

## Testimonial Campaign

At Passumpsic Savings Bank, we realize that satisfied customers are among our greatest assets. This year, we are sharing some of the positive customer experiences with our community in our latest advertising campaign. In the words of some of our customers, from the stories of the small business services, to the home mortgages we write, and the investment services we offer, we realize we touch the lives of our neighbors in powerful ways. What we heard,



*The Garey family of Waterford, VT, satisfied mortgage customers.*

time and time again, was about the willingness of our bank employees to take the time to listen, problem-solve and provide the resources necessary to achieve our customers' goals. We can't think of a better way to share what we are committed to doing every day—enriching the lives of our community members for the next 156 years!



*Christian Gainer, Santa's Village, Jefferson, NH, satisfied small business customer.*

## President's Message

Newsletter Fall 2009



**Peter F. Crosby,**  
President & CEO

As the leaves begin to change, we realize that another year will soon come to a close. Throughout this year, our region has experienced the ripples of the national and global economic downturn. While the worst of the recession appears to be behind us, with some signs of recovery beginning to appear, the effects will linger for some time to come.

We continue to have confidence in the regional economy. This past June, we completed construction and opened our new office in Lancaster. This new office greatly enhances our ability to serve our customers in that region, and serves to underscore our commitment to our communities.

In July, a tragic fire destroyed three buildings on Main Street in St. Johnsbury, adjacent to our office. We were very fortunate to have suffered only very minor fire damage, but we did experience smoke and water damage which interrupted our use of the building. The St. Johnsbury Fire Department, along with the help of virtually all the fire departments of the surrounding communities in both VT and NH, did a tremendous job in containing the fire. Our staff came through to assist the victims by raising over \$1000 and donating it to the American Red Cross Fire Fund. The challenge for the town will be to redevelop this area and restore the historic streetscape in the heart of the Main Street district.

Throughout this recession, our entire organization will continue to focus on helping our customers get through these hard times, doing whatever we can to help—just as we have for the previous 156 years.

## Community Mortgage Lenders Answer our Customers' Questions

With the uncertainty of the past several months, our community mortgage lenders have been hearing the same questions over and over from concerned customers and customers-to-be. They determined that if these were the questions on the minds of a few, they were no doubt on the minds of many, and so Passumpsic rolled out a series of important messages where our mortgage lenders addressed some of the more frequently expressed concerns. The print advertising series answered questions about the advantages of attending home buyer education classes (doing so can save you real money!), to ways to check on your credit report and keep it up to date, to understanding mortgage rates and terminology, and much more. If you missed any of the important information, contact Barb Schoolcraft, VP of Marketing, at 802-751-4215, for a copy of this informative series.

## Raising Money for Reading



Passumpsic Savings Bank President, Peter F. Crosby (third from left) presents Jon Dugan-Henriksen (fourth from left), Chair of the Capital Campaign for Weeks Memorial Library, with a check for the library's capital campaign. Peter and Jon are joined by (left to right) Brandy Cassady, Passumpsic Savings Bank Lancaster Branch Manager, Benjamin Gaetjens-Oleson, Chairman of Library Board of Trustees, Linda Hutchins, Library Trustee, Barbara Robarts, Library Director and Michael Ladeau, Library Trustee. Jon Dugan-Henriksen reports that with this donation from Passumpsic Savings Bank the library is nearly halfway towards its goal of \$50,000. If this goal is reached before the end of 2010, the library will receive matching funds from the Gladys Brooks Foundation. For more information on Weeks Library and/or the fund raising campaign, contact Barbara Robarts, Library Director at 603-788-3352 or email [weekslib@ncia.net](mailto:weekslib@ncia.net).

## March for Babies Kick Off Event

On June 30, 2009, Passumpsic Savings Bank sponsored and participated in the March of Dimes Champion for Babies Award program and 2009 March for Babies kick-off event held at Northeastern Vermont Regional Hospital (NVRH). At the event, NVRH received the 2009 Champion for Babies Award for their commitment to helping moms have full-term pregnancies and babies begin healthy lives. Passumpsic Savings Bank was also recognized as the 2008 Top Corporate Fund raiser in the Northeast Kingdom for the March for Babies event by raising over \$5,900.

"Participating in March for Babies is an important way to support the cause of healthy babies," said Peter F. Crosby, President of Passumpsic Savings Bank.

"Whether you walk to celebrate a baby in your life or to honor one who did not survive, together we can work to prevent premature birth and other infant health problems and look forward to a day when every baby is born healthy and strong."

To join the upcoming March for Babies event which will be held on October 10, 2009 at the Father Lively Center in St. Johnsbury, VT, visit [marchforbabies.org](http://marchforbabies.org) or call toll-free (800)525-9255. Participants can also pick up sponsor forms at Passumpsic Savings Bank and other participating sponsor locations.



