



# Community BANK NEWS

*A newsletter of banking advice and services...from people who know you, people you know.*

## Will You Be Ready For Retirement?

Here are several things to consider so that when retirement is ready for you, you'll be ready!

- If your company offers a 401(k) retirement plan, take full advantage of your company's match. With matched retirement dollars, your nest egg increases twice as fast. If your company doesn't have a 401(k) or pension plan, open a conventional IRA, Roth IRA or a SEP-IRA and transfer a fixed amount from your checking account every month. If you're unsure which IRA to set up, talk to us and we'll explain the differences so you can make a good choice based on your financial status.
- Get out of debt! Develop a plan that focuses on paying off your highest-rate credit card first. Once that card is paid off, use the same strategy to pay off the next highest

card. You may be able to transfer your high-interest rate credit card balance to a 0% interest rate credit card for a limited time. This allows you to pay off your debt without incurring more interest expense each month. But read the fine print on credit card offers. Some credit cards require a transfer fee, some may have an annual fee. If you do transfer your balance, make sure you can pay off the card before an interest rate kicks in.

- Realistically look at your living and household expenses, knowing they will only increase as you age. Talk to a financial advisor to determine what you will need for retirement.
- A financial plan also includes an insurance checkup. Life, disability and long-term care policies are critical components

of a complete financial plan and may save you from draining your savings should an unfortunate accident or illness occur after you have retired.

- Make sure you have a will. If you do, review it periodically for changes that may need to be made. Not having a will could lead to a probate judge making decisions for you and a probate court deciding the disbursement of your estate, which may not conform to your wishes.
- Set up a living will so your family will know your wishes regarding life support should you suffer a catastrophic accident or illness. Also draw up a durable power of attorney assigning your responsibilities to a trusted person in the event you are unable to make decisions.

*Don't delay. Develop your action strategy and start your retirement plan today!*

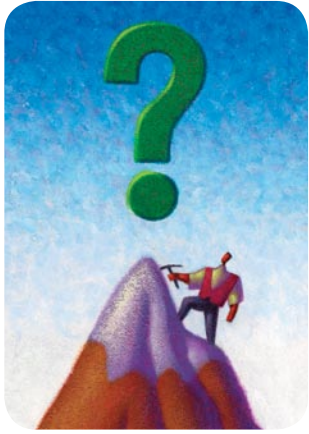


**ALERT!** Please report lost or stolen CGSB ATM or VISA cards immediately! Call us 8:30 am-4:30 pm at 536-0001. Between 4:30 pm-8:30 am, call 1-800-523-4175.



Community Guaranty Savings Bank  
*People who know you. People you know.*

# Choosing Between a Home Equity Loan or Line



*What's the difference? There are reasons for choosing one over the other.*

**Home Equity Loan** — This is often used for a specific need, such as college tuition, home improvement, or debt consolidation. It may offer a fixed interest rate for the life of the loan. Qualified applicants, in some cases, can borrow up to 80% or more of the appraised value of their home. It may have closing costs, possibly points, and an application fee, all of which must be disclosed when you apply. Usually there are no prepayment penalties but do check.

**Home Equity Line** — This is basically a revolving line of credit over a fixed number of years, usually five or ten, but it can vary. At the end of the term you can pay off the amount owed or begin a repayment process over a fixed number of years. It's really a flexible money management account that provides financial protection, usually for unexpected expenses. It allows you to borrow up to 80% of the value of your home *minus* the balance of your mortgage. There are a few closing costs, and sometimes an application fee and annual fee. When your credit line is set up you can usually access it by writing a check. As soon as you start using your line of credit you have the option of paying principal and interest or interest only. The interest rate is usually based on the prime rate index and changes when the prime rate changes.

Check with your banker who knows your financial position and can provide the information you need to make an informed decision on which home equity product is best for you.

## CDARS<sup>SM</sup> For Larger-Deposit Investors, Savers and Businesses.

Our CDARS<sup>SM</sup> program allows you to safely invest more than \$100,000 in fully-insured CDs that offer competitive rates of return. It's the easiest, safest, most convenient way to invest larger sums of money with one bank.

- CDARS earns you market rate CD returns. Rates compare favorably with those of other fixed-income investments, such as Treasury bills and money market mutual funds.
- With CDARS investments you'll have the security of FDIC insurance up to \$25 million!
- With CDARS you have the convenience of one local bank, one interest rate and one monthly statement.
- CDARS offers local community investment. The full value of your money can support lending opportunities in the Plymouth area community.

CDARS<sup>SM</sup> is Certificate of Deposit Account Registry Service<sup>SM</sup>. CGSB is one of the few banks in New Hampshire offering this service.

## Attention Business Customers!

Have you signed up for Online Real Time Business Banking? Why not? Look at the efficiencies!

- Real time banking. View current balances and transactions.
- Electronically transfer funds between accounts.
- Wire funds.
- Pay bills.
- Process ACH payroll direct deposit files.
- View and print check images and account statements.
- Log on from our website's home page.

*Business Online Banking at CGSB is free until November 1, 2006!*

## From the President



### 2005 A Year of Continued Growth

The year ended December 31, 2005 was another year of continued growth for CGSB. Total assets were \$79,724,699, an increase of \$5.0 million or 6.8%. Net loans increased by \$2.7 million or 5.5% and deposits grew by \$3.5 million or 5.2%. Net income was \$488 thousand representing a return on average equity of 9.5%.

As the Open Market Committee of the Federal Reserve System has continued to increase short-term rates, banks have had to cope with a flattening yield curve. However, it appears that we are approaching the end of this tightening of rates and are hoping the yield curve will return to a more normal configuration. Our focus continues to be on the margin between our costs and earning rates. This strategy has helped us to stay insulated from changing interest rates.

We appreciate the support of our staff, directors and shareholders and loyal customers and look forward to another good year. Should you have any questions or comments, please feel free to contact me.

Ron I. Sibley  
President and Treasurer