



Lusitania Savings Bank, fsb

Fall Newsletter 2010

Picnic 2010: A Huge Success



Lusitania's Annual Customer Appreciation Day Picnic is one of the ways we give back to the communities that we have been a part of for so long. More than 3,000 customers and non-customers joined our employees and directors this year at the Forrest Lodge in Warren, NJ. Although the event is always a big hit with everyone who attends, this year's Picnic proved to be a particularly special event for everyone who joined us, as Lusitania was celebrating our 30th year of serving our customers.



This year's Picnic included the usual variety of activities and prizes that attendees have come to know and love, including a wide selection of sports facilities, food, beverages, music by the "Mx3" band and the annual soccer game, in which the squad from Casa-de-Tras-os-Montes won out over the Lusitania squad. In honor of the special 30th Anniversary occasion, however, attendees at this year's Picnic also got to enjoy a few surprise performances that celebrated Lusitania's diverse client base.



Several international artists performed throughout the day, including a flamenco dancer, a Portuguese "rancho" troupe and singer Nell Raimundo, all of which served to make a great day even better. We're already looking forward to next year's Picnic and we suspect that everyone who came to this year's event will be as well.

Message from the President

It has often been said, when referring to the up-and-down cycles of the American economy, that the "tide turns at its lowest point." What gets mentioned far less often, however, is just how difficult it is to predict exactly when that tide is going to reach its low point. Although the government has been trying its hardest lately to paint a rosy picture of how the economy is already on the way back up, those of us who live in the local communities know full well that the tide still seems to be sinking. The unemployment rate is still stuck above 9%. Real estate in the community continues to lose value as the supply of homes on the market increases at a greater rate than the demand for them. New construction in the area has ground to a virtual stand-still. In short, things don't look as optimistic right now as the picture the government has been trying to paint for us.



In these turbulent times, we all cling to the principles that have helped us weather the storms in years past, the tendencies that reveal who we truly are. If you are a fiscal conservative who values savings over investments, now is the time when you are likely to emphasize preservation of your assets. If you are the type of person who has historically seen a time of crisis as also a time of opportunity, now is the time when you are likely to snap up real estate opportunities and hold them until sunnier days. Banks follow the same sort of principle – it is in these more difficult times that you get a sense of the true nature of banks and what you mean to them.

Some banks try to get through the low tide by maximizing the number of new depositors that walk through their doors. It's a strategy designed to increase the asset size of the institutions and make it look like they're growing even when the rest of the economy isn't. The problem with this approach is that you as a customer only matter

(Continued on next page...)



You asked.... We listened
Online Bill Pay coming soon
EQUAL OPPORTUNITY LENDER



Main Office:

107 Pulaski Street
Newark, NJ 07105
(973)344-5125

Branches:

210 Ferry Street
Newark, NJ 07105
(973)589-1555

302 Frank E. Rodgers Blvd.
Harrison, NJ 07029
(973)268-7801

1135 Liberty Avenue
Hillside, NJ 07205
(908)527-7994

Express Banking

(973)344-5683

Internet Banking

www.Lusitaniabank.com

Business Hours:

Monday	9:00 am-6:00 pm
Tues-Thurs	9:00 am-5:00 pm
Friday	9:00 am-7:00 pm
Saturday	9:00 am-2:00 pm

Drive Thru Schedule:

Pulaski Office

Monday	8:30 am - 6:00 pm
Tue-Thurs	8:30 am - 5:30 pm
Friday	8:30 am - 7:00 pm
Saturday	8:30 am - 2:00 pm

Message from the President continued...

to them while you are *still* a new customer. Once you open an account with these institutions, you go from a golden "potential customer" who can add to their asset size to being just another bank account number. At Lusitania, we've always taken a different approach. At Lusitania, you aren't just a series of bank account numbers - our customer service representatives make an effort to get to know you individually, to address you by name and to suggest services that best meet your needs, even when they may not benefit our balance sheet. And unlike most of the other banks in the area, Lusitania pays a *higher* interest rate to customers who renew their CD's than to new customers. The reason is simple - we know our customers have many choices when it comes to banking, so we have always tried to set ourselves apart as an institution that focuses on long-term relationships with our customers.

That approach is also apparent to anyone who has ever taken out a loan at Lusitania Savings Bank. Some other institutions are only too happy to offer you rates that seem too-good-to-be-true in order to get you through the door. The problem is that the extent of their focus on you is often limited to just that - getting you through their doors. Their goal is to satisfy shareholders who only care about how many loans get put on the books. After you take out a loan with these institutions, you have little control over where that loan goes. More often than not, your loan ends up getting sold to other institutions that you never intended to get involved with. Now it is one of these secondary institutions to which you have to turn with any questions about your loans, not the bank with which you thought you were taking out a loan. We do things differently at Lusitania. When you take out a loan with us, you're establishing a lending relationship that goes beyond just getting you through the door. Our first step is to take the time to sit down with you and figure out that best product to meet your needs, rather than the one that will be most profitable for us. Once you finalize your loan, you leave with the assurance that your loan will never be sold to another institution. All of the servicing for our loans is handled in-house. The same familiar lending representatives that helped guide you to the right loan will be there to any questions you have throughout the life of that loan.

