



BANK OF ALPENA

We built our future... Let us build yours

Local Schools in Our News

LONG RAPIDS SCHOOL STUDENTS TOUR THE BANK



Head Teller Nancy Losinski gives a coin sorting demonstration to Long Rapids School students.

Students from Ann Gambrel's second grade class at Long Rapids School recently enjoyed a detailed and informative tour of the bank's daily operations. During the tour they were surprised to learn that money does not grow in the ATM machine! They also learned that a check, once signed, becomes a legal document and that there has to be money in their bank account to cover the check. They toured the board room and they learned about safe deposit boxes. The students really enjoyed watching the cars pull up at the drive-thru and even greeted some of the customers! They were shown new money and also learned how to detect counterfeit bills. Another highlight of their tour was watching Nancy Losinski run coins through the coin machine and to be able to see where money is kept inside the vault. Each child was given a packet containing a coloring book, crayons and treats, and of course, some fun memories of their trip to Bank of Alpena!

HINKS SCHOOL STUDENTS LEARN ABOUT BANKING

Ms. Janet Young, 6th grade teacher at Hinks School, invited Mary Jo Springer, one of our mortgage lenders, to present some basic banking information to her class. Mary Jo enjoyed answering lots of questions, such as "where does money go after it is deposited" and "what happens to old, ragged dollar bills"? The students were also interested in what kinds of jobs exist in banking. Discussions followed on why it is a good idea to keep your money in a bank (safety, interest earnings) and what types of accounts and services banks offer. Mary Jo emphasized the importance of saving money and the basic concept of checking accounts. The students enjoyed using their calculators to figure interest and were impressed with how their savings can grow.

THUNDER BAY JUNIOR HIGH CAREER DAY

Julie Ferguson, Investment Executive, was invited to Thunder Bay Jr. High for their recent Career Day where she did hands-on activities with 7th grade students on writing checks, managing checking accounts, and the value of saving. One of the highlights was when she showed the students that if they could save just \$10.00 a week starting at age 13, if they averaged a 12% rate of return, they could save \$2,133,690 by the time they reach the age of 65!

* * * * *

"A child's life is like a piece of paper on which every person leaves a mark."
Chinese Proverb

* Casual Day for Charity *
* You may notice *
* some Bank of *
* Alpena employees *
* are wearing jeans *
* on Fridays. These *
* employees have paid a fee *
* for the opportunity to wear *
* casual clothing to work. *
* Once a month the funds *
* collected are donated to a *
* local charity chosen by the *
* employees. *



ANNOUNCING THE QUALITY CLUB ACCOUNT!

This is the account that can help you save for holiday spending or for that vacation you are planning after the holidays. Deposit as little as \$5 to open the account. There is no minimum balance fee. Contribute any dollar amount on your terms. Interest on the account is paid annually and checks are mailed after Oct. 15th— just in time for your holiday spending. Stop in and open your Quality Club account today!

NEWS FROM OUR CUSTOMER SERVICE AREA:

Welcome back to work, **Melanie Robb**, and congratulations on the birth of your daughter, Michelle! Also, we welcome **Mary Boes**, our newest employee in the Teller area. Mary is replacing **Kim Hentkowski** who has joined the Customer Service team of **Lee Ann Wooster, Donna Kaminski and Karen Hepburn**.

Trivia Answers:
1.(A) 2.(C) 3.(A)

**Ambassador's Club
Ribbon-Cutting
Ceremony
& Reception**

Thursday, April 26, 2007
5:00 - 7:00 pm

Financial Services
of Northern Michigan

Inside Bank of Alpena
989-358-3437

Bank of Alpena invites you to join them in celebration of the opening of Financial Services of Northern Michigan and welcoming Investment Executive, Julie Ferguson.



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The Mortgage Minute . . .

Sub-prime mortgage problems! Banking regulators are getting ready to roll out new guidelines for sub-prime mortgages. The sub-prime market has been in big trouble in recent months, as more and more borrowers with shaky credit are defaulting on their mortgage loans. Twenty-seven sub-prime mortgage lenders have collapsed in recent months, and many who are still hanging on have moved up to less risky loans.

