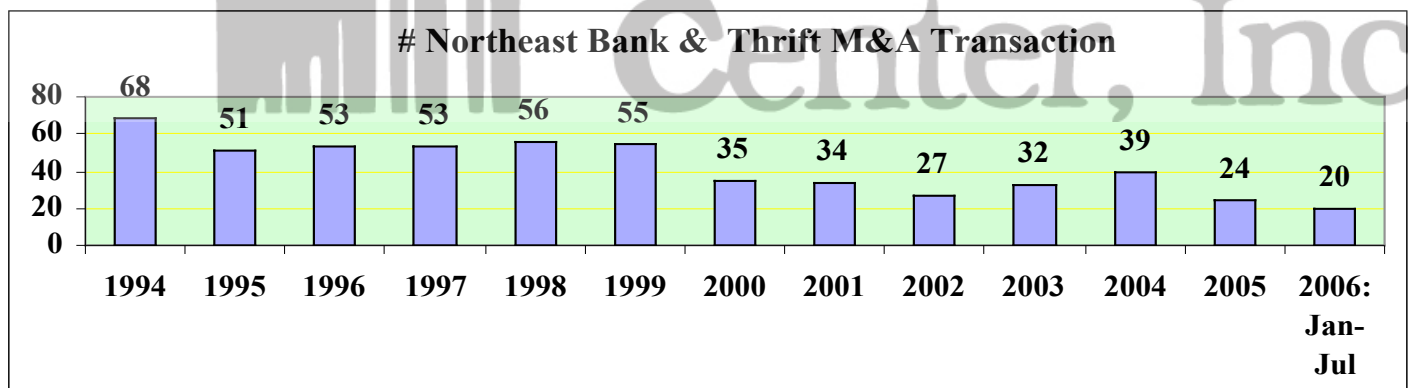
We include below 3-month summary data (as of 3/31/06) on the banking industries in each of the six New England states along with New York, New Jersey and Pennsylvania:

NORTHEAST BANKING DATA as of 3/31/06										
(\$=Billions, except net inc.)	CT	ME	MA	NH	RI	VT	New Eng.	NY	NJ	PA
# Banking Institutions	57	37	189	26	12	19	340	202	132	254
% Institutions Profitable	95%	97%	95%	100%	92%	100%	96%	90%	89%	89%
Total Assets (\$ Bils)	\$64	\$57	\$235	\$19	\$20	\$8	\$401	\$1,252	\$151	\$401
Total Deposits (\$ Bils)	\$47	\$39	\$165	\$13	\$13	\$7	\$283	\$857	\$104	\$286
Gross Loans (\$ Bils)	\$43	\$38	\$92	\$13	\$12	\$6	\$204	\$676	\$80	\$238
Net Inc. After Tax (\$ Mils)	\$157	\$133	\$622	\$52	\$60	\$25	\$1,049	\$4,129	\$409	\$1,023
Return on Assets (R.O.A.)	1.00%	1.02%	1.07%	1.09%	1.22%	1.22%	1.06%	1.35%	1.09%	1.03%
Return on Equity (R.O.E.)	8.62%	5.72%	12.23%	11.21%	14.38%	14.21%	10.2%	13.70%	10.16%	11.32%
Net Interest Margins	3.49%	4.14%	2.42%	3.42%	3.15%	4.23%	2.92%	3.22%	2.85%	3.09%
Efficiency Ratio	64.8%	63.77%	68.9%	57.2%	57.5%	64.4%	66.6%	62.1%	53.3%	63.6%
Non-Perf. Assets % Assets	0.20%	0.30%	0.10%	0.20%	0.10%	0.50%	0.20%	0.40%	0.20%	0.30%

MERGER / ACQUISITION DATA AND COMPARATIVE STOCK PRICE MULTIPLES:

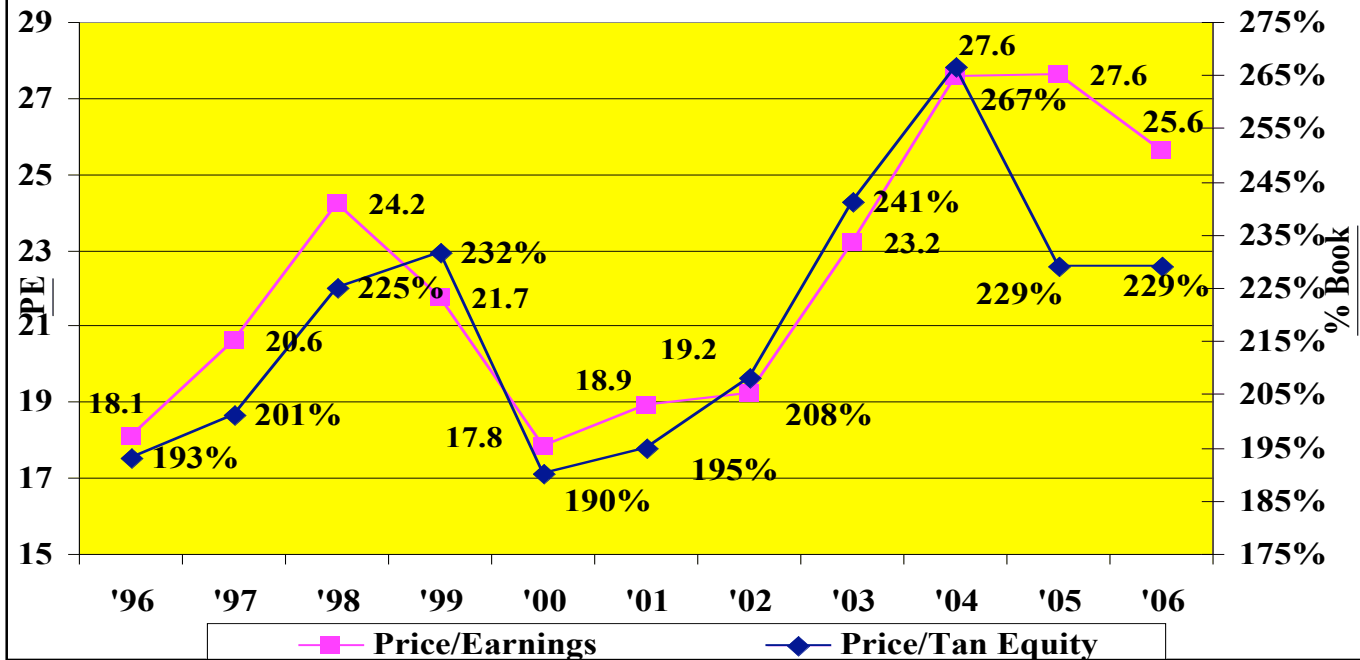
On the following pages (pages 4-5) we have compiled information concerning recent merger and acquisition trends and also stock price indicators for both banks and thrifts for the trailing twelve months ending in July 2006.

Although the *number* of Northeast mergers and acquisitions between banks and thrifts has decreased since the 1990's, their *pricing* (both as a multiple of earnings as well as book equity) and *bank stock PE ratios* have increased steadily and peaked in 2004. Present takeover multiples appear to be firming as can be seen below.



For the 31 transactions in the Northeast completed over the last 12 months between July 2005 and July 2006 the median price for all deals (banks & thrifts) was approximately 229% of tangible book equity and a multiple of 25X earnings. Please call us if we can add any clarification to the variation in these statistics. BAC is an active participant in merger and acquisition advisory services.

MEDIAN TAKEOVER MULTIPLES: NO. EAST BANKS & THRIFTS



MARKET RESEARCH SERVICE

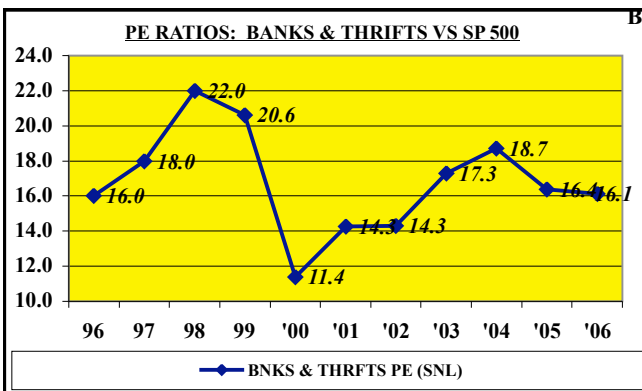
Included in this edition of the Quarterly Review is a descriptive packet of information concerning BAC's market research capabilities on economics, demographics, banking industry competition and commercial businesses. These packets are available for your individual branch banking markets in Connecticut. We would invite you to review this material and to contact us if you might wish to procure this information for your institution. It is not very expensive. Our New England-wide databases, combined with our reporting capabilities and proprietary software, can produce insightful and valuable reconnaissance tools to help guide your institution in the following:

- ✓ Market Segmentation
- ✓ Product Development & Positioning
- ✓ Business Development Initiatives
- ✓ Consumer Behavior
- ✓ Competitive Analysis
- ✓ Start-up Branch Site Location
- ✓ Branch Purchase Analysis
- ✓ Merger/Acquisition Analysis

The second item included in this edition of the Quarterly Review is a subscription form. If you would like to continue receiving the Review, please complete the form and return it to our offices. If you are already a subscriber, we thank you for your confidence. Your subscription expiration date is on the label of the envelope in which you received the Review. We would appreciate any feedback on how to improve the Review. We are aware that through a data base error, a number of subscribers did not receive certain quarters of the Review last year. If you are a subscriber and need these past issues, please contact Ms. Tamica Curling at 860-275-6050 and we will forward them to you. Alternatively, if you would like to extend your subscription by the number of quarters that you missed please indicate that to Ms. Curling. This data will soon be available by subscription on BAC's website.

