

Worried about Wall Street? Try banking on Main Street.



G. Frank Teas
President & CEO

Frequently over the past few weeks I have been asked about the stability of The Nashua Bank and our vulnerability to Wall Street's volatility. I am very pleased to report that The Nashua Bank is well-capitalized under federal guidelines. Further, as we celebrate our first anniversary (October 1st) I am happy to report that our loan portfolio is fully performing and we have no non-performing assets. Unlike the financial institutions you have been watching and reading about we have a very simple, noncomplex balance sheet that includes very prudent investments in addition to our loan portfolio and most are backed by the full faith of the United States Government.

The proposed \$700 billion bailout is certainly unprecedented and rather difficult to comprehend. In my opinion, one of the primary reasons that the Federal Government is in need of contemplating such a bailout is due to the complex investments made by many of these financial giants. Terms such as *'derivatives'* and *'swaps'* have become commonplace financing vehicles for many large institutions – but not at The Nashua Bank. We have been steadfast in our original business plan of common sense banking through extension of loans to local businesses.

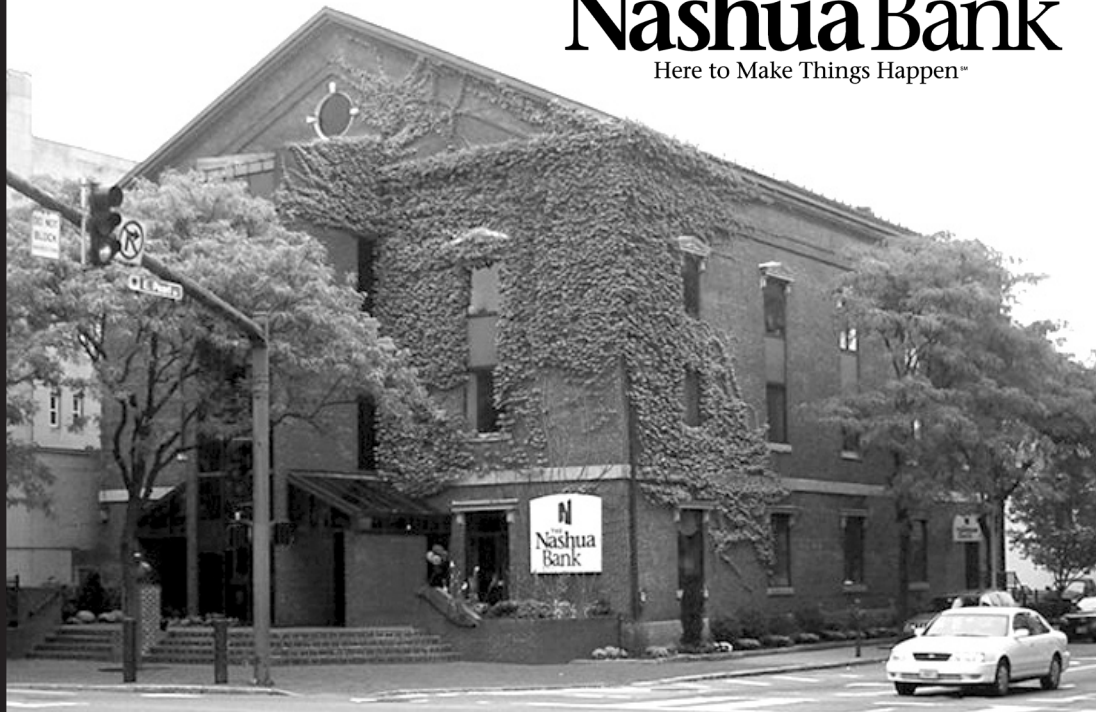
I would be very pleased to speak or meet with you concerning any questions you may have about the financial performance of The Nashua Bank. I can be reached via telephone at 603-882-2700 x110.

I would like to thank our customers who have placed their trust in The Nashua Bank and would welcome those of you who bank elsewhere to visit us the next time you are thinking about changing banks. By banking at The Nashua Bank you are banking locally.

Sincerely,
G. Frank Teas
President & CEO



THE
Nashua Bank
Here to Make Things Happen™



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