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UPDATE

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STATE BANK
OF COUNTRYSIDE

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TOM'S THOUGHTS

by Thomas P. Boyle, President

If someone tells you that he knows how to end the recession, frankly, don't believe him. Never before has the US seen such turbulent markets, volatile oil prices, the collapse of investment banking, increasing unemployment, and such a deterioration of the housing market. Together, these economic factors have changed the shape of the US economy and have made us take a serious look at the economy's downturn in order to better understand the appropriate path to recovery.

Few predicted the turbulent times we saw in 2008. But it is helpful to keep in mind that this recession is not just affecting the US. Almost the entire industrialized world was severely affected by an economic downturn in 2008. And the pervading, pessimistic outlook for the US in 2009 is strikingly similar to the outlook for the rest of the industrialized world.

Without a doubt, builders had a bruising 2008. Prices bottomed-out and are not showing signs of a quick recovery. It would be unrealistic to predict a turn-around in the housing market but I think it would be fair to aim for, at the very least, a stabilization of the housing industry by the end of 2009.

In the financial sector, most of the lay-offs have already taken place and we will certainly see a slow down in lay-offs by mid 2009. Some economists have even predicted that the same financial industry that got us into this mess might very well be the engine and driving force behind our recovery.

Having missed their opportunity to predict the extent of economic downturn, economists are now placing the bets on the recovery. Will it be a V-shaped recovery with a quick turn-around or will it be a U-shaped recovery defined by a period of stagnation before the steady upturn? Beyond predictions, most of us can agree that things will get better, because – at least for most professions – they can hardly get worse.

One of the bright spots on the horizon is the inauguration of President-elect Barack Obama on January 20th. His inauguration signals new changes and more importantly, a new stimulus package. Thankfully, the President-elect moved swiftly to establish his economic team of advisors and on January 20th, I believe there will be a strong recovery plan in place. Obama himself is calling for the creation of 3 million new jobs, an increase in liquidity, and a tax cut. He will likely sign such a stimulus package within 6 weeks of taking office.

Undeniably, Americans are ready to take bold steps to prevent a deeper recession and to navigate our way back to stability. Barack Obama and his team are ready to act decisively in order to stem future problems and to inject cash into the economy. But certainly, despite these concerted efforts, 2009 will bring more challenges before it brings recovery. It is a turbulent time that demands the commitment and dedication of all individuals – especially you, American consumers – so that 2009 can be our first stepping-stone to a healthy and fully recovered economy.

FIRST
QUARTER
2009

NEW 2009 PENNY DESIGNS

Starting in February, there will be a new Lincoln penny design in circulation. It is one of four new designs that will be put into circulation in 2009. The other three designs will be issued in approximately three-month intervals throughout the year. These four new designs celebrate the bicentennial of President Abraham Lincoln's birth, as well as the 100th anniversary of the production of the Lincoln penny.



The four designs to be featured on the reverse of the Lincoln pennies represent four major aspects of President Lincoln's life: his birth and childhood in Kentucky, his formative years in Indiana, his professional life in Illinois and his Presidency in Washington, D.C. The inscriptions on the reverse of the coins will be "United States of America," "E Pluribus Unum" and "One Cent." The first redesigned penny, which begins circulation on February 12, will honor Lincoln's birth and early childhood.

The obverse (heads side) of the one cent coins will continue to bear Victor David Brenner's likeness of President Lincoln, which was first introduced in 1909. The obverse side will also have the motto "In God We Trust."

At the end of the 2009 Lincoln Bicentennial One Cent Coin Program, the reverse of the penny will feature a design emblematic of President Lincoln's preservation of the United States of America as a single and united country. A Lincoln commemorative silver dollar will also be released in 2009.

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*Annual Percentage Yield. \$10,000 minimum to open account and obtain maximum stated APY. 3.10% APY is in effect through June 30, 2009 for balances over \$10,000. After June 30, 2009, the rate is subject to change at any time. For the days your balance is below \$10,000 you will earn our regular savings account rate which is currently 0.37% APY. This is a variable rate account, rates may change at any time. APY accurate as of January 1, 2009. Fees may reduce earnings on this account. If you close the account within one year there will be a \$30 closing fee. We reserve the right to end this offer at any time.

IRA TIME

Now is the time to visit State Bank of Countryside to make your 2008 and 2009 IRA contributions. From now until April 15, you can still make your IRA contributions for tax year 2008.