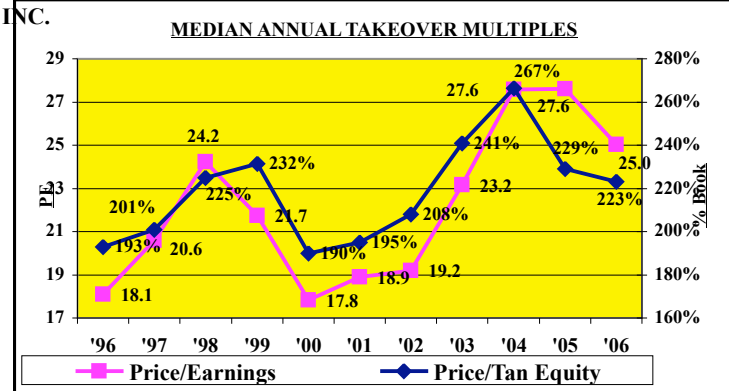
If you would like to hear more about our investment banking and consulting services, please contact me personally. BAC specializes in helping clients develop and execute strategies. We are consultants and investment banking advisors to the banking industry throughout New England, New York, Pennsylvania and New Jersey. Our services are listed on the back cover of this publication.

John S. Carusone, President



BANK ANALYSIS CENTER, INC.

Mergers & Acquisitions:
 Northeast Bnks & Thrifts
 Latest 12 Mos. (LTM)
 July '05 - July '06



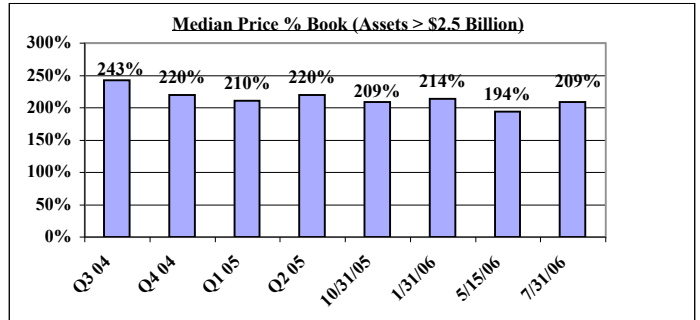
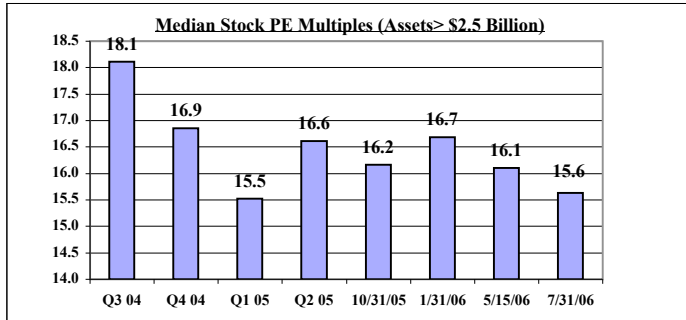
	Buyer	Assets SMM's	State	Target	Assets SMM's	State	Completion	Deal \$ \$ MM's	Payment	PRICE:			
										% Equity	% Tan. Eq.	(X) LTM Inc	% Deps
(1)	Fulton Financial Corporation	11,158,351	PA	SVB Financial Services, Inc.	482,958	NJ	7/1/05	91,451	Cash,Common S	2.89	2.89	25.24	21.2
(2)	Community Banks, Inc.	1,955,811	PA	PennRock Financial Services	1,146,879	PA	7/1/05	280,211	Common Stock	2.62	2.93	22.61	32.72
(3)	Citizens & Northern Corp.	1,135,433	PA	Canisteo Valley Corporation	42,500	NY	8/31/05	N/A	Cash	N/A	N/A	N/A	N/A
(4)	Willow Grove Bancorp, Inc.	993,120	PA	Chester Valley Bancorp, Inc.	669,115	PA	8/31/05	132,651	Cash,Common S	2.34	2.49	25.81	27.76
(5)	F.N.B. Corporation	5,609,386	PA	North East Bancshares, Inc.	66,647	PA	10/7/05	14,765	Common Stock	2.15	2.16	N/A	24.85
(6)	Interchange Financial Services Corp.	1,488,849	NJ	Franklin Bank	81,046	NJ	10/13/05	22,151	Common Stock	1.94	1.94	13.53	26.34
(7)	Beneficial Mutual Bancorp	2,387,934	PA	Northwood Savings Bank	9,251	PA	11/14/05	N/A	N/A	N/A	N/A	N/A	N/A
(8)	UCBH Holdings Inc.	7,037,174	CA	Asian American Bank & Trust C	127,121	MA	11/29/05	34,300	Cash,Common S	1.95	1.95	61.69	31.4
(9)	New York Community Bancorp, Inc.	25,204,692	NY	Long Island Financial Corp.	539,679	NY	12/30/05	62,984	Common Stock	2.2	2.2	19.39	15.75
(1)	Hudson Valley Holding Corp.	1,877,914	NY	New York National Bank	138,565	NY	1/3/06	13,404	Cash,Preferred S	1.88	1.88	N/A	10.4
(2)	NewAlliance Bancshares, Inc.	6,490,974	CT	Cornerstone Bancorp, Inc.	232,789	CT	1/3/06	52,877	Cash,Common S	1.93	1.93	32.6	28.18
(3)	Sun Bancorp, Inc.	3,140,962	NJ	Advantage Bank	165,981	NJ	1/19/06	35,941	Cash,Common S	2.35	2.35	38.51	21.35
(4)	National Penn Bancshares, Inc.	4,593,900	PA	Nittany Financial Corp.	326,517	PA	1/26/06	99,050	Cash,Common S	3.67	3.93	25.03	40.15
(5)	First Republic Bank	8,441,586	CA	First Signature Bank & Trust Co	516,876	NH	1/31/06	N/A	N/A	N/A	N/A	N/A	N/A
(6)	Fulton Financial Corporation	11,571,083	PA	Columbia Bancorp	91,331	MD	2/1/06	306,268	Cash,Common S	3.09	3.09	18.84	30.03
(7)	NBT Bancorp, Inc.	4,255,439	NY	CNB Bancorp, Inc.	32,550	NY	2/10/06	88,575	Cash,Common S	2.08	2.49	27.38	25.83
(8)	TD Banknorth, Inc.	31,784,335	ME	Hudson United Bancorp	432,975	NJ	2/1/06	1,923,126	Cash,Common S	3.67	4.55	17.03	28.09
(9)	Two River Community Bank	258,513	NJ	The Town Bank	147,005	NJ	4/3/06	40,321	Common Stock	2.36	2.36	24.79	25.67
(10)	Susquehanna Bancshares, Inc.	7,539,967	PA	Minotola National Bank	623,434	NJ	4/21/06	165,112	Cash,Common S	2.04	2.06	26.14	30.14
(11)	New York Community Bancorp, Inc.	25,014,944	NY	Atlantic Bank of New York	2,916,664	NY	4/28/06	400,000	Cash	1.45	1.76	12.83	23.91
(12)	Orrstown Financial Services Inc.	581,180	PA	First National Bank of Newport	123,155	PA	5/1/06	32,855	Cash,Common S	2.43	2.43	22.64	31
(13)	Cathay General Bancorp, Inc.	6,157,499	CA	Great Eastern Bk	320,510	NY	5/15/06	84,944	Cash,Common S	2.62	2.62	30.37	28.72
(14)	Wilshire Bancorp, Inc.	1,457,025	CA	Liberty Bank of New York	55,704	NY	5/22/06	14,600	Cash,Common S	N/A	N/A	N/A	N/A
(15)	F.N.B. Corporation	5,703,659	PA	Legacy Bank	382,139	PA	5/26/06	63,016	Cash,Common S	1.66	2.11	60.73	21.36
(16)	Sovereign Bancorp, Inc.	62,941,898	PA	Independence Community Bank	18,500,360	NY	6/1/06	3,577,980	Cash	1.52	3.41	17.76	31.47
(17)	Tower Bancorp, Inc.	346,828	PA	FNB Financial Corporation	180,686	PA	6/1/06	29,745	Cash,Common S	1.92	2.23	22.42	20.51
(18)	Flushing Financial Corp.	2,306,030	NY	Atlantic Liberty Financial Corp.	177,111	NY	6/30/06	44,198	Cash,Common S	1.52	1.52	86.15	41.53
(19)	Franklin Financial Services Corporati	621,357	PA	Fulton Bancshares Corporation	139,131	PA	7/1/06	23,530	Cash,Common S	1.6	1.6	N/A	21.76
(20)	Hudson City Bancorp, Inc.	26,005,131	NJ	Sound Federal Bancorp	1,149,326	NY	7/14/06	264,872	Cash	1.99	2.23	61.47	25.5
	AVERAGE									223%	244%	31.5	26.6%
	MEDIAN									208%	223%	25.1	26.3%
	MINIMUM VALUE									1.45	1.52	12.83	10.4
	MAXIMUM VALUE									3.67	4.55	86.15	41.53

