

Federal Land Bank Association Of North Alabama, FLCA



Staying Strong Through Turbulent Times

Albertville Branch

Counties Served: Cherokee,
DeKalb, Etowah & Marshall

Phone: 256-878-2631

Toll Free: 888-305-0093

Athens Branch

Counties Served: Jackson,
Limestone & Madison

Phone: 256-232-0344

Toll Free: 888-305-0091

Cullman Branch

Counties Served: Blount,
Cullman, Jefferson, Morgan,
Walker & Winston

Phone: 256-734-0132

Toll Free: 888-305-0074

Talladega Branch

Counties Served: Calhoun, Clay,
Cleburne, Randolph, Shelby,
St. Clair & Talladega

Phone: 256-362-0507

Toll Free: 888-305-0098

Tuscumbia Branch

Counties Served: Colbert, Fayette,
Franklin, Lamar, Lauderdale,
Lawrence & Marion

Phone: 256-381-5512

Toll Free: 888-305-0081

Dear Stockholder,

At the FLBA of North Alabama, FLCA, you are more than just a customer — you are a stockholder, an owner and the reason for our existence. We always work to keep that top of mind, and it's never been more important than right now. During uncertain times, it is important to stay focused on the fundamentals and remember to put first things first. At the FLBA of North Alabama, FLCA, our first priority is you, our customer.

Since Farm Credit was established in 1917, we have always had a mission to provide creditworthy agricultural producers and rural Americans with reliable access to competitive credit. We are as focused on that mission today as we were in the beginning. We believe that fulfilling that mission requires a dedication to the people who use our services and own our business.

We are committed to making sound business decisions that are in your best interest. For example, we are paying close attention to credit analysis and review, pricing and structuring loans to the market, and closely servicing our existing portfolio. By staying true to these basics of lending, we feel confident that we will successfully navigate through today's stormy financial waters.

The Land Bank's commitment to our customers also was reinforced recently by the board of directors' decision to distribute patronage to our member-stockholders. The board reserved a portion of the earnings, so that we can continue to serve our members well during tough economic times. The remainder was returned as patronage. The patronage amount returned to borrowers for 2008 was \$2.745 million. It was paid on March 20.

Doing business with Farm Credit is about more than just getting a loan; it is entering into a relationship with your lender. We recognize that, for many borrowers, times are tough right now. Some customers will face financial hardships in the year ahead; others might have questions about the stability of your co-op association.

Fortunately, the Farm Credit System is still strong, despite the recent downturn in the financial markets. Also, we are blessed to live in Alabama. So far, our state has fared better than many other areas of the nation. However, we are not immune to the effects of a recession of large magnitude. It will undoubtedly impact our regional economy and many of our borrowers in 2009.

We want to encourage you to call us if you have any questions or concerns. It is important that we maintain communication with you in order to best serve you at this time.

Sincerely,

Ben Gore
Chief Executive Officer



Check out our Web site:
www.alabamalandbank.com

CHANGING OF THE REIGNS

CEO David Howse Retires



After 36 years with Farm Credit, including 20 years as president and chief executive officer of the FLBA of North Alabama, David Howse decided to pass on the torch and retire from the Farm Credit System.

The FLBA honored Howse's service to the Farm Credit System with a retirement reception on Feb. 24, 2009, at Terri Pines

Country Club in Cullman, Ala. Family, friends and coworkers gathered to congratulate him on a successful career and wish him a wonderful and well-deserved retirement.

Howse's Farm Credit career started on May 30, 1972, when he began appraisal training in the old Cullman FLBA. He transferred to the former Decatur FLBA in 1973 to be an association field representative. At that time, all of the Land Bank associations in the district were called Federal Land Bank Associations. In 1989, he was promoted to president and CEO of the association as it is currently known.

