

THE RESPONDENT

BANKERS' BANK
 N O R T H E A S T

A New Direction In Correspondent Banking.

Getting the Message Out

Articles by Bankers' Bank Northeast Officers have been getting ink in publications throughout New England

If you've been reading the local business and banking publications lately, chances are you have seen an article about community banking written by officers of the Bankers' Bank Northeast. In the past six months, articles by President & CEO Peter J. Sposito, CFO Allen L. Nielsen, and Vice President Director of Sales & Marketing Richard B. Lockwood III have appeared in business papers in Boston, Hartford, Providence, and other New England cities. The articles are, in fact, still appearing.

These articles focus on community banks and address their importance to people, the value to small and medium sized business, and the innovations that such banks are making to meet customers' needs.

They have been published because newspaper editors understand that we are providing their readers with topical, relevant information that they can use. Our goal is to use our expertise at Bankers' Bank Northeast to increase the awareness of community banks among the general public and to give community bankers ideas that will help them grow their banks. We want to be a resource for community banks. That is our main mission.

Peter J. Sposito's article on the future of community banks kicked off the Hartford Business Journal's special banking section in its January 15, 2001 edition. In the article, Sposito deals with the questions of how community banks are changing to accommodate customer needs through technology, new account options, and alliances with insurance and securities brokerage partners.

Allen L. Nielsen's article on opportunities for community banks in working with small businesses has been published in the Providence Business News (Dec. 11-17, 2000),

the Hartford Business Journal (Nov. 20, 2000), Banker & Tradesman (Oct. 2, 2000), and Business Times (New Haven) (October 2000). In the article, Nielsen lists a number of ways that community banks can better position themselves for growing commercial accounts. Among his suggestions: Providing merchant or credit card services through the community bank, armored courier service to pick up and deliver coin and currency, offering a purchase card for businesses, and developing an equipment leasing program.

Richard B. Lockwood's article on reasons for dealing with a community bank has been published in the Business Times (August 2000) and Business Digest (New Milford) (October 2000). In the article, Lockwood offers a list of reasons why doing business with community banks make sense today. Among them are the familiarity of community bankers with the community they serve, the stability of the banks and bankers, their eagerness to serve customers, the lack of bank bureaucracy that can save a customer time, and the community bank's flexibility in helping its customers.

In an article in the December 2000 edition of ABA Banking Journal entitled, "At 25, bankers' bank concept meets needs old and new," the concept of bankers' banks is explained for those bankers who may have questions. That community banks can benefit from bankers' banks comes through loud and clear. Sposito's quote that appeared in the article summed up nicely the role of a banker's bank, particularly Bankers' Bank Northeast: "Anything that helps community banks is good for bankers' banks."

President's Message

Listening to our Clients



Staying close to your customer is at the core of community banking. Listening to their concerns, keeping current with new technologies, and developing new products and services are all designed to make banking easier for them.

We share this philosophy at the Bankers' Bank Northeast. Working with more than 60 banks, we are committed to simplifying a community bank's operations and increasing its profitability. Like you, we stay in touch with the customer—our client banks—through semi-annual customer satisfaction surveys, regular interaction with bank staff, and The Respondent newsletter.

To make this process more interactive, we have recently established a Client Advisory Board. Our Client Advisory Board allows client banks a forum in which to discuss the performance of our existing services and talk about future services that would help them better serve customers. We also intend to grow our business as our Advisory Board members communicate our strengths to other bankers. Our meeting scheduled for February had to be postponed due to a snowstorm, but we have rescheduled for April.

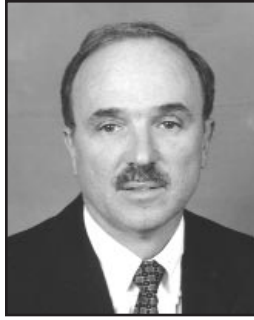
We think the Client Advisory Board will go a long way in keeping our lines of communication open with our client banks. Building a successful relationship with clients comes by proving that you have the knowledge, the experience, and the technology to meet their needs.

Through hard work and a great staff, we continue to build those relationships. Every day brings new opportunities for the Bankers' Bank Northeast to better serve community banks throughout the northeast. You can be assured that as we grow, we will continue to listen to our community banks and do what is best for them.

Peter J. Sposito
President & CEO

Profile: Allen L. Nielsen

Allen L. Nielsen brings 25 years of diverse financial experience to his role as Chief Financial Officer of Bankers' Bank Northeast. Allen directs the banks' financial and operational functions. He developed and implemented the Banks' money desk, cash letter, and international payment services. His financial expertise provides a knowledgeable resource for client banks.



Before joining Bankers' Bank Northeast, Nielsen was the Executive Vice President and Chief Operating Officer of Glastonbury Bank & Trust Company, a \$300 million, ten-branch commercial bank in Connecticut. Nielsen spent most of his career with Glastonbury Bank & Trust Company, where he was responsible for the bank's overall operations, including retail, marketing, and human resources. His financial responsibilities included asset-liability management, budgets, financial reporting, accounting, and investments.

Nielsen has used his experience in the classroom as an adjunct professor of management and general banking courses at the New England College of Finance and as a guest lecturer in the University of Connecticut's School of Business Administration.

He has an MBA in Financial Management and Control from the University of Connecticut, where he also received his B.A. in Political Science and Psychology.

Annual Meeting Set for April 17th

Bankers' Bank Northeast is holding its Annual Meeting during BankWorld on April 17th at the Raddison Hotel & Conference Center in Cromwell, Conn. The meeting will be held at 2:30 p.m. at the Raddison. All shareholders and client banks are cordially invited to attend.

BankWorld is an opportunity for bankers from around the northeast to learn about new technologies, trends, and services in the banking industry.

Product Spotlight:

As Principal Fed Funds Program

In order to provide community banks with a flexible and reliable resource for its short-term liquidity needs, Bankers' Bank Northeast has introduced its "As Principal" Fed Funds program. The program offers a competitively priced unsecured liquidity line of credit to qualified banks.

This program expands upon the Bank's "as agent" program that has successfully provided client banks with a safe and competitive alternative for Federal Funds. In fact, the Bank recently achieved a significant milestone—"managing" a level of funds on a daily basis that is in excess of a quarter of a billion dollars.

The "As Principal" program is designed to work in conjunction with the "As Agent" program. When Bankers' Bank Northeast purchases funds directly, you will receive a rate that is higher than the rate in the "As Agent" program.

In establishing the Federal Funds line, Bankers' Bank Northeast will review the client bank's financials and other information. Typically your most current call report that is on file at Bankers' Bank Northeast is enough to establish the "As Principal" liquidity line. With this new program, Bankers' Bank Northeast continues its mission of assisting community banks grow and build their bottom lines.

For more information on this program, please contact Allen L. Nielsen, CFO, at (800) 449-9121.

To Contact Us:

Bankers' Bank Northeast
CT Main Office: 1-800-449-9121
Boston Direct Dial: (508) 272-9901

Officers:

Peter J. Sposito, *President & CEO*
Allen L. Nielsen, *CFO*
Richard B. Lockwood III,
Vice President
Director of Sales & Marketing
Foster S. White, *Vice President/Sales*
Susan W. Salecky, *Bank Service Officer*

Member FDIC
Member Federal Reserve System

BANKERS' BANK
N O R T H E A S T

655 Winding Brook Drive
Glastonbury, CT 06033-4337

FIRST-CLASS MAIL
US POSTAGE PAID
HARTFORD CT
PERMIT NO 945