NORTHEAST BANKING STOCK TRADING DATA THROUGH 7/31/2006

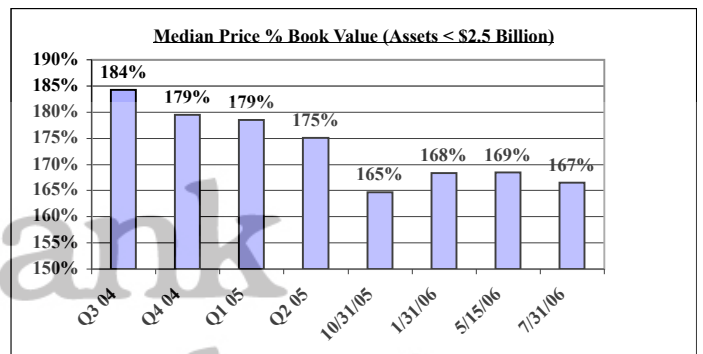
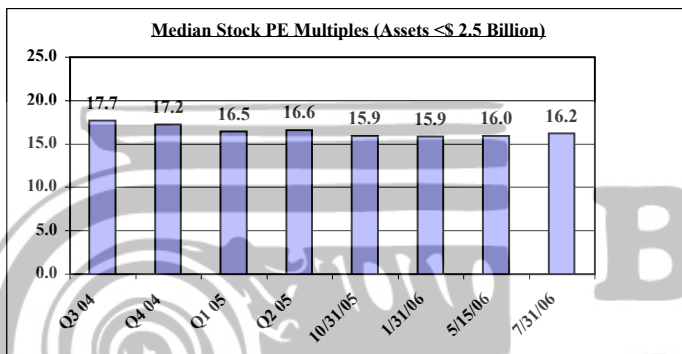
PREPARED BY: BANK ANALYSIS CENTER, INC., HTFD, CT

COMMERCIAL BANKS

ASSETS GREATER THAN \$2.5 BILLION

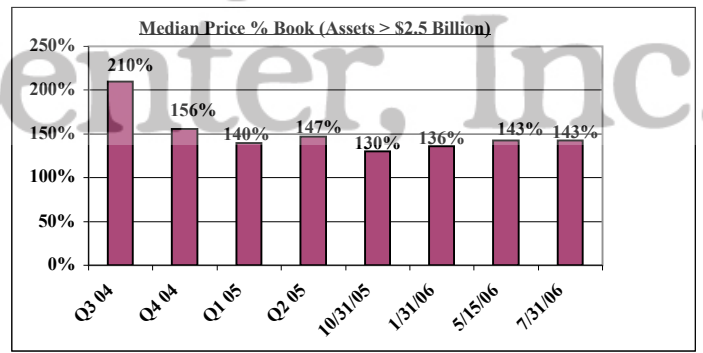
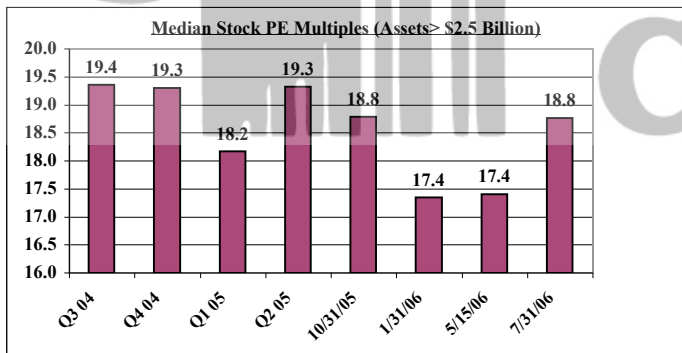


ASSETS LESS THAN \$2.5 BILLION

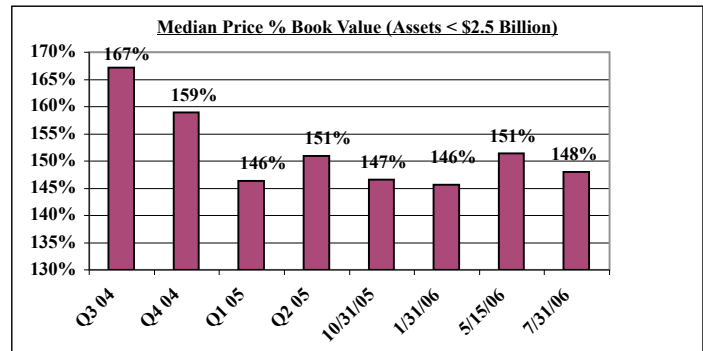
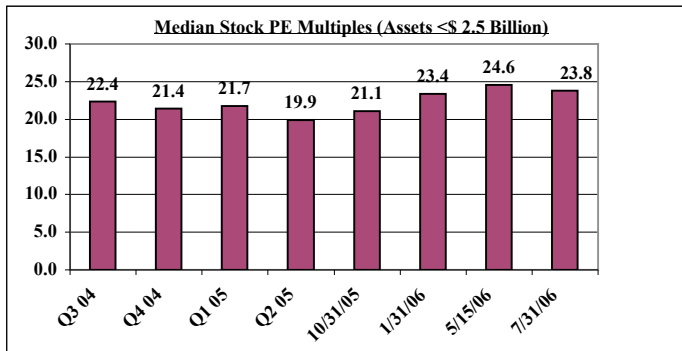


THRIFTS

ASSETS GREATER THAN \$2.5 BILLION



ASSETS LESS THAN \$2.5 BILLION



PREPARED BY:
BANK ANALYSIS CENTER, INC.
 HARTFORD, CT 860-275-6050
 Contact: John S. Carusone, President

AGGREGATE VERMONT BANKING INDUSTRY DATA AT 3/31/2006

(All Federal and State Chartered Savings Banks, Commercial Banks and Savings & Loan Assocs.)
 (Note: excludes trust companies and credit unions)

(NOTE: \$ in 000,000's @ Period End):

NM = Not Meaningful

BASIC DATA:

INSTITUTION COUNT: (Banks, Savings Banks & S&L's)

	2003	2004	2005	3/31/05	3/31/06	2005 - 3/31/06	3/31/05 - 3/31/06
						Increase/(Decrease)	Increase/(Decrease)
						\$	%
(1) Beginning balance # Institutions:	19	19	19	19	19		
(2) - Number of institutions reduced through mergers	0	0	0	0	0	0	
(3) + Number of new institutions receiving permanent new charters	0	0	0	0	0	0	
(4) - Number institutions failing/retiring in calendar year	0	0	0	0	0	0	
(5) (Cumulative number of failed institutions)	0	0	0	0	0	0	
(6) Ending balance # institutions period end:	19	19	19	19	19	0	0%
(7) # Reporting profits	18	19	19	19	19		
(8) % Reporting Profits	95%	100%	100%	100%	100%		

BALANCE SHEET DATA:

ASSETS

(9) Gross Loans	4,863	5,323	5,757	5,348	5,846	88	2%	497	9.3%
(10) -Allowance for Loan Losses	68	70	72	71	72	(0)	0%	1	1.5%
(11) Net Loans	4,795	5,252	5,685	5,277	5,774	88	2%	496	9.4%
(12) Investments, Securities & Funds	2,071	2,019	1,949	1,993	1,928	(21)	-1%	(65)	-3.3%
(13) TOTAL EARNING ASSETS	6,866	7,272	7,634	7,270	7,701	67	1%	431	5.9%
(14) 90 Days Past Due Loans	4	7	7	4	7	(0)	-5%	2	56.6%
(15) +Non-Accrual Loans	28	30	26	29	31	5	20%	2	7.9%
(16) =Total Non-Performing Loans	32	37	33	33	38	5	15%	5	14.1%
(17) OREO(Non-Direct Investment)	1	2	2	2	2	0	1%	(0)	-8.5%
(18) TOTAL NON-PERFORMING ASSETS	33	39	35	35	39	5	14%	4	12.9%
(19) All Other Assets (Cash Due,Bldgs,Premis.&Equip,Intngs,Other Assets)	554	556	627	547	581	(45)	-7%	35	6.3%
(20) TOTAL ASSETS	7,453	7,867	8,295	7,852	8,322	27	0%	470	6.0%

LIABILITIES & EQUITY

(21) Total deposits	6,301	6,572	7,003	6,503	6,880	(123)	-2%	377	5.8%
(22) All other borrowings & liabilities	498	604	569	659	738	169	30%	79	11.9%
(23) Total equity capital and surplus	655	690	723	690	704	(18)	-3%	15	2.1%
(24) TOTAL LIABILITIES & EQUITY	7,453	7,867	8,295	7,852	8,322	27	0%	470	6.0%

INCOME STATEMENT:

						(Annualized)			
						\$	%	\$	%
(25) Net Interest Earned	293	301	327	79	82	1	0%	3	3.8%
(26) +Non-Interest Income	93	87	93	22	23	(2)	-2%	0	1.9%
(27) +Gains/Losses on Securities	14	5	1	1	0	0	60%	(0)	-56.4%
(28) -Non-Interest Expense	253	249	257	64	67	10	4%	3	4.7%
(29) -Provision for Loan Losses	8	7	7	2	1	(1)	-20%	(0)	-9.4%
(30) =Pre Tax Income	139	137	157	37	37	(9)	-5%	0	0.8%
(31) NET INCOME AFTER TAX	94	93	107	25	25	(5)	-5%	0	0.8%
(32) Charged-Off Loans	11	10	8	1	2	(0)	-4%	1	38.1%
(33) Cumulative Charged-Off Loans	0	0	0	0	0	0	#DIV/0!	0	#DIV/0!
(34) Number of full time equiv. employees	2,690	2,735	2,734	2,707	2,725	(9)	0%	18	0.7%

