

SBC UPDATE

First Quarter 2007 – A quarterly publication by State Bank of Countryside
“The Family Owned Bank for Families and Their Businesses”

Tom's Thoughts... By Thomas P. Boyle, President

Last January when I wrote this column there was much uncertainty about the economy. First of all, the so-called experts were worried about Alan Greenspan leaving the Federal Reserve and being replaced by Ben Bernanke. Secondly, the yield curve was flat and most financial experts were hoping for a rise in the long end of the yield curve. Third, the housing market was anticipated to have only moderate growth even with attractive mortgage rates. And finally, depositors were looking for higher interest rates on certificates of deposits. Here we are a year later and not much has changed except that housing tanked rather than having modest growth.

In January of 2007 most of the same issues confront us. Bernanke has proven to be a very suitable replacement and has allowed for points of view other than his own. The yield curve remains flat now and for the foreseeable future. Mortgage rates for traditional products are unchanged from last year with only minor fluctuations. So, if all things are remaining constant then why all the uncertainty? I'll try to present different points of view and then let you decide with our 2nd Annual State Bank of Countryside "Rates of the Future" contest where you can make your economic forecast. This year we'll offer even more opportunities to win, see the insert for details.

2006 Contractor of the Year Awards

State Bank of Countryside congratulates Javier Diaz and Seven-D Construction for winning the 2006 Outstanding MBE Contractor of the Year award. The award was presented by the Chicago Department of Transportation in recognition of outstanding contractor performance on residential concrete and miscellaneous asphalt.

State Bank of Countryside also congratulates Oscar Rojas and Rojas Concrete, Inc. for winning the 2006 Outstanding Subcontractor of the Year award. This award was presented by the Illinois Department of Transportation in recognition of curb and gutter, median surface and PCC base course on I-90/94 NB ramp project in Chicago.

We are proud to have you as our customers!

2007 could be the most difficult year in the past ten years to make an economic forecast. Predicting a rate cut or a rate increase could be defended on either side of the argument. Just when there is a general agreement the economy is slowing, the retail sales report comes out and states Christmas sales were better than first reported and a supposed weak job report comes out with 167,000 new jobs in December. However, ask a homebuilder how are sales and you'll get a different answer. House prices, which have fallen more than ever before, are a major element to consumer spending.

On the other hand, oil prices are down from their peak of \$63 per barrel to the current \$53 per barrel which should give everyone more disposable dollars for spending. Ford and GM continue to struggle for market share while Toyota continues to gain ground and now threatens to takeover the #2 spot from Ford. Is this foreign competition when Toyota plans on building as many as five new plants in the US? That is a topic for another "Tom's Thoughts"!

The purpose is to point out there continues to be two sides, at least, for every economic scenario hence making a prediction is really making an educated guess. I look forward to seeing your entries. Good luck!



From left to right: SBC President Thomas P. Boyle, Contractor of the Year Javier Diaz, SBC Loan Officer Jose Munoz and Subcontractor of the Year Oscar Rojas.

PRESIDENTIAL AND FIRST SPOUSE COINS

The United States Government is honoring our Nation's Presidents by issuing \$1 circulating coins featuring their images on one side and a reverse design featuring a striking rendition of the Statue of Liberty. These coins will feature large, dramatic artwork, as well as edge-incused inscriptions of the year of minting or issuance, the mintmark, and the words "E Pluribus Unum" and "In God We Trust."

The United States Mint will mint and issue four Presidential \$1 coins per year, in the order that the Presidents served, beginning with Presidents Washington, Adams, Jefferson and Madison in 2007. The President Washington \$1 Coin is scheduled for release on February 15, 2007. The coins for Presidents Adams, Jefferson and Madison are scheduled for release in May, August and November, respectively.

To coincide with the annual release of the Presidential \$1 Coins, the United States Mint will also be issuing one-half ounce \$10 gold coins of our Nation's First Spouses. The obverse of these coins will feature

portraits of the Nation's First Spouses, their names, the order of their term as first spouse, the dates of their term as first spouse, the year of minting or issuance, and the words "In God We Trust" and "Liberty." Each coin will have a unique reverse design featuring an image emblematic of that spouse's life and work. The reverse design will also include the words "The United States of America," "E Pluribus Unum," "\$10," "1/2 oz.," and ".9999 Fine Gold." Bronze medals of the First Spouse Gold Coins will also be produced and made available to the public.

The United States Mint will mint and issue four First Spouse coins per year in the order of their term as first spouse, beginning with Martha Washington, Abigail Adams, Thomas Jefferson's Liberty and Dolley Madison in 2007. When a President served without a First Spouse, such as Thomas Jefferson, a gold coin will be issued bearing an obverse image emblematic of Liberty as depicted on a circulating coin of that era, and a reverse image emblematic of themes of that President. The First Spouse Coins will be available in May 2007, around Mother's Day.