During his tenure as CEO, Howse oversaw several notable achievements for the FLBA of North Alabama, including:

- Restoring loan volume after receivership to an impressive \$416.5 million at year-end 2008

- Becoming a direct lender (1989)
- Starting a dividend/patronage program (1999)
- Reducing the association stock requirement to the lesser of 2 percent or \$1,000 (2005)
- Paying back the Farm Credit Financial Assistance Corporation debt (2005)

Howse and his wife, Marye, have two grown children, Heath Howse and Daphne Howse Emmerson. He plans to spend his retirement catching up on work around the house and enjoying some his favorite pastimes, such as golfing and hunting.

"I have thoroughly enjoyed my career in Farm Credit, as it has been both challenging and rewarding with never a dull moment," Howse says. "It also allowed me to work for and with the best and most talented people that you can imagine."

David, thank you for all of your contributions to the association! We wish you the very best. You will be missed.

Ben Gore Takes Over as President and CEO

The FLBA of North Alabama named Ben Gore to replace David Howse as president and chief executive officer. Gore took over the post on Jan. 2, 2009. Howse stayed until the end of February to ensure a smooth leadership transition.

Gore has worked for the Land Bank for 32 years in the association's Albertville branch, where he has overseen significant growth. He began his career as a loan officer trainee, and for the past 20 years, he was the Albertville branch manager. During that time, the branch office grew its loan volume from \$20 million to \$200 million and more than doubled its staff.

"The board has made an excellent choice in selecting Ben Gore as our new CEO to lead our association as we transition into the future and become a full-service lender," said Board Chairman Loyd Rutherford. "In addition, I congratulate David on reaching a milestone in his career and wish him Godspeed in his well-deserved retirement."



Pictured left to right are David Howse, retiring president/CEO; Loyd Rutherford, chairman of the board; and Ben Gore, new president/CEO.

Greg Copeland to Head Albertville Branch



Greg Copeland has been promoted to branch manager of the Albertville office. Copeland has a long tenure with the Land Bank. He was first hired in 1984 as a loan officer trainee in Decatur. He then transferred to Rainsville, where he worked for two years, and has been a loan officer at the Albertville branch since 1989.

A graduate of Auburn University, Copeland received his bachelor's degree in agricultural business and economics from the university in 1984.

Copeland and his wife, Jenny, reside in Boaz. They have two children, Miles and Caroline.

"Greg Copeland is an asset to the FLBA," said Ben Gore, FLBA of North Alabama president and chief executive officer. "I am confident that as the new branch manager he will continue leading the Albertville office according to the standard that our borrowers have come to know and trust."

McGee and Harvey Re-Elected to the Board



Larry McGee, left, and Jimmy Harvey

Congratulations to Larry McGee and Jimmy Harvey on their re-election to the FLBA of North Alabama Board of Directors. The elections were held on April 2, 2009, at the Annual Stockholders Meeting. The association extends appreciation to all the borrower-stockholders who attended the meeting and the nominees who ran for election.

FLBA of North Alabama, FLCA — The Lender Who Pays You Back!

The FLBA of North Alabama, FLCA was pleased to return \$2.745 million to our borrowers this year based on our 2008 financial results. This is the eleventh consecutive year that we have provided a patronage payment to our stockholders. The 11-year total comes to \$11.6 million.

Paying patronage is a direct result of our cooperative structure. Because you are our owners, you benefit when we do well. That's the basic philosophy behind our patronage refund program. No other type of lender offers you such an advantage.

Lowering Your Effective Interest Rate

The most important benefit of our patronage program is that it lowers your effective interest rate. This year's payment effectively lowered our stockholders' average interest rate for 2007 by 68 basis points, or 0.68 percent.

You not only receive a competitive rate up front, but you also could receive a patronage dividend in years when the association does well. The more you borrow, the bigger your share of the earnings.

Every year, after the board of directors decides how much of the association's earnings need to be maintained as capital to fund the association's growth, we are able to return the remainder as a patronage refund to you.