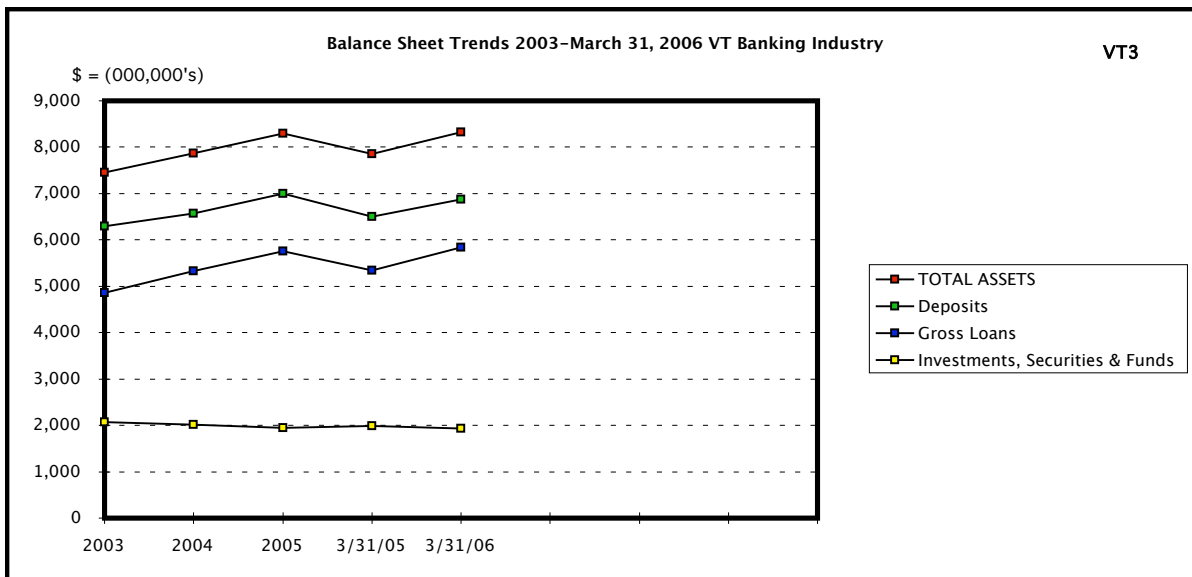
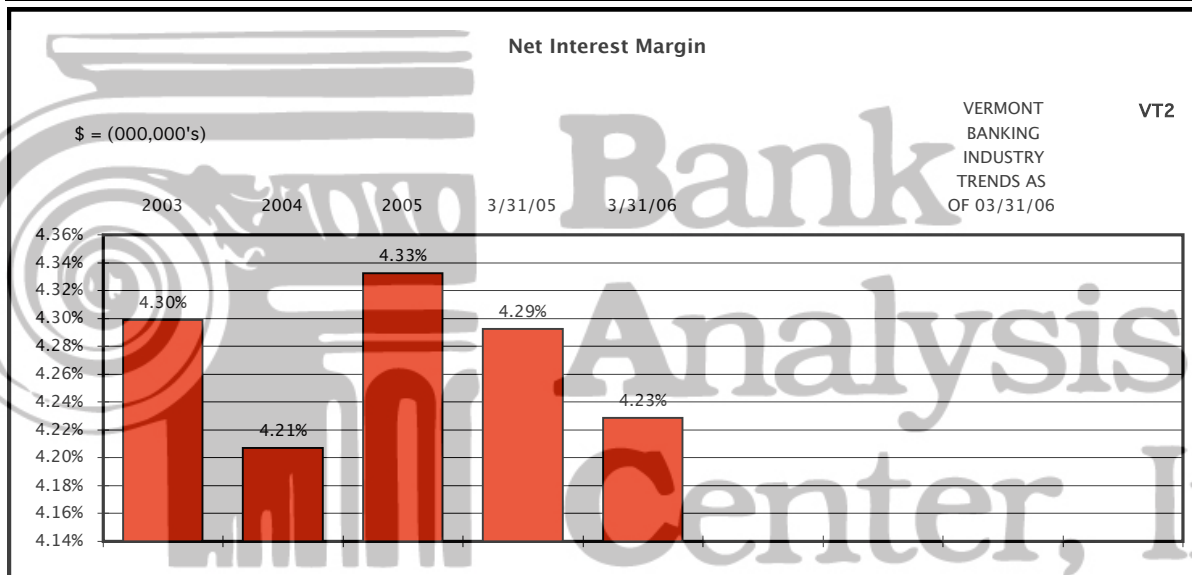
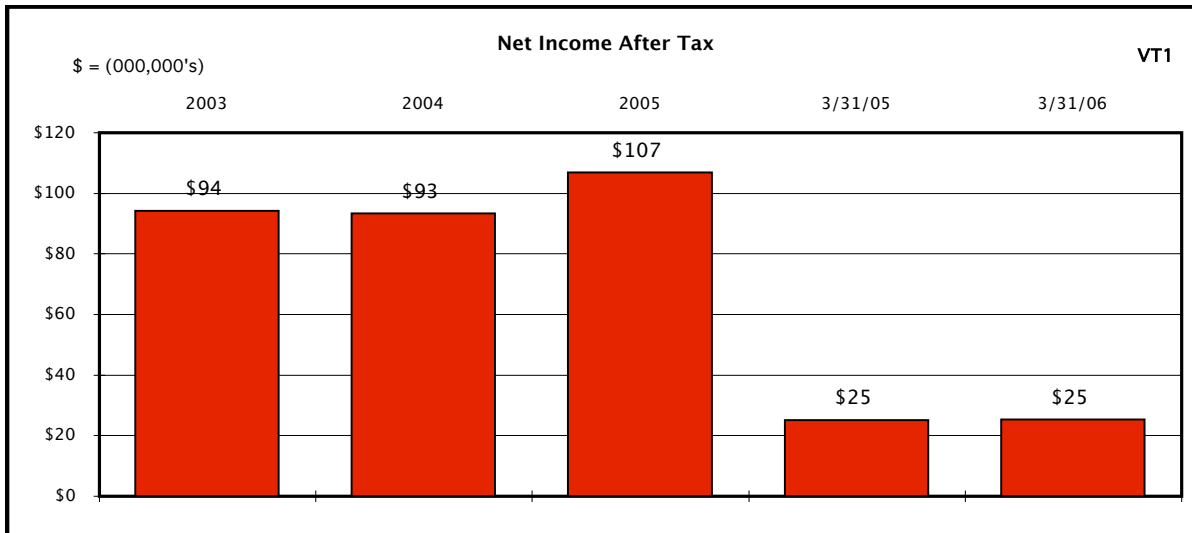
PERFORMANCE MEASURES:

(all ratios based on period end data unless otherwise indicated)