(left to right) Mary Cote and Joyce Dionne, Cochairs for the St. Johnsbury/Lyndonville March of Dimes Walk Committee join Roger Clapp, March of Dimes State Director to present Rebecca Emerson, Captain of PSB March of Dimes team with a plaque recognizing the Bank as the 2008 Top Corporate Fund raiser for the Northeast Kingdom.

## Passumpsic Savings Bank Helps Local Businesses

These are trying times for businesses in Vermont and New Hampshire. No one understands the needs of business owners better than the Commercial Bankers at Passumpsic Savings Bank. To help our customers, we have used our capacity as a Preferred Lender to take full advantage of the new and improved programs offered through the Small Business Administration, implemented as a result of the American Recovery and Reinvestment Act. Under the Stimulus Bill passed in February, Passumpsic Savings Bank is now able to offer loans under SBA's traditional 7(a) and Express programs with no fees to the borrower and with guaranty percentages of up to 90%. Mike Heath and Laura Emmons, owners of Heath Enterprises, used this program to purchase Ramunto's Brick Oven Pizza in St. Johnsbury in July. "We could not have purchased the business without the assistance of Passumpsic Savings Bank and the SBA", said Heath. "Our loan officer worked closely with us to make sure we structured our purchase properly and provided a loan that we could afford."

The Recovery Act also launched the new America's Recovery Capital Loan Program, or ARC Loan. Under the ARC Loan, viable small businesses that have been impacted by the current economic downturn can borrow up to \$35,000 to be used to make future payments on qualified loans. The ARC loan is interest free to the borrower, and there are no up front fees.

Contact your local branch to see how a Passumpsic Savings Bank Commercial Banker can help your business grow!

## It's Official – New Branch in Lancaster Opens

The newly built Lancaster Branch of Passumpsic Savings Bank opened its doors on June 15. An official ribbon cutting ceremony was held on Monday, June 22. The other branches of PSB in town have been closed and all personnel have moved into the new building. The ATM at Colonial Plaza, however, will remain available for customer use. The former Lancaster National Bank building on Middle Street is for sale. The new Main Street location boasts full service banking with deposit, loan, and investment services on site as well as both a drive-up and walk-up ATM.

## PSB Staff News

Here are some key staff changes that have occurred since the first of the year.



**Laurie C. Olszowy** has been promoted to the position of Administrative Officer for the Investment Management Division. As Administrative Officer, she will be responsible for the administration of trust, estate, probate, agency and retirement accounts. Laurie will supervise the operational functions of the Department and will coordinate with the Investment Strategist and Investment Officer to ensure portfolio management meets the guidelines of clients' accounts. Laurie joined Passumpsic Savings Bank in 1986 and worked in customer service before joining the Investment Management Division as the Administrative Assistant in 1998.



**Kathleen C. Zita** has joined the bank staff as Corporate/Executive Secretary. In this position, Kathy will provide administrative support to the Bank President, Treasurer and Board of Directors. Previously, she was a partner with her husband in their contracting business, KBZ Enterprises, for eighteen years and provides part-time administrative support for Caledonia Central Supervisory Union—Barnet & Danville School Boards.



**Angela Payeur** has been promoted to the position of Branch Manager for the St. Johnsbury Main Street Branch location. Angela previously held the position of Personal Banker at the Bank's St. Johnsbury Center branch. She brings more than seven years of retail banking experience at Passumpsic Savings Bank to her new position.

Angela has received the Northern New England Center for Financial Training Customer Service Associate Certificate and has completed more than twenty-five American Institute of Banking courses and workshops during her banking career at Passumpsic Savings Bank. Angela lives in Danville with her husband, Matthew.



**Julie Kenyon** has been promoted to the position of Mortgage Loan Specialist in the Littleton, branch. In her position as Mortgage Loan Specialist, Julie will be responsible for originating mortgage loan applications and assisting in the closing of mortgage loan products in the greater Littleton New Hampshire market. Julie previously held the position of Consumer Lender at Passumpsic Savings Bank, a position she accepted when she joined Passumpsic Savings Bank through the acquisition of Lancaster National Bank in July 2008. Previously, she held the position of Loan Clerk at Lancaster National Bank.



**Ellen Stanley** has been promoted to the position of Commercial Banker in Newport. As a Commercial Banker, Ellen will be responsible for developing and managing commercial loan and deposit relationships in the Newport Vermont market area. Ellen brings twenty- six years of banking experience with PSB to her new position. Her most recent position with the Bank was Mortgage Loan Specialist which she held for seven years. Ellen will be working with Larry Thompson, long-time Commercial Banker in the Newport office until his retirement at the end of December 2009.



**Casey Rowell** has been promoted to the position of Mortgage Loan Specialist in Newport. In this position, Casey will be responsible for the origination of mortgage loan applications and assisting in the closing of mortgage loan products in the Orleans County market. Casey previously held the position of Business Banking Officer for the Bank. Casey brings six years of retail and commercial banking experience to her new position.