HOME MORTGAGES

State Bank of Countryside now offers a full service Residential Mortgage Department. Whether you are looking for purchasing, refinancing, debt consolidation, or construction permanent financing, we offer superior products and services to meet your needs. Our product offering includes Conventional Loans, Non-Conforming (Jumbo) Loans, Community Home Buyer Programs, Fixed Rates, Adjustable Rates, Balloon Rates, Extended Lock Programs, Second Home and Investment Programs. We offer the most

competitive rates among banks and our pre-approval process is **FREE!**

Applying is easy. We will meet with you wherever is most convenient, whether it is at one of our branch locations or even in your own home. Plus we are available nights and weekends for appointments.

For additional information or to set up an appointment, please call **Dan Dunton** at **708-485-9981**.



UPSY DAISY

From January 15 through February 2, our Countryside location had a cow in its lobby! The cow is named Upsy Daisy and she was one of the Cows on Parade. Last year, Upsy Daisy was donated to Helping Hand Rehabilitation Center, a not-for-profit community-based agency that provides a wide variety of quality services to children and adults with disabilities or developmental delays. Upsy Daisy now serves as a large "piggy" bank that accepts spare change and monetary donations for Helping Hand Rehabilitation Center. Both Bank employees and customers were happy to fill Upsy Daisy with their contributions. Upsy Daisy will be visiting local businesses throughout the rest of the year.



2006 Rates of the Future Contest Winner

Diane Jovic was the winner of our 2006 Rates of the Future Contest (SBC Update first quarter 2006) with three out of five correct answers.

Who will be the winner of this year's Rates of the Future Contest? It could be you! See the insert in this issue for more details.

CDARS

I recently heard that State Bank of Countryside offers a new product called Certificate of Deposit Account Registry Service (CDARS®). I wanted to learn more about CDARS, so I went to State Bank of Countryside to ask a few questions. Here is what I found out...

SSS – What is CDARS?

SBC – CDARS is a valuable tool that will safely enhance your investment portfolio while providing time saving conveniences. It is the easiest way for you to enjoy full FDIC insurance on deposit amounts once you've exceeded the FDIC limit at our Bank.

SSS – How does CDARS work?

SBC – In the CDARS program, your large deposit is broken into smaller amounts and placed with other banks that are members of this special network. These member banks then issue Certificates of Deposit (CDs) in amounts under \$100,000 so that your entire investment is eligible for FDIC insurance and earns CD-level interest. You work directly with State Bank of Countryside and receive one regular statement, which lists all of your CDs in the CDARS network.

SSS – Who can enroll in the CDARS program?

SBC – Any organization or individual can enroll in the CDARS program. CDARS is a perfect fit for Businesses, Public Fund Managers, Non-profit Organizations, Advisors and Individual Investors.

SSS – What are the benefits of CDARS?

SBC – One benefit is the convenience of working with a single bank rather than having to make

trips to multiple banks to open and close CDs. Also, there is the timesaving convenience of receiving one easy, consolidated statement. With CDARS, there is no need to manually consolidate statements, track changing collateral values or use private surety bonds. And best of all, you can enjoy the safety of having full FDIC insurance on your CDs.

SSS – Are there any other benefits of CDARS?

SBC – Yes. CDARS can help businesses and public funds managers with community investment. Because we exchange your funds on a dollar-for-dollar basis with other member banks, we can use the full amount of your investment for community lending purposes. So, you can support the local community while managing your finances.

SSS – How much FDIC insurance can I receive through the CDARS program?

SBC – You can obtain up to \$30 million in FDIC insurance on your deposits with State Bank of Countryside's CDARS program.

SSS – Where can I go for additional information about CDARS?

SBC – For additional information about our CDARS program, contact a Financial Counselor at any of our locations.

SSS – Thank you for answering all of my questions. I look forward to enrolling in the program.



COUNTRYSIDE

6734 Joliet Rd.
(708) 485-3100
(708) 485-3106 Fax

BURBANK

6053 W. 79th St.
(708) 599-9860
(708) 599-9884 Fax

DARIEN

7380 S. Route 83
(630) 655-3113
(630) 655-3159 Fax

ORLAND PARK

16250 S. LaGrange Rd.
(708) 873-1485
(708) 873-1508 Fax

CHICAGO

3323 N. Clark St.
(773) 755-2500
(773) 755-0373 Fax

Member FDIC

www.statebankofcountryside.com