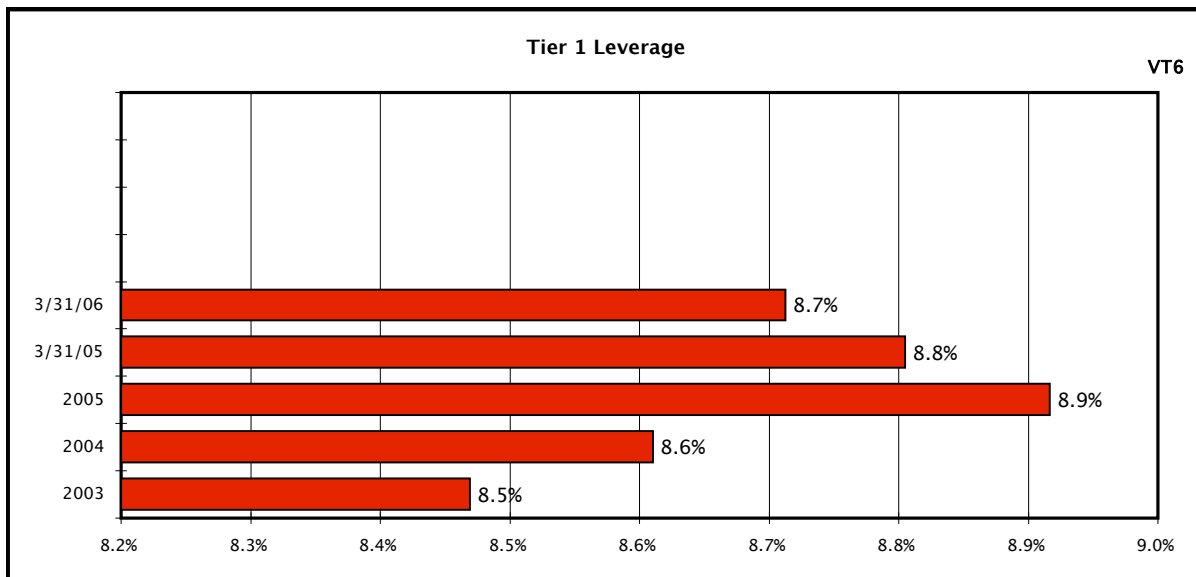
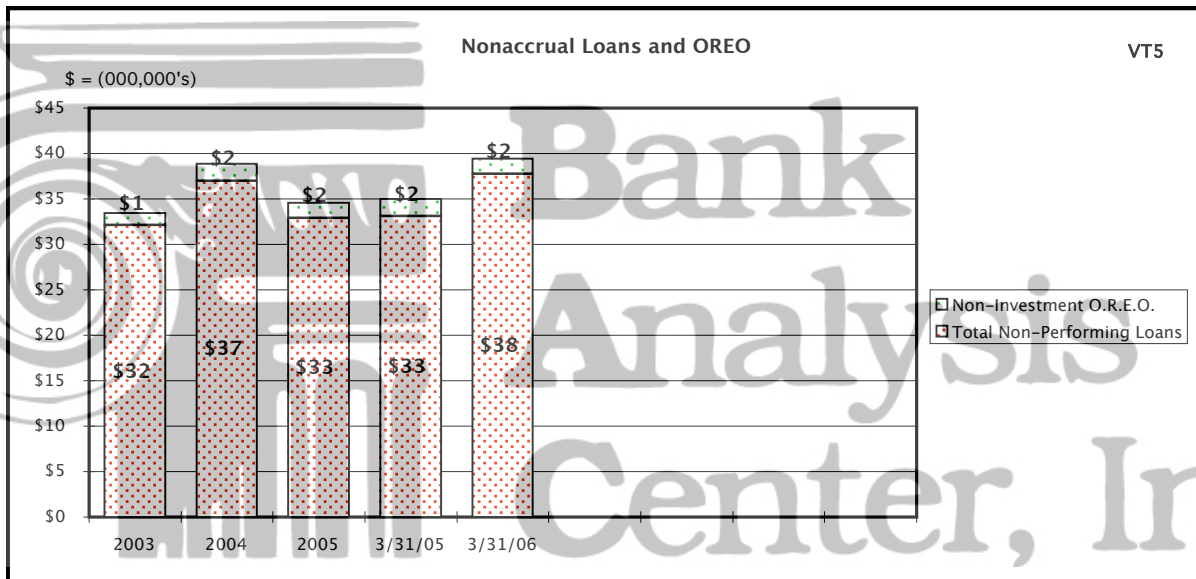
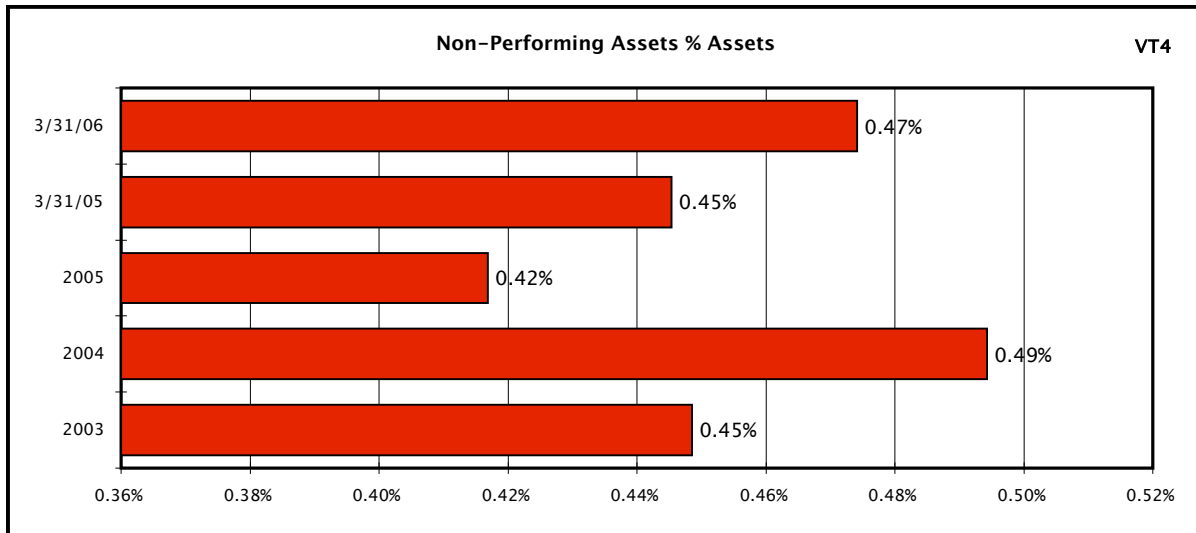
(35) Non-Performing Loans % Gross Loans	0.7%	0.7%	0.6%	0.6%	0.6%
(36) Non-Performing Assets % Assets	0.4%	0.5%	0.4%	0.4%	0.5%
(37) Reserve % Non-Performing Loans	212%	190%	219%	215%	191%
(38) Return on Average Assets (R.O.A.)	1.29%	1.22%	1.32%	1.28%	1.22%
(39) Return on Average Equity (R.O.E.)	14.61%	13.87%	15.13%	14.59%	14.21%
(40) Non-Interest Expense % Average Assets	3.5%	3.3%	3.2%	3.2%	3.2%
(41) Non-Interest Income % Average Assets	1.3%	1.1%	1.2%	1.1%	1.1%
(42) Non-Interest Expense Efficiency Ratio	66.1%	64.6%	61.8%	63.2%	64.4%
(43) Net Interest Margin	4.30%	4.21%	4.33%	4.29%	4.24%
(44) Tier 1 Leverage	8.5%	8.6%	8.9%	8.8%	8.7%
(45) Adjusted Tier 1 Leverage	9.0%	9.0%	9.4%	9.3%	9.1%
COMPOSITION OF EARNING ASSETS					
(46) % Investments, Securities, Funds	30%	28%	26%	27%	25%
(47) % Loans (net)	70%	72%	74%	73%	75%
(48) Total	100%	100%	100%	100%	100%
(49) Loans % Deposits	77%	81%	82%	82%	85%

Note: Adjusted Tier 1 Leverage: (Common equity + non-cumulative, perp. preferred + surplus + reserve for loan losses - total non-performing loans - 20% of O.R.E.O. - non-qualifying intangibles + unrealized security gains/(losses) + minority interest in consolidated subsidiaries)/(total assets - non-qualifying intangibles). SM

VERMONT BANKING INDUSTRY TRENDS AS OF 03/31/06

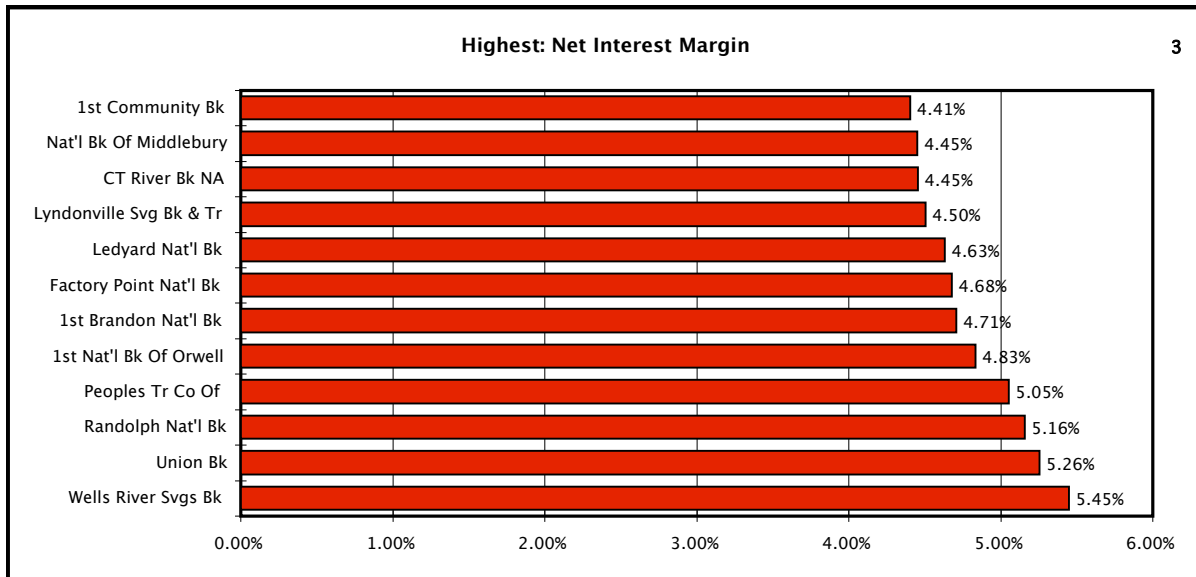
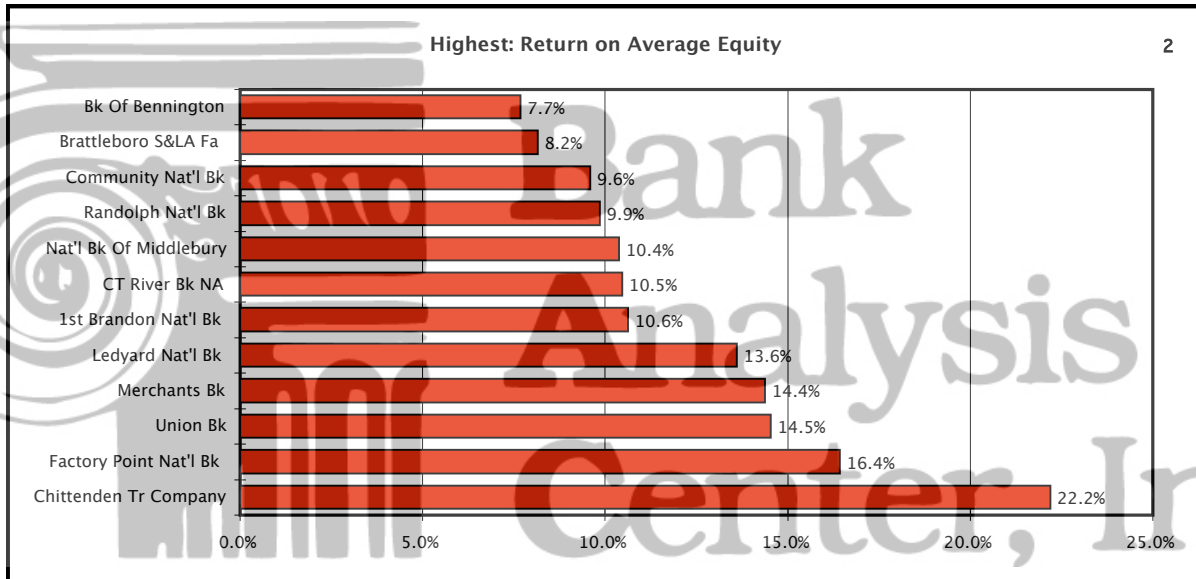
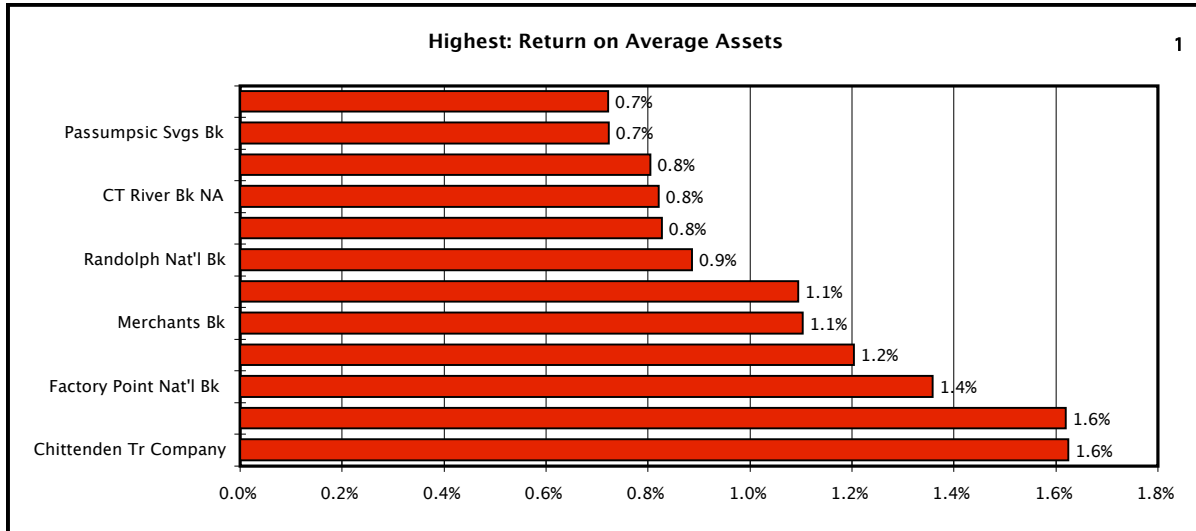


