

JEB SPAULDING
STATE TREASURER

RETIREMENT DIVISION
TEL: (802) 828-2305
FAX: (802) 828-5182



UNCLAIMED PROPERTY DIVISION
TEL: (802) 828-2407

ACCOUNTING DIVISION
TEL: (802) 828-2301
FAX: (802) 828-2884

STATE OF VERMONT
OFFICE OF THE STATE TREASURER

NEWS RELEASE

NEWS RELEASE

NEWS RELEASE

For Immediate Release: 10 April 2006

For more information or interview, contact: Jeb Spaulding at 802-828-1452

Treasurer's Vermont Banking Program Continues to Yield High Returns

Montpelier: Vermont State Treasurer Jeb Spaulding has announced that the latest round of monthly investments from his office in Vermont banks resulted in \$3,000,000 of six-month certificates of deposits being awarded to five banks. They are Connecticut River Bank (\$450,000), First Community Bank (\$700,000), Key Bank (\$1,000,000), Passumpsic Savings Bank (\$450,000), and Union Bank (\$400,000). The rates ranged from 5.01% to 5.11%, well above the six-month treasury bond equivalent rate of 4.83%.

"We are pleased to report that the program continues to earn very attractive returns on Vermont's short-term funds, while keeping our money at home," said Spaulding.

Spaulding unveiled the *Treasurer's Bank in Vermont Program* in August 2004 in order to support community banking. Since then, 17 banks with branches in Vermont have qualified for participation, and 12 have been awarded investments from the Treasurer's Office. Since the program's inception, \$162,400,000 in CDs of varying maturities has been awarded. The program has been very competitive, with 119 awards from a total of 210 separate bids. Initially, the program was limited to \$25 million outstanding, but due to its success, the Treasurer expanded the available funds to the current level of \$40 million.

"This program is a win-win situation; we are getting great returns, as good or better than with the out-of-state investment vehicles, and we are investing in banks that actively are engaged in supporting Vermont communities," Spaulding stated.

The program is designed to be attractive to the wide range of banking institutions in Vermont, and is predicated on the belief that investing Vermont funds in Vermont, consistent with earning a competitive rate of return, is a good policy. Under the program, pre-qualified banks with branches in Vermont bid for state funds through the internet. Participating banks are pre-approved by the Office of the State Treasurer for maximum levels of investment based on a bank's size and other factors. In addition, participating banks must have at least a "satisfactory" rating under the federal Community Reinvestment Act of 1977.

JEB SPAULDING
STATE TREASURER

RETIREMENT DIVISION
TEL: (802) 828-2305
FAX: (802) 828-5182



UNCLAIMED PROPERTY DIVISION

TEL: (802) 828-2407

ACCOUNTING DIVISION

TEL: (802) 828-2301

FAX: (802) 828-2884

STATE OF VERMONT
OFFICE OF THE STATE TREASURER

Bids take place on the first Wednesday of each month; amounts offered, maturities, and other terms are based on State cash-flow projections and current interest rates. The Treasurer's Office invests in bank CDs based on rank order of quoted bid rates and associated dollar levels until available funds are depleted for each scheduled bidding period.

\bivsuccess041006