State Bank of Countryside offers both Traditional and Roth IRAs. We have numerous terms and investment rates for you to choose from depending on your needs. Our financial counselors are highly experienced in contributions, rollovers, transfers, and distributions of IRAs. Once you make a contribution, you will earn interest right away! See the table below for maximum contribution limits.

CONTRIBUTION LIMITS:	2008	2009
UNDER 50 YEARS OF AGE	\$5,000	\$5,000
50 YEARS OF AGE & OLDER	\$6,000	\$6,000

IRA LAW CHANGE FOR 2009

On December 23, 2008, President Bush signed into law the "Worker, Retiree, And Employer Recovery Act of 2008." This law waives the 2009 requirement that IRA owners age 70½ or older during 2009 take required minimum distributions (RMD). **There is no required distribution for 2009 and there will be no assessment of the 50% excise tax for missed RMD.** The law applies to both owners and inheriting beneficiary owners of traditional and Roth IRAs.

The waiver of the RMD rule for 2009 applies to required distributions for 2009. The RMD rules for 2008 still apply and such rules will again apply for 2010 and subsequent years unless a new tax law would be enacted modifying the one year waiver.

An individual who attains age 70½ in 2009 will not be required to take his or her RMD for 2009. He or she will need to take his or her RMD for 2010 by December 31, 2010. An individual may certainly take a distribution during 2009 even though it is not a required distribution.

An individual who attains age 70½ in 2008, but who was intending to take his or her RMD by April 1, 2009, will still be required to do so since that is the RMD deadline for 2008. There is no waiver of the 2008 RMD. He or she will not have a RMD for 2009. The next RMD will be for 2010 with a deadline of December 31, 2010. Those individuals attaining age 70½ in 2010 will have April 1, 2011 as his or her required beginning date.

Please note: the IRS has not issued any guidance at this time on the "Worker, Retiree, And Employer Recovery Act of 2008." While this article discusses the Act in general, final procedures have not been issued by the IRS. As always, State Bank of Countryside encourages you to seek the advice of your attorney or tax advisor prior to all IRA transactions.

For more information about IRAs, please contact a financial counselor at any State Bank of Countryside location.



SBC SUPER SLEUTH

DEPOSIT TICKET CHANGES

I was in State Bank of Countryside the other day and I noticed that the deposit tickets are different. I asked Laura Spearman (L.S.), Assistant Vice President of Deposit Operations, about the new tickets. Here is what I found out...

SSS – Hi Laura. When did the Bank change the checking and savings deposit tickets?

L.S. – We changed our deposit/withdrawal tickets in November 2008.

SSS – What did you change?

L.S. – There are now three types of tickets – a General Deposit ticket that should be used to make a Checking or Money Market deposit, a Savings Deposit ticket to make a deposit into any type of Savings account and a Savings Withdrawal ticket to withdraw from any type of Savings account.

SSS – Why did you switch to these new deposit/withdrawal tickets?

L.S. – State Bank of Countryside has recently implemented new technology that allows us to scan and image the deposits, withdrawals and checks that our customers bring to the Bank. In order for the new software to be able to read these images, we needed to update our tickets so they would be more “reader-friendly” for the new technology.

SSS – The boxes to fill in my account number and deposit amount are lighter than the boxes on my old deposit tickets. Why is it like that?

L.S. –The boxes for the account numbers and dollar amounts are printed in what’s known as “drop-out” ink. This means the boxes will not appear in the Bank imaged versions of the tickets. They are there as guides for you; you do not need to fill your numbers in their space exactly, you just need to write your account number and deposit amount in the general area of the boxes.

SSS – When I write the numbers or dollar amounts, could I write a dash instead of zeros? For example is it acceptable to write \$28- instead of \$28.00?

L.S. – No, you must write in the zeros in order for the scanner to read the amount correctly.

SSS – Can I still use the tickets from my checkbook that are preprinted with my name and address?

L.S. – Yes, we will still accept the tickets that have your information preprinted on them.

SSS – What should I do if I still have some old deposit tickets that are not preprinted with my name and address?

L.S. – You may bring your old deposit tickets into the Bank and we will shred them for you and give you a supply of new deposit tickets. Or, you may destroy them yourself and ask one of our Tellers for new deposit tickets the next time you are in. They will be happy to help you.

SSS – Thank you for answering all of my questions. Filling out the deposit and withdrawal tickets will be much easier now!



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OF COUNTRYSIDE

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