Some people believe it's not just sub-prime lending that is in trouble! Alt-A loans, i.e., loans to borrowers who fall between prime and sub-prime loans, have many of the same risky characteristics found in sub-prime loans. Many are interest-only, adjustable rate loans with short term teaser rates to

borrowers with little or no money down and who have high debt to income ratios, and loans requiring little or NO documentation.

Eighty percent of the Alt-A loans last year were low-doc or no-doc loans. This kind of practice was pretty rare in the past, but it has become commonplace in the last few years. Many lending companies that have a significant share of Alt-A loans could suffer! Since borrowers with Alt-A loans have higher credit scores, it should be easier for them to refinance into less risky products.

Lenders continue to tighten credit standards. The guidelines for sub-prime and Alt-A loans have become stricter and may make it harder to qualify some borrowers. Lenders still need and want to be responsible lenders,

so bear with us as we enter into another phase of the mortgage business!

*Linda Sansom, Vice President-Mortgages
Bank of Alpena*

TRIVIA TIME:

1. The infamous Brinks Robbery in 1950 where \$2.8 million was stolen in 17 minutes, occurred in what city?
A.) Boston
B.) New York
C.) Chicago
2. "Old soldiers never die, they just fade away," was said by:
A.) Gen. Dwight Eisenhower
B.) Gen. Omar Bradley
C.) Gen. Douglas MacArthur
3. In 1955, Congress authorized all US currency and coins to say:
A.) In God We Trust
B.) United States of America
C.) Liberty

(ANSWERS ON BOTTOM OF FRONT PAGE)

ABE BRUSKI, CREDIT ANALYST



Abe Bruski, Credit Analyst for Bank of Alpena, joined the bank in May 2006. An Alpena High School graduate, Bruski completed his Associates of Arts at Alpena Community College and then transferred to Northern Michigan University to complete his Bachelors of Economics and Finance. "I chose to move back to Alpena because I wished to remain close to my family and friends. Bank of Alpena provides the perfect atmosphere for me to pursue my career goals. The management and staff at Bank of Alpena are wonderful and I couldn't ask for a better group of people to be working with. I feel extremely privileged that I found a job I enjoy in the area I want to live. The community offers the ideal setting for both my professional and personal interests."

Bruski is an active member of the community. He is the youngest member of the Alpena Exchange Club and he also volunteers his time to teach 7th grade students at Thunder Bay Junior High the importance of free enterprise, business and economics in the community through the Junior Achievement program.

As credit analyst for Bank of Alpena, Bruski analyzes financial information and financial statements for the Commercial Lending Department. Adding a credit analyst has enhanced the level of service provided by our lending department and reinforces our commitment to meet our customers' needs.

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"The grass is not, in fact, always greener on the other side of the fence; fences have nothing to do with it. The grass is greenest where it is watered. When crossing over fences, carry water with you and tend the grass wherever you may be." - Robert Fulghum

COOK'S CORNER



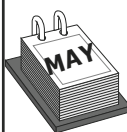
MISLEADING STORIES CIRCULATING THE INTERNET REGARDING PIN REVERSALS

The internet can often quickly spread "urban myth" stories such as the misleading stories circulating regarding PIN reversals. PIN reversal technology is a concept based upon the possibility that a cardholder could remember (and reverse) his or her PIN at an ATM to draw attention to a dangerous situation like a kidnapping or a robbery. Please note: Financial institutions within the United States have not deployed this technique despite several well-circulated e-mail chain letters that have misstated this fact.

ROASTED ASPARAGUS

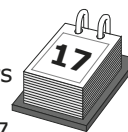
- 1 lb. fresh asparagus
- 1 Tbs. olive oil
- Salt & freshly ground pepper

Preheat oven to 400 degrees.
Wash asparagus; snap off ends. Put asparagus in a plastic bag, drizzle with the olive oil and toss well to coat. Remove from bag and arrange on heavy baking sheet. Sprinkle with salt & pepper. Roast until the asparagus is tender, about 15 minutes.



**SHAREHOLDERS . . .
MARK YOUR CALENDARS!**

The Annual Meeting of the Shareholders Of Alpena Banking Corporation will be held on Thursday, May 17, 2007 at 5:30 p.m. at Bank of Alpena All shareholders of record as of April 1, 2007 are invited to attend this informational meeting.



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of Northern Michigan

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