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STATE OF VERMONT
OFFICE OF THE STATE TREASURER

NEWS RELEASE

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Middlebury Bank Awarded State Investment Funds Through Bank in Vermont Program

MONTPELIER, Vt.—The National Bank of Middlebury was one of five banks to successfully bid for investment funds for July 2007 through the Office of the State Treasurer’s Bank in Vermont program.

The program was started in August 2004 as a way to support community banking and earn a competitive return on State funds. Each month auctions are conducted by the State Treasurer’s Office in which pre-qualified banks may bid on investment services for certificates of deposit or CDs. A revolving pool, currently comprised of \$40 million, is available for bid on an ongoing basis by Vermont banks. Participation in the program is limited to banking and savings-and-loan institutions based in or operating branches within the boundaries of the State of Vermont.

“The Bank in Vermont program benefits the National Bank of Middlebury by providing an additional source of funds that are ultimately used to provide loans to Vermont businesses and residents,” said bank Senior Vice President and CFO Justin Brande.

The National Bank of Middlebury is one of 18 banks pre-qualified to participate in the program. Since the program’s inception the bank has won bids five times for a total of \$1,000,000. Its most recent winning bid was for an investment of \$200,000.

“The program has proven to be a great tool for keeping our money at home and getting returns as good or better than with the out-of-state investment vehicles we have used,” said State Treasurer Jeb Spaulding. “The banks participating in the program are actively engaged in supporting Vermont communities.”

CDs in the July auction were issued for a term of six months. Since January of 2007, investments awards totaling \$69.9 million have been made through the program.

During July’s round of bidding, six banks submitted bids. Five banks were successful and received investments from the State Treasurer’s Office. In addition to the National Bank of Middlebury, other successful bids were submitted by the Connecticut River Bank, Citizens Bank, First Community Bank, and TD Banknorth Vermont. Investments awarded totaled \$5 million.

Prior to the Bank in Vermont Program, the State's short-term cash was primarily invested in U.S. government agency securities, high grade corporate commercial paper, and money market accounts at large financial institutions.

Bids take place on the first Wednesday of each month. The amount offered for bids, maturities and other terms are based on State cash-flow projections and current interest rates.

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