



## MESSAGE FROM THE CEO



### Are we there yet?

Many of our customers and colleagues seem to have this question on their minds. The “there” is the road to economic recovery, and the answer appears to be “We’re getting closer.”

In recent weeks we have seen positive stock market and corporate news that hearkens to returning economic strength, yet there are still uncertainties on many fronts as to when the recession will bottom.

What is certain is that here at Alta Alliance we are forging ahead.

During the second quarter, we made some internal changes to improve our efficiency and productivity, and continued to grow our business, albeit at a modest rate, as we helped new and long-term customers navigate their way through this economic period.

We saw strong demand in two key areas of our business during the quarter. Our cash-management services have been in demand, as businesses look for ways to improve their cash flow. We also experienced a healthy surge of business because of our newest deposit account — the Health Savings Account. You can read about both of these services in this newsletter.

As of June 30, 2009, our assets were \$174.1 million, up from \$150.1 million in the first quarter, and our deposits reached \$157.3 million, up from \$136.1 million in the first quarter.

This October, we will celebrate our bank’s third anniversary. We are mindful of the success we have had in fulfilling our vision of what this bank could bring to its communities, and I want to again thank our employees, our board of directors and our advisory board for being part of this journey.

*Arnold Grisham*

Arnold Grisham  
Chief Executive Officer

## MANAGING CASH FLOW MORE CLOSELY

**With the economy still operating on “slow,”** many businesses have speeded up their approach to improve the efficiency of their cash flow. This trend has benefited the bank’s cash management business.

“During soft economic times, businesses focus their efforts on managing their cash flow more closely,” says Kristin Washington, cash-management manager. “They want to expedite the receipt of payments owed them for products or services they have sold and a cash management program is the way they achieve this”

Alta Alliance offers business customers several innovative options as part of their cash management services.

**Wires**—“We can send customers an e-mail notification when we receive an incoming wire to their account,” explains Washington. “Typically, big banks don’t offer this service to smaller businesses because they don’t know them well. We get our customer’s email address and we have a process for the wire department to then notify them, which has a positive impact on how quickly they can reconcile their accounts.”

The bank actively promotes this email service and currently about 75 percent of business customers receive

email notification about incoming wires.

**ACH**—If a customer is getting a payment from a vendor in the form of an ACH transaction, most banks will do a standard notification about who it is coming from. Alta Alliance offers a special reporting option that provides additional information that helps the business track their receivables, such as the invoice number. “This lets them know who the payment is from and what specific invoice it is paying and it improves their efficiency in reconciling receivables,” says Washington.

**Property Owners**—A recent trend the bank is capitalizing on is that of renters paying their monthly rent through an ACH debit. “An increasing number of property managers are offering their renters the option of paying their monthly rent through an ACH debit, often breaking it down into two payments a month,” says Washington. “We offer this service to our customers who own property or manage it, and they really like it. With a cash management account for rent, the property owner and manager has the cash in hand on a timely basis and does not have to send out reminders or call people, and renters protect their credit reputation because the debit ensure they always pay on time! ♦

## HEALTH CARE: CONSUMERS IN CHARGE



**Healthcare insurance is a growing issue in the US** and increasingly, employers and their employees are looking at new ways to help manage the cost of insurance premiums and save for medical expenses not covered because of high deductibles.

At Alta Alliance, the bank’s newest product, the Health Savings Account (HSA), helps employers and consumers address this challenge.

“Our Health Savings Account is one of the most exciting new products we have and we are opening new accounts weekly,” says Sedrick Tydus, chief operating officer. “There is tremendous demand for this product because it puts consumers in charge, allowing them to save for their health care with tax-deferred dollars,” he explains.

The HSA is an interest-bearing, tax-deferred account that individuals can use to pay qualified medical expenses.

To be eligible for an HSA, individuals must be enrolled in a qualified, high-deductible health plan. Contributions to the plan can be made by individuals, their employer, or both. There is a maximum annual amount individuals can contribute, depending on the specific health plan in which an individual is enrolled.

“With this account, employees can select health plans with premiums they can afford and have a tax-deferred way to save for medical expenses that don’t meet their high deductible, so it gives them good options,” says Tydus.

Unlike other flexible health savings accounts, Alta Alliance’s HSA does not have a ‘use it or lose it’ restriction. This means that consumers can keep putting money into their account and it accumulates on a tax-deferred basis over time. The money in an HSA can be used to pay for any qualified medical expenses for the individual, their spouse or a dependent, and the money spent on such care is tax-free. If employees use the funds for non-medical purposes, the funds are then taxable. ♦