Referrals Keep Business Growing

At the FLBA of North Alabama, we recognize that our success depends on you. Our mission is to serve you well by providing the



FLBA board members hold a symbolic patronage check. Pictured from left to right are Dennis Haynes, John Adams, Matthew Christjohn, Loyd Rutherford, Jimmy Harvey, Benny Smith, Larry McGee and John Anderson.

financing and cash management tools you need to be successful. And when you are successful, we accomplish our mission.

A good part of our success can be attributed to word-of-mouth referrals by customers like you. These referrals are invaluable in making the association effective. The more new business we generate, the larger our earnings. The more we earn, the more we can return in patronage. It's a win-win situation.

Thank you for your business, and please call us whenever we can help with your financing needs.

Personnel News

Congratulations to the following Land Bank employees!

Holly and Adam Cole were married on March 28, 2009. Holly is an administrative assistant in the Athens branch.

Clint and Leah McElmoyl were married on April 4, 2009. Clint is an association appraiser in the Albertville branch.

J.D. Holt and his wife, Lauren, welcomed a new baby boy, John Dawson, on April 11, 2009. J.D. is a loan officer in the Albertville branch.

Ag Banking Online Launches

By Alisha Carpenter, loan officer, Tuscumbia

According to the 2007 Census of Agriculture, nearly 48 percent of Alabama farmers had Internet service. The figure goes up to almost 51 percent if you include farmers who had occupations in addition to farming.

Given these statistics, the FLBA of North Alabama was thrilled to launch Ag Banking Online, our new service that allows borrowers to access their accounts online. You asked for it, and we listened!

For a number of years, you have had online access to your Land Bank accounts. Now, with Ag Banking Online, you will be able to make real-time online payments to your loan accounts from your business or personal checking accounts. You'll also have the ability to transfer money between your Funds-Held Accounts, and to view your payment and online transaction histories, as well as your patronage and stock account histories.

Visit our Web site at www.alabamalandbank.com for sign-up information.

Employee Service Awards

The FLBA of North Alabama recently said a special "thank you" to four employees for their dedication and years of service to the association. These employees received service awards at the Annual Stockholders Meeting held April 2, 2009, at Cullman Regional Medical Center. Together they have 70 years of Land Bank service.



Left to right: Julia Smith, Greg Copeland, Tanya Carter and J. D. Holt

They are:

Julia Smith, senior loan administrator, Tuscumbia branch – 35 years

Greg Copeland, vice president/branch manager, Albertville branch – 25 years

Tanya Carter, assistant controller, administrative office – 5 years

J. D. Holt, loan officer, Albertville branch – 5 years

Land Bank Welcomes New Employees



Larissa Partlow Accountant

Larissa Partlow is the newest employee in the FLBA of North Alabama's administrative office. She graduated from Athens

State University in August 2008 with a bachelor of science degree in accounting. She joined the staff as an accountant.

She and her husband, William, are members of Decatur Baptist Church. They have three children: Hayden, 15; Ethan, 13; and Caroline, 12. In their spare time, they attend their children's extracurricular activities, which include soccer, ice skating, basketball and guitar.

"Please join me in welcoming Larissa to the Land Bank family," says Ben Gore, president and CEO. "I believe she will be a real asset to the accounting department."



Chuck Roberts Loan Officer Trainee

The FLBA of North Alabama is pleased to introduce the newest staff member of our association. Chuck

Roberts recently joined our Talladega branch office as a loan officer trainee.

Chuck grew up in Hartselle, Ala., and received his bachelor's degree in agricultural economics and business from Auburn University. He has a background in farming, with experience ranging from training horses to maintaining a small cattle operation.

"His hands-on farm background combined with his agricultural economics training make Chuck a great addition to our office and will help us to better service our customer base," says Jim Tollison, vice president and branch manager of the Talladega office. "I'm excited to have him here and look forward to introducing him to our customers and giving him a chance to get to know them as well."