## Team Fund raises for NEKYS Shelter Walk

The Northeast Kingdom Youth Services 6th Annual Shelter Walk on October 17th is right around the corner and Bank employees have been busy fund raising for the cause. Service representative Mandy Curtis and Personal Banker, Tammy Simmonds for the St. Johnsbury Center Bank Branch along with other staff, family and friends have been having a great time planning various fund raisers to support the event. So far, they have done bottle drives, yard sales, pizza lunches and car washes to raise money for the Walk.

Passumpsic Savings Bank has always been supportive of NEKYS and the Shelter Walk and employees fund raising efforts. The bank challenges other businesses to follow their example and form teams. Marion Stuart, Executive Director at NEKYS hopes to see many new faces joining the Walk this year. All proceeds benefit the Elm Street Overnight Shelter which provides emergency and transitional housing to homeless youth in the area. For more information on the Walk and the Shelter call NEKYS at 802-748-8732.



*Bank staff and friends were busy washing cars at the St. Johnsbury Center branch this summer to raise funds for the Shelter Walk.*

## Passumpsic Savings Bank A Lead Supporter Of Lyndon State College

LYNDON CENTER, VT. – Passumpsic Bank President Peter F. Crosby visited Lyndon State College Tuesday, June 30, to tour the college’s new Academic and Student Activities Building, slated to open this fall. Crosby also made the first installment on a long-term gift to the college. LSC President Carol A. Moore, Dean of Administration Wayne Hamilton and Dean of Institutional Advancement Bob Whittaker lead Crosby and Barb Schoolcraft, Passumpsic Vice President for Marketing, on a tour of the building.

Passumpsic’s gift is the first of a multi-year commitment to Lyndon State. The bank has made this gift in recognition of the role the College plays as a regional leader in economic and community development. The gift will support two key initiatives—providing academic equipment and supporting low-income, first-generation college students in their pursuit of a college education.

In recognition of the gift, Lyndon State College will name a classroom for Passumpsic Bank in its Center for Business Education and Rural Entrepreneurship, which will be located in the new building. The Passumpsic gift was also key in helping the College create a \$100,000 endowed scholarship named for Cola H. Hudson. This scholarship will support low-income

graduates of Lyndon Institute from Hudson’s constituency. President Carol A. Moore said, “We appreciate the leadership of Passumpsic Savings Bank in helping Lyndon State College’s efforts to prepare every student for success. Their significant generosity is a demonstration of the philanthropic support that will better position the college to serve our students and the Northeast Kingdom.”



Standing on new building’s observation deck, which will be used by the Atmospheric Sciences Program (formerly Meteorology), are (l-r) Passumpsic Bank Vice President for Marketing Barb Schoolcraft, bank President Peter Crosby, Lyndon State President Carol A. Moore, LSC Dean of Institutional Advancement Bob Whittaker and Dean of Administration Wayne Hamilton.



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09/09-44,100

### VERMONT

**St. Johnsbury**  
1236 Main Street  
497 Railroad Street

1242 Memorial Drive  
(802) 748-3196

**Lyndonville**  
62 Broad Street  
(802) 626-9211

**Danville**  
53 Route 2 West  
(802) 684-8100

**Newport**  
1 Gardner Street  
(802) 334-6529

**Island Pond**  
49 Mill Street Ext.  
(802) 723-4100

### NEW HAMPSHIRE

**Lancaster**  
117 Main Street  
(603) 788-4715

**Littleton**  
81 Meadow Street  
(603) 444-1730

**Groveton**  
40 State Street  
(603) 636-1223

**Whitefield**  
20 Jefferson Road  
(603) 837-9591

## Turning the Corner Towards Recovery

**Daniel J. Kimbell, Senior Vice President, Investment Management Division**

The financial equity markets have rebounded over forty-five percent since March of this year allowing investors to recoup nearly half their losses over the past year and a half. The road to a full recovery may be bumpy and long.

The recent decline, however, in unemployment and home foreclosures are positive signs that the overall economy may have turned the corner. Sales of new and existing homes have increased and housing prices have started to level out.

Interest rates remain key in sustaining the forward progress. The Federal Reserve Bank has stated it plans to keep interest rates at all time lows to keep borrowing costs affordable and to avoid eroding consumer confidence which has been building.

As this is a global recession, it is important to keep a watchful eye on the major economies around the world, what stage of growth and/or decline they may be in, and what types of stimulus packages their governments are using to stabilize markets. Many are concerned about our stimulus deficit

spending here in the United States, and what the long term effects will be on inflation and the value of our currency. These issues will have residual effects on our markets for years to come.

Valuations of companies within the S&P index are still relatively inexpensive, indicating more upside potential even after the recent rebound in prices this summer. Proper allocation between asset classes and diversification within those asset classes will provide the greatest potential for gains while hedging for any unexpected surprises.

We have begun to see many positive signs indicating we may have exited the recession, and have begun expansion once again. There are, however, multiple issues of concern which may or may not materialize into influencing effects for our economy.

Passumpsic Savings Bank will continue to keep a watchful eye and report back to our customers as financial news is released.