VERMONT BANKING INDUSTRY TRENDS AS OF 03/31/06



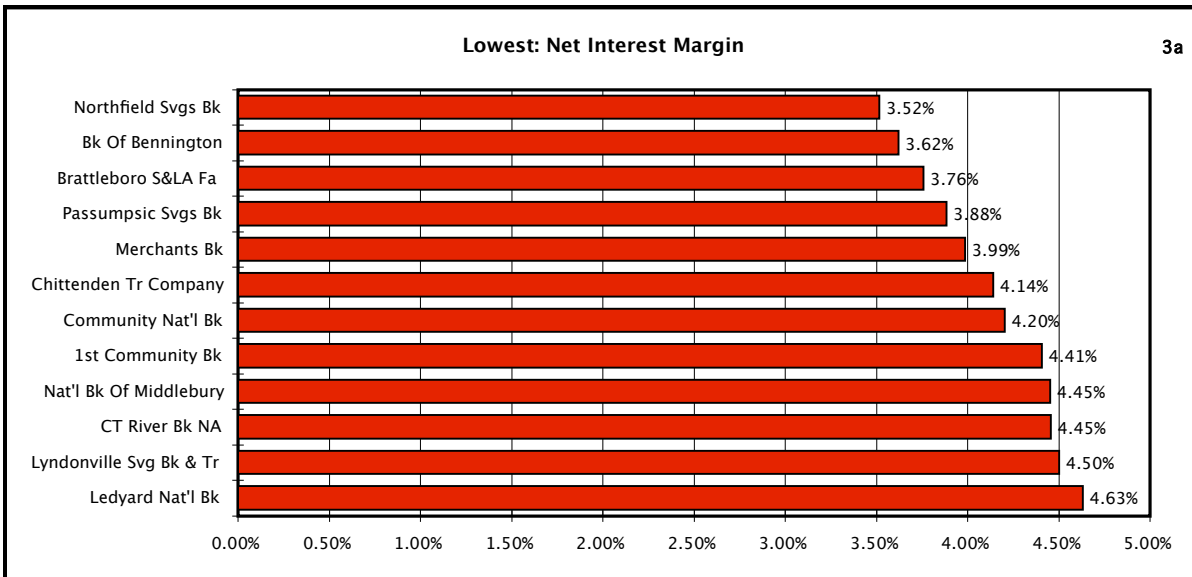
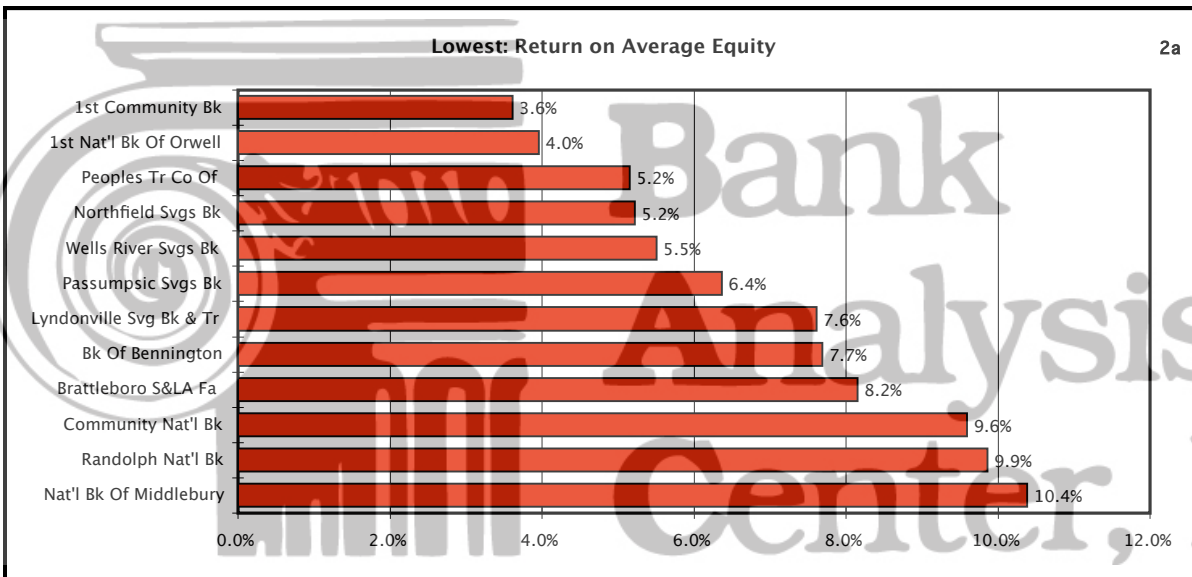
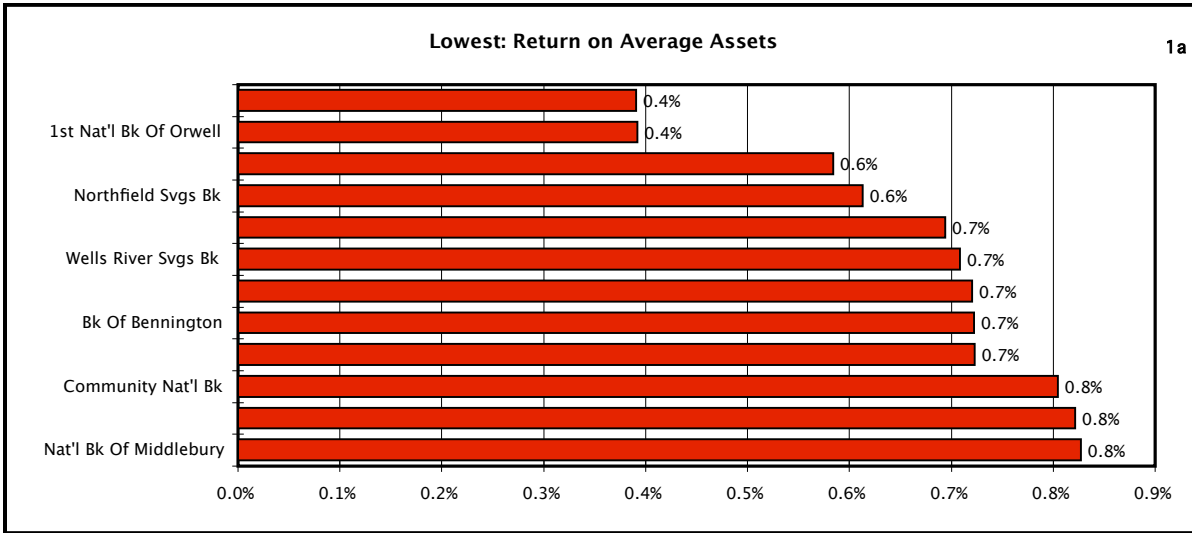
First Quarter 2006
Vermont Banking Industry Performance Measures

