

THE RESPONDENT

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

A New Direction In Correspondent Banking.

Advisory Board Helps Steer the Bank's Course

Improving services to existing clients. Effectively communicating the Bankers' Bank Northeast's message to attract new clients. Staying in touch with the right people. These were some of the issues explored at the first meeting of the newly-formed Client Advisory Board.

Sixteen senior-level bankers from 12 community banks met with officers from the Bankers' Bank Northeast in April for a discussion of the Bank's existing and proposed services, including Internet support, loan programs, and Cash Letter. Participants also offered valuable insights into which departments and employees the Bankers' Bank Northeast should be calling on when introducing a new service or product.

For the Bank's President & CEO Peter J. Sposito, the Client Advisory Board enables the Bank to sharpen its focus on the services and delivery of those services to its clients – community banks. "It's a sounding board for the Bank," says Sposito. "We want to know what we are doing well, what we are not doing well, and what we aren't doing at all."

By helping the Bank find new financial institutions that may become clients, the Client Advisory Board is helping Bank clients as a whole. As more community banks utilize the Bankers' Bank Northeast, the Bank will be able to offer greater economies of scale and more services.

This new board complements the existing infrastructure already in place. The semi-annual client bank surveys reveal how the Bankers' Bank's products and employees are performing, while the Board of Directors continues to oversee the Bank's strategic short-term and long-range planning.

The Client Advisory Board will hold its next meeting on September 11th.

President's Message

Growing Stronger



Sometimes you don't recognize how far an organization has progressed until you take a step back. As I

prepared for the Bankers' Bank Northeast's third annual meeting, I was able to take a measure of our success.

That we continue to grow and be recognized as an asset for community banks throughout the Northeast is no surprise to myself or the others who helped to create the Bankers' Bank Northeast. We recognized that community banks needed correspondent banking services. These banks were eager for a partner that they could trust, a consultant that could help grow their business, and a resource to handle their complex transactions.

We have filled this need with talented financial professionals who deliver unparalleled customer service to our clients. We conduct semi-annual customer surveys to ensure that we are providing a high level of service, and we have initiated a Client Advisory Board to help us enhance our services and increase business.

We have grown tremendously in the last year, doubling the number of client banks since our 2000 annual meeting. With our 70 client banks, we anticipate further growth over the next year. This Spring, we began to offer our services to community banks in New York and we are now in the

New Hampshire market. We know that these community banks are also seeking alternatives for correspondent services.

How have our services grown? Take a look at the numbers:

- **Fed Funds as Agent:** We place more than \$250 million in Fed Funds daily.
- **Fed Funds as Principal:** We have 16 client banks under agreement for this liquidity line.
- **Check Processing:** We clear more than 4.6 million checks annually.
- **International Wires:** We process \$3 million in International Wires annually.
- **Coin & Currency:** We service 555 locations.

The most exciting part is that we have only just begun! We have applied the adage "strength in numbers": The amount of dollars invested, the number of checks processed, and the number of locations serviced are all measures of our accomplishments. However, we recognize that the quality of our people and the strength of the relationships they have formed are the reasons for our past and future success. We encourage you to call us and to meet to discuss how the Bankers' Bank Northeast can assist with your correspondent banking needs.

Peter J. Sposito
President & CEO

Profile: Yvonne Richard

Yvonne Richard came to the Bankers' Bank Northeast nearly two years ago as a consultant on various procedures concerning investment and funding activities. Her presence has made such an impact that she now holds the title of Money Desk Manager.



She manages over 57 clients and their daily Fed Funds investment needs representing a portfolio ranging from \$250 to \$350+ million. She works very closely with our broker at Prebon Yamane to invest the funds, taking advantage of rate fluctuations during the day. She has also made significant changes to the Bank's system of tracking, monitoring, and reporting investment and rate activity.

Bankers' Bank Northeast has recently begun to offer liquidity lines of credit to their client banks via a Fed Funds as Principal program. Yvonne is responsible for setting up procedures to integrate this new service with the existing Fed Funds as Agent procedures. She also manages the Bank's account at the Fed as well as the account of its leading correspondent bank.

Business and finance play a major role in Yvonne's background. Before coming to the Bankers' Bank Northeast, she held various finance and budget positions with Ames Department Stores, Inc.

Yvonne also has extensive experience in banking. At the Connecticut Bank and Trust Company, she managed many aspects of the bank including customer service, reporting procedures, and consumer and small business lending. As the Assistant Treasurer and Deposit Services Manager of the Advest Bank, she streamlined many banking procedures and significantly improved productivity.

Yvonne holds an Associates Degree in Accounting from Northwestern Connecticut Community College.

Product Spotlight: Check Printing

The Bankers' Bank Northeast has recently partnered with Clarke American Checks Inc. so that community banks can generate additional fee income benefiting from a higher rebate based on our ability to aggregate the revenues. These "participation rebates" are based on the volume of all banks that use Clarke American's checking service through the Bankers' Bank Northeast.

Technological advancements such as digital imaging have improved the quality and efficiency of check printing; cycle time is reduced, resulting in quicker turnaround to your valued customer.

Using this new imaging technology, Clarke American can now offer direct marketing of your products and services. Its In-Touch Messaging® strategically places a personalized message from your bank into the first check pad five checks down. This is a powerful supplement to direct mail marketing.

Community banks can also order check and check-related products directly from Clarke American's web site. The bank employee is able to track a customer's order and review the customer's 30-month history of orders. In addition, customers have the option of placing their own orders by either using a link on the bank's web site or by calling ServiceLine Plus. ServiceLine Plus gives customers and bank employees direct access to product experts who can handle check orders and answer inquiries 24 hours a day, seven days a week using a toll-free number.

For more information on becoming a part of this alliance, contact Richard B. Lockwood III, Vice President/Director of Sales & Marketing at (508) 272-9901.

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