Again, the difference at Lusitania is that we focus on long-term relationships with our customers. That difference is clear when one of our account customer steps into a branch office is greeted by a knowledgeable representative who treats them with courtesy and respect. The difference is clear when one of our loan customers has a question about their loan and goes straight to the same representative who helped them take out their loan years ago. And, of course, the difference is clear to the over 3,000 customers who attend our Customer Appreciation Day picnic each year. We know that you have many choices when it comes to banking in our communities, so we thank you for recognizing the values that set us apart from other institutions. We hope you will continue to do so long after the tide has turned.

Augusto A. Gomes
President & CEO

SAFE DEPOSIT BOXES



Available at our
Ferry Street Branch

Coming Soon To:
**Pulaski Street
Main Office**

SAFE DEPOSIT BOX SIZES:

Small 5" x 1.5" Large 5" x 4.5"

The rental of safe deposit boxes is a bank service extended to customers for their convenience in securing personal possessions. It should be understood that there is no bank provided insurance for safe deposit boxes.

Consumer Loans

Auto Loans New or Used

Refinance your car loan with us and save .25% on your interest rate by having payments directly deducted from your personal checking account.

- Get the car you want with payments that fit your budget.
- Quick approvals with competitive rates.
- Loans amounts up to 90% of new vehicle purchase price/market value.
- Flexible refinance terms available.
- Financing for a large variety of personal and commercial motor vehicles.
- 100% financing for qualified applicants.



Lines of Credit

Our Lines of Credit offer you more than convenience, they can save you money. Pay off interest credit card balances and consolidate other high-cost loans into a low interest Line of Credit with flexible payments. With a personal line of credit you will pay interest only on the amount used. You will be ready to take advantage of a great opportunity or cover an emergency up to your credit limit.

Personal Loans

Need extra cash for the holidays? We can help! Take advantage of our personal loan programs and free up some cash for gift shopping and other holiday expenses. Our personal loans feature fixed rates and regular payment schedules, and may be used for any purpose from vacations to tuition.

Account Loans

Account loans use your savings or certificate of deposit account as collateral. Loan terms may not exceed the deposit account terms. The deposit account balance become available as debt is repaid. This simple, convenient service has affordable rates and provides you with immediate funds without affecting your hard earned savings.

FDIC INSURANCE

Please be aware that the Federal Deposit Insurance Corporation (FDIC) permanently raised the current standard maximum deposit insurance amount to \$250,000. The FDIC insurance coverage limit applies per depositor, per insured depository institution for each account ownership category. Feel free to visit the FDIC web page for more information: www.fdic.gov

The Scam Update

Helping to keep
you scam-free!

It's your money, so keep it that way— stay informed!

In this issue of the Newsletter: Internet Safety

www.IC3.gov

is a partnership between the National White Collar Crime Center and the FBI, created to handle criminal complaints about internet crime.

Internet Crime Is On The Rise

Figure 1: Yearly Comparison of Complaints Received via the IC3 Web site

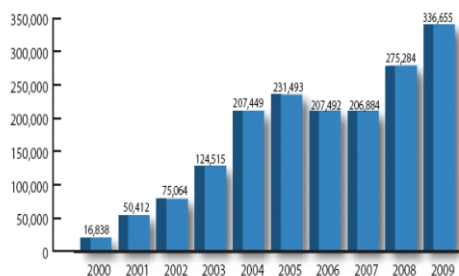
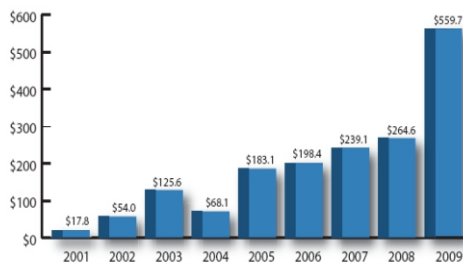


Figure 2: Yearly Dollar Loss (in millions) of Referred Complaints



DID YOU KNOW?

New Jersey ranked in the **top 10** of states in number of individuals who committed an internet crime in 2009.

INTERNET SAFETY ALERT

FBI

INTERNET CRIME COMPLAINT CENTER

ARE YOU A SAFE INTERNET USER?

YOU MAY BE AT **RISK**

IF YOU ANSWER "YES" TO ANY OF THE FOLLOWING QUESTIONS:

- Do you visit websites by clicking on links within an email?
- Do you reply to emails from companies or persons you are not familiar with?
- Have you received packages to hold or ship to someone you met on the Internet?
- Have you been asked to cash checks and wire funds to an employer you met online?
- Would you cash checks or money orders received through an online transaction without first confirming their legitimacy?
- Would you provide your personal/banking information as a result of an email notification?

DON'T BE AN INTERNET CRIME VICTIM!