12 Highest Percentage



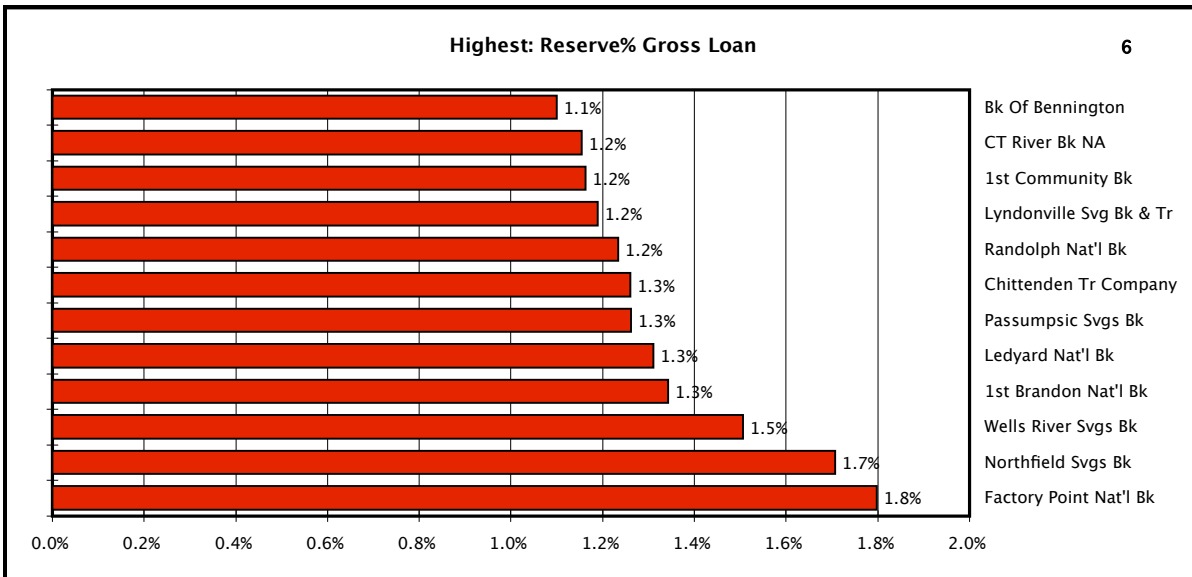
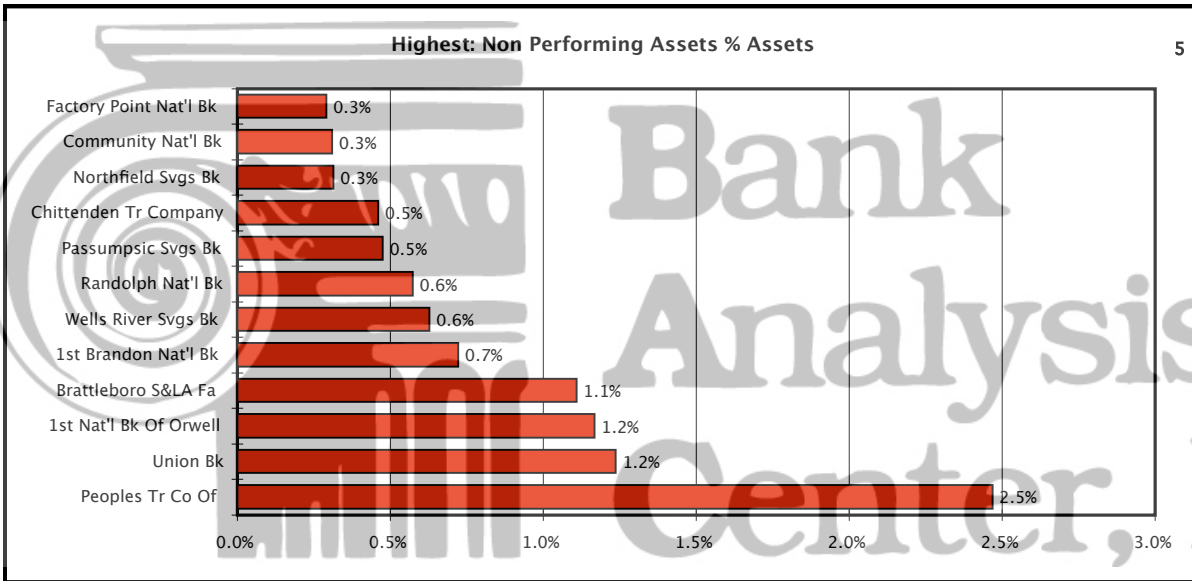
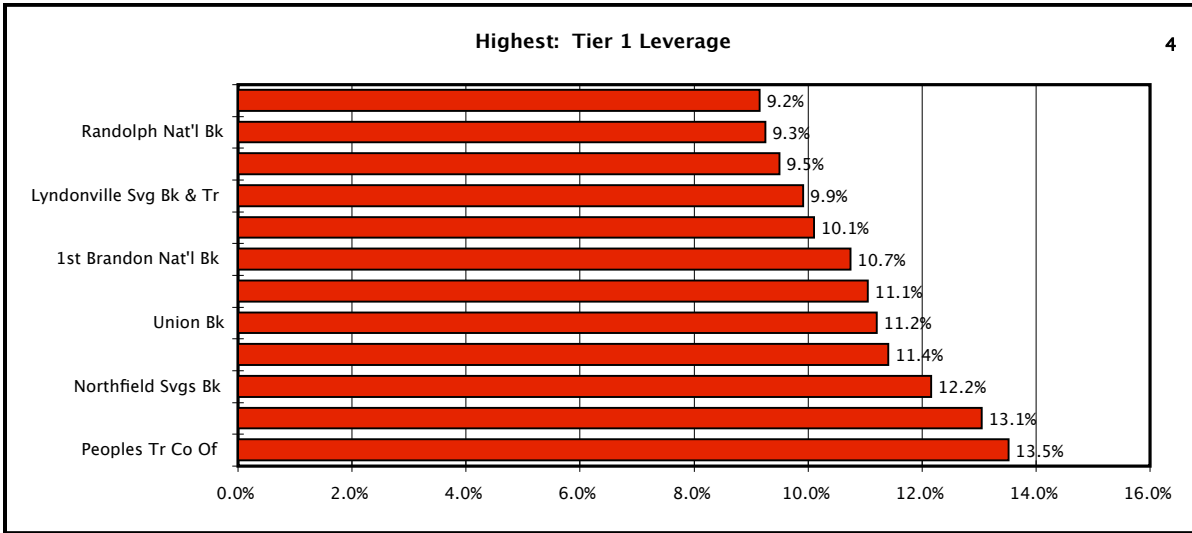
First Quarter 2006
Vermont Banking Industry Performance Measures

12 Lowest Percentage



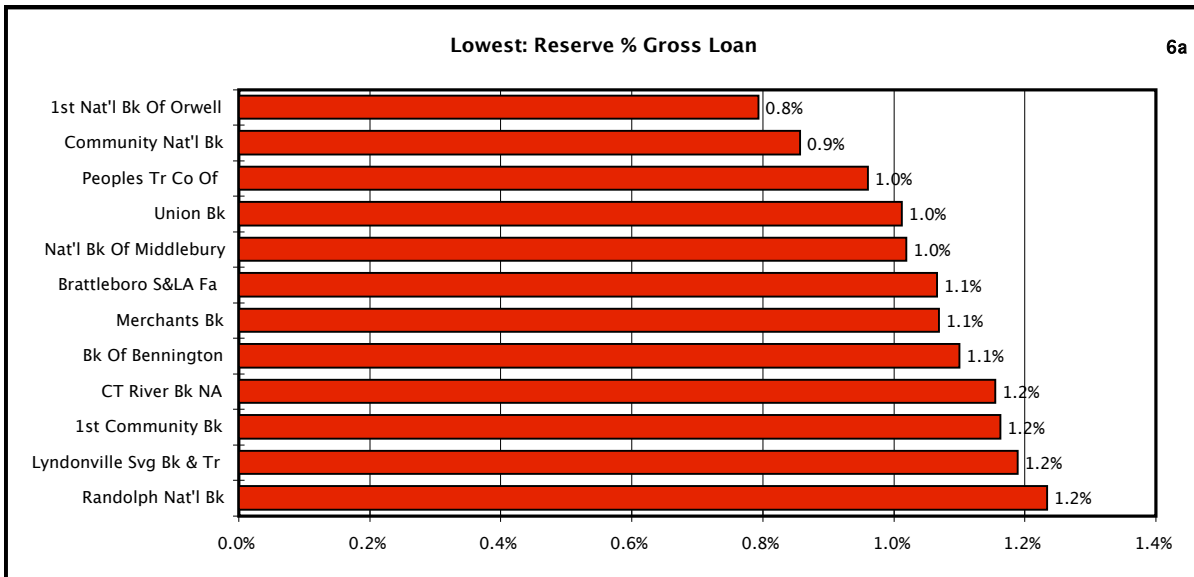
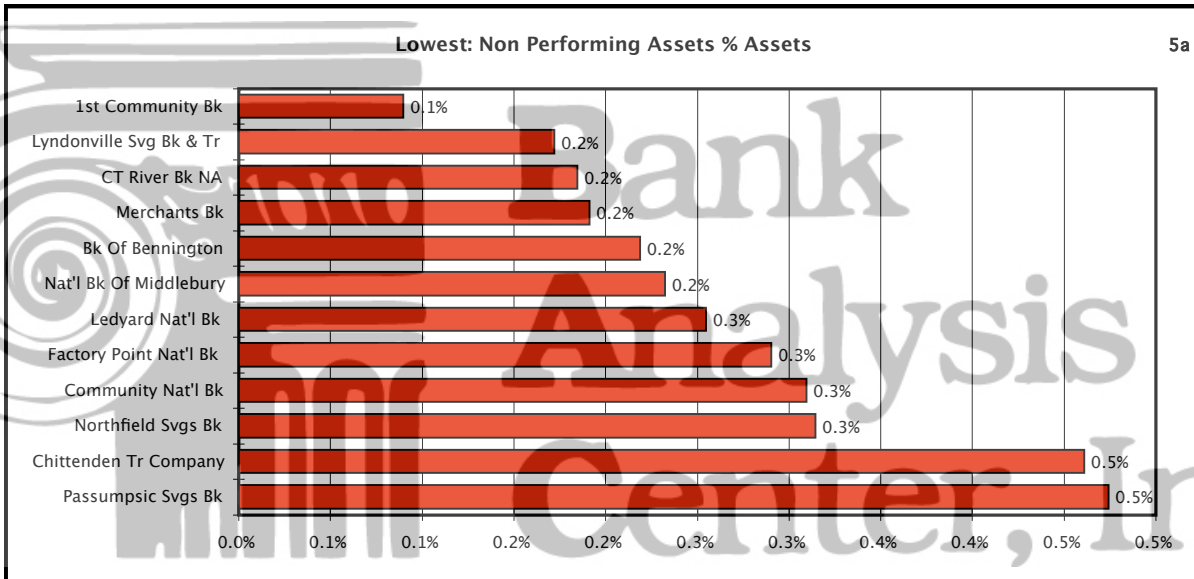
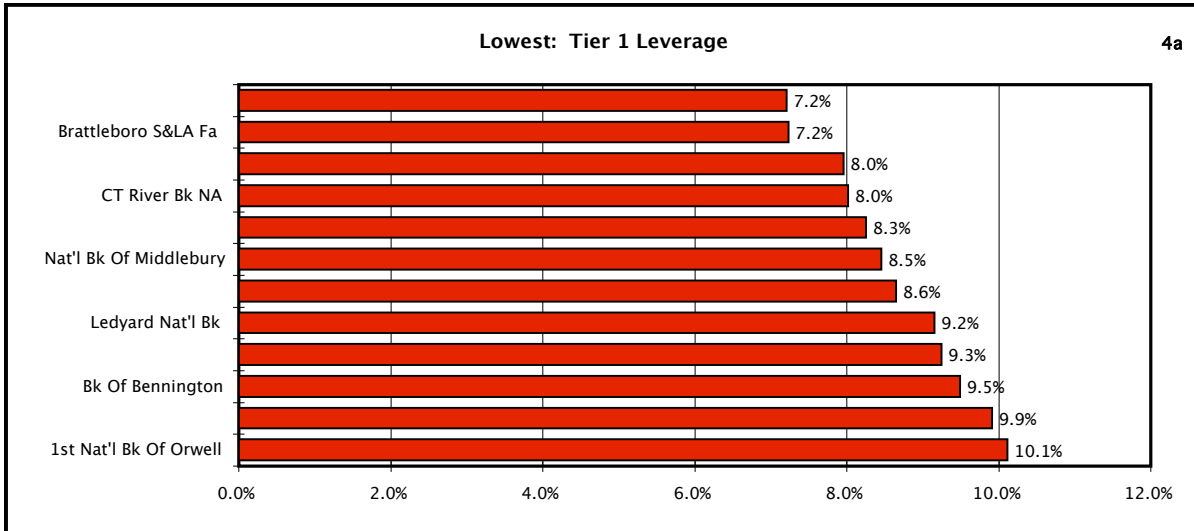
First Quarter 2006
Vermont Banking Industry Performance Measures

