

THE RESPONDENT

A New Direction In Correspondent Banking.

Frequently Asked Questions about Bankers' Bank

With Vice President Richard B. Lockwood III

Q "Why a Bankers' Bank?"

A Each of the nation's 18 Bankers' Banks has only one objective: to make it easier and more economical for a community bank to meet the competitive challenges of the times. Since we are totally committed to community banking, we bring our clients a level of experience, understanding, and counsel that is not available elsewhere. Just as important, Bankers' Bank Northeast is a bank and not just a vendor. We are a partner to community banks, never a competitor.

Q "Is the Bankers' Bank regulated and examined like any other bank?"

A Yes. We are a Connecticut-chartered bank and a member of the FDIC and the Federal Reserve

System. We are subject to examination by the state and the Federal Reserve Bank of Boston. However, like the Federal Reserve and the Federal Home Loan Banks, our only customers are other banks, not consumers.

Q "Do we need to become investors in Bankers' Bank in order to use your services?"

A No. While we currently have 34 banks that have invested a total of \$5.8 million, it is not necessary to become an investor bank. Any community bank in New England and New York is eligible to become a client of Bankers' Bank Northeast. Banks that are investors receive additional pricing discounts on services and slightly higher rates on investments. If you are interested in becoming an investor bank, just let us know and we'll arrange a time to discuss the benefits in detail.

Profit from Bankers' Bank services

Three of our services are particularly attractive to our clients because we offer higher returns and lower service fees. All of them are easily accessible. Our CFO Allen L. Nielsen will gladly answer any questions.

- **Higher rates on your federal funds:** Our Money Desk is open daily to meet your short-term investment needs. Funds are sold through us as agent. Principal and interest are deposited to your account daily. Since our rates are almost always the most attractive, you earn more when doing business with our Money Desk.

- **Save money on coin and currency service:** We are currently serving more than 300 branches! We utilize two armored car companies to ensure on-time service. Bankers' Bank makes it easy for you with our **Next Day Delivery** (not three days). We tailor deliveries to meet your requirements.

- **Turn international wires and collections into a profit center:** Thomas Cook Financial Services is Bankers' Bank's global payment partner with the world's largest network of foreign exchange bureaus. Because of Bankers' Bank's bulk pricing, you can charge the same rate you are now—but with a substantial profit margin.

On The Money

A word from our president

Welcome to our inaugural issue of The Respondent. You will receive The Respondent periodically. Our goal is to acquaint you with Bankers' Bank as a resource for your bank.

Our recently conducted Internet Banking and International Payments seminars, along with a planned mid-summer look at How to Enhance Fed Funds Profitability program, are examples of our commitments to your relevant issues.

We are currently building a Municipal Finance Service to assist our industry's growing need for deposits and we will be implementing services to improve your liquidity. In addition, we are negotiating with title insurance sources to assist our client banks with fee income growth.

Like you, we are entrepreneurial. We initiate new programs and services based on what will help you. We're always ready to listen.

Along with saving you money and increasing your income, we make it easier for you, too. Bankers' Bank is a single-source supplier. One call is all it takes to do business with us.

More than anything else, we want you to "profit from us."



Peter J. Sposito
President & CEO

Profile:

Richard B. Lockwood III Vice President and Director of Sales & Marketing

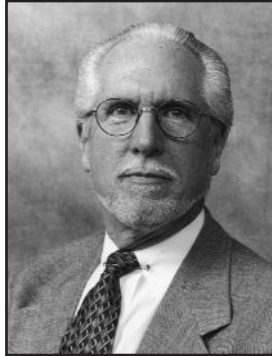
Richard B. Lockwood III brings more than 30 years of financial and marketing experience to the position of vice president and director of sales and marketing for Bankers' Bank Northeast.

Lockwood was most recently the Senior Vice President/Marketing Director at Century Bank, a \$1 billion Boston-based commercial bank. He has also held officer positions with BankBoston, Bank of New England, State Street Bank, and the Federal Home Loan Bank of Boston. As the president of Atlantic Resources, Lockwood provided marketing and management consulting services to New England banks and small businesses.

He has also brought his experience to the classroom, teaching banking management and marketing classes at the graduate and undergraduate levels. You can find Lockwood's name on a college textbook, Fundamentals of Banking, (Ginn Press), which he co-authored.

He is a member of the New England Bank Marketing Association, The Ad Club of Boston, and past director of PDMA-National.

A graduate of Northeastern University, Lockwood also graduated magna cum laude from a post-graduate program at Harvard University with a concentration in Business Administration and Management. He is a resident of Ashland, Mass.



Bankers' Bank Services

- Fed Funds
- Coin and Currency
- Settlement and Transit Services
- Domestic Wires
- International Payment Services (wires, drafts, collections, etc...)
- Non-Armored Courier
- Safekeeping
- Confidential Record Destruction (shredding)
- Telecommunications
- Leasing

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Member FDIC

Member Federal Reserve System

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

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