FOR MORE INFORMATION AND TO TEST YOUR ONLINE PRACTICES VISIT:

www.LooksTooGoodToBeTrue.com

TO REPORT AN ONLINE CRIME VISIT:

www.IC3.gov

BROUGHT TO YOU BY THE FOLLOWING:



MANAGEMENT TEAM

Officers:

Augusto A. Gomes: President/CEO

Jorge S. Gomes: Executive VP/GC

Sandra M. Teixeira: VP of Finance

Maria C. Pequeto-Duarte: VP of Lending

Florbelia De Almeida: VP of Operations

Branch Managers:

Sandra Fernandes:

Branch Coordinator

Sandra Martins: Ferry

Michelle Queiruga: Harrison

Filipe Fernandes: Hillside

Lusitania VISA® Credit Cards

Apply Today - Buying power you need,
from the bank you trust.

- 0% Introductory Rate
- Special \$25 Bonus
- Unlimited Cash Back
- Unrestricted Travel
- Merchandise & Gift Cards
- No Annual Fee



Surcharge-Free ATM Network

Lusitania Savings Bank has teamed up with Allpoint, an ATM network that gives you access to over 40,000 ATM's nationwide at **no charge** to you.



You can find the nearest Allpoint ATM by simply visiting their website at www.AllpointNetwork.com or calling 1-800-809-0308.

PLEASE NOTE: Some Allpoint ATMs may still display a surcharge screen during your Allpoint transaction. If that happens, simply enter "Yes" to accept the surcharge and proceed with your withdrawal. **YOU WILL NOT BE CHARGED THE SURCHARGE.**

ATTENTION ALL BUSINESSES

Starting January 1, 2011, banks will no longer accept payment of your federal taxes with a paper FTD Coupon (IRS Form 8109). You must enroll with the Electric Federal Tax Payment System (EFTPS, see below) to continue your payments.

Pay Federal Taxes Electronically and Securely.

With nothing to learn or install.



**ELECTRONIC FEDERAL
EFTPS[®]
TAX PAYMENT SYSTEM**

▶ ▶ ▶ ▶ **Enroll Today...www.eftps.gov**

USE EFTPS! and avoid possible IRS penalties.

Pay your taxes securely.
Enroll in EFTPS today at
www.eftps.gov

Schedule your payment at least one calendar day before tax due date. Don't worry about lost mail or missing a deadline.

- Pay your Individual taxes, especially your 1040ES taxes
- Use the Internet or phone
- Be assured of security and privacy
- Follow the easy, step-by-step instructions online or by phone
- Make a payment in a matter of minutes
- Access the system 24 hours a day, 7 days a week
- Receive an immediate acknowledgement of every transaction as a receipt
- Review the last 16 months of your payment history online or by phone
- Schedule payments up to 365 days in advance
- Rely on EFTPS—19 times more accurate than paper coupons or vouchers



Questions? Call EFTPS Customer Service 24 hours a day, 7 days a week: **1-800-316-6541**

ONLINE BANKING

Never wait on line again! Sign up for online banking! Customers are able to access their accounts from the comfort of their homes and always be on top of their transactions, funds transfers, check images and account alerts.

Visit us at www.Lusitaniabank.com and sign up!



Once signed up, make sure you log in at least once every 90 days for your account to remain active.

LET US HEAR FROM YOU

How can we serve you even better?

We strive to provide excellent service to you every day, in everything we do. This means constantly improving upon the way we do business, and we want your input on how we can further improve. Please share your suggestions on ways we can serve you even better.

Our team will review all suggestions submitted, and if we decide to use yours, we'll pay you \$50.00 for it!

Please mail this form to: **Lusitania Savings Bank, fsb
Attn: Augusto Gomes, CEO
107 Pulaski Street, Newark, NJ 07105
aagomes@lusitaniabank.com**

That's how serious we are about excellent customer service!

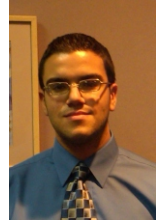
We would like to welcome our New Employees



**Michelle
Fernandes**



**Stephanie
DaSilva**



**Emidio
Rodrigues**

IN THE COMMUNITY



We would like to thank all that donated in the month of October to the American Cancer Society Making Strides Against Breast Cancer. We are very proud of our employees Andreia I Cunha & Marli Rodrigues for their participation in The Walk.

SMALL BUSINESS CHECKING

Ideal for start up or existing small businesses:

Features:

- Minimum opening balance requirement \$100
- Free transactions*
- Free MasterMoney business debit card
- Free ATM transactions at over 40,000 ATM machines
- Free account maintenance**
- Free Internet Banking
- Free Telephone Banking
- Merchant Services available
- Overdraft Protection available
- Business Credit Card available



*First six months FREE of charge. After that, 100 transactions free per month, .20 each additional transaction (transaction includes deposits, withdrawals, checks paid, electronic transactions).

**Account maintenance fee waived when an average collected balance if \$500 is maintained.

For more information call or stop by today. One of our knowledgeable Customer Service Reps will be able to answer your questions.

This newsletter is intended to provide accurate and authoritative information in regards to the subject matter covered. The information in this newsletter is not intended to provide specific advice or recommendations. For legal or other expert advice, we recommend consulting your attorney, accountant, tax or financial advisor.

If you are unhappy with our services please let us know.