12 Highest Percentage



First Quarter 2006
Vermont Banking Industry Performance Measures

12 Lowest Percentage



\$=000's; except per share which is in \$

LTM=Latest 12 Months	BASIC DATA DATE								SHARE INFORMATION DATA					DIVIDEND DATA			PRICING DATA												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)			
Company Name	Ticker	Industry	Filing Date	Total Assets	Total Deposits	Total Equity	Total Tangible Equity	Total LTM Net Income	Common Shares Outstanding	Book Value per Share (\$)	Tangible Book Value per Share (\$)	EPS after Extdnry. (\$)	Diluted EPS (\$)	Median EPS Estimate (\$)	Current Year	Quarterly Dividends Declared (\$)	Dividends Declared (\$)	Current Dividend Yield (%)	High Price (\$)	Low Price (\$)	High Price Date	Low Price Date	Price (\$)	Avg Daily Vol	Price/LTM Earnings	Price/Book (%)	12 Mth Price Chg	12 Mth Return	
(1) Central Financial Corporation	CEVT	Bank	03/31/06	139,048	113,640	12,447	12,447	1,231	128,581	\$96.80	\$96.80	NA	NA	NA	NA	\$0.00	\$0.00	0.0%	\$134.00	\$122.00	05/04/06	10/28/05	\$125.00	0	NA	129.1%	-3.85%	-3.85%	(1)
(2) Chittenden Corporation	CHZ	Bank	06/30/06	6,460,615	5,317,570	655,476	423,112	84,704	45,978,122	\$14.26	\$9.20	\$1.80	\$1.83	\$1.83	\$1.83	\$0.20	\$0.76	2.8%	\$30.30	\$24.47	12/01/05	10/12/05	\$28.22	197,355	15.7	197.9%	1.5%	3.6%	(2)
(3) Community Bancorp.	CMTV	Bank	03/31/06	349,263	284,698	29,293	29,293	3,356	4,084,428	\$7.17	\$7.17	\$0.82	NA	NA	NA	\$0.17	\$0.68	5.0%	\$18.00	\$12.50	08/05/05	06/07/06	\$13.50	227	16.3	188.3%	-15.6%	-12.7%	(3)
(4) Factory Point Bancorp. Incorporated	FAPB	Bank	03/31/06	328,264	264,125	26,883	24,584	4,572	4,077,139	\$6.60	\$6.04	\$1.12	NA	NA	NA	\$0.15	\$0.59	4.0%	\$17.36	\$15.00	08/24/05	07/31/06	\$15.20	329	14.1	230.3%	-5.0%	-2.3%	(4)
(5) First Brandon Financial Corporation	FBDN	Bank	03/31/06	94,012	79,495	10,063	10,063	1,219	499,860	\$20.13	\$20.13	NA	NA	NA	NA	\$0.00	\$0.00	0.0%	\$34.00	\$26.50	07/26/06	01/17/06	\$34.00	945	NA	168.9%	28.3%	28.3%	(5)
(6) Lyndonville Savings Bank & Trust Company	LYSB	Bank	03/31/06	148,740	120,322	14,042	14,042	1,327	NA	NA	NA	NA	NA	NA	NA	\$0.19	\$0.70	4.2%	\$18.25	\$17.10	05/10/06	10/18/05	\$18.00	0	NA	NA	2.9%	5.0%	(6)
(7) Merchants Bancshares, Inc.	MBVT	Bank	03/31/06	1,099,987	852,447	65,031	64,531	11,724	5,991,990	\$10.33	\$10.25	\$1.84	\$1.82	\$1.82	\$1.82	\$0.28	\$1.11	4.6%	\$28.35	\$23.35	08/02/05	01/30/06	\$24.25	3,352	13.2	234.8%	0.9%	3.2%	(7)
(8) Middlebury National Corporation	MDVT	Bank	12/31/05	210,873	172,969	18,576	18,576	1,850	890,000	\$20.87	\$20.87	\$1.97	NA	NA	NA	\$0.00	\$0.50	2.2%	\$33.50	\$32.00	08/02/05	01/17/06	\$32.50	0	16.5	155.7%	-1.5%	-1.5%	(8)
(9) Peoples Trust Company of St. Albans	PPAL	Bank	03/31/06	204,094	175,768	27,910	27,910	1,697	NA	NA	NA	NA	NA	NA	NA	\$0.00	\$0.25	2.0%	\$49.75	\$31.00	05/19/06	09/15/05	\$49.75	0	NA	NA	19.9%	19.9%	(9)
(10) Union Bankshares, Inc.	UNB	Bank	06/30/06	362,700	296,734	41,938	41,938	6,416	4,539,000	\$9.24	\$9.24	\$1.41	NA	NA	NA	\$0.26	\$1.04	4.6%	\$24.15	\$20.52	01/25/06	05/17/06	\$22.55	395	16.0	244.1%	-1.1%	2.4%	(10)

Although the information in this report has been obtained from sources which Bank Analysis Center, Inc. believes to be reliable, we do not guarantee its accuracy, and such information may be incomplete or condensed. All opinions and estimates included in this report constitute our judgement as of this date and are subject to change without notice. This report is for information purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. BAC, Inc. does not manage money or act as fiduciary for pension plans or other funds or institutions, and this report is furnished on the understanding that BAC's services do not serve as a primary basis for investment decisions by customers, investment advisors or managers, trustees or other responsible fiduciaries. This report provides information and/or alternatives that we believe to be appropriate for consideration. The decision whether or not to adopt any strategy or engage in any transaction remains the responsibility of the reader or responsible fiduciary. Reproduction and/or distribution of this report is specifically not authorized by BAC. Copyright Bank Analysis Center, Inc. 2006. All rights reserved.



Bank Analysis Center, Inc.



**Bank
Analysis
Center, Inc.**

Hartford, Connecticut

Advisors to Financial Institutions

Bank Analysis Center, Inc. (BAC) delivers management consulting and investment banking advice to executive management and directors in banks, thrifts, and credit unions. Whether your assets are measured in millions or billions, the issues are fundamentally the same. We help you create value by developing solutions to questions in the following key areas:

Financial:

- **Merger and Acquisition Counseling & Representation**
- Fairness Opinions for Board of Directors
- Valuations and Appraisal of Financial Institutions & Service Firms
- Capital Raising & Planning
- Budgeting and Financial Forecasting
- Branch Purchases and Sales
- Asset/Liability Management & Interest Rate Risk Assessment
- Financial Measurement, Control Systems & Profitability Systems
- Appraisal & Conversion Valuation for Thrifts Converting from Mutual to Stock

Strategic:

- Strategic Alternatives Assessment (Sell, Independence, Acquire or Merge)
- Strategic Planning Meetings and Retreats
- Acquisition Strategy Formulation
- Organizational Structure & Management Review
- Review of Competitive Position on Markets, Products & Services
- Profit Improvement and Performance Review
- Expense Reduction Evaluation
- Market Research
- **Internet Banking**

Regulatory:

- **Review, Preparation & Response for Regulatory Examinations**
- Representation & Negotiation on Regulatory Enforcement Actions
- Compliance Assessment of Regulatory Agreements & Requirements
- Application Assistance: Branches, Start-Up Banks & Trust Companies

Executive Search:

- Chief: Executive Officers, Operating Officers, Financial Officers, Lending Officers

Contact a BAC representative for information on these and other services.

**CityPlace II • 16th Floor
Hartford, CT 06103**

Telephone: 860-275-6050 mail@bankanalysiscenter.com Fax 860-275-6060