

Ensuring Your Safety Online

Protecting your confidential information has always been a top priority at Texas Gulf Bank, N.A., especially when you use online banking. As more and more people and businesses manage their finances online, the fight against Internet fraud grows stronger. In fact, the federal government has released new guidelines to help federally insured financial institutions keep customers' accounts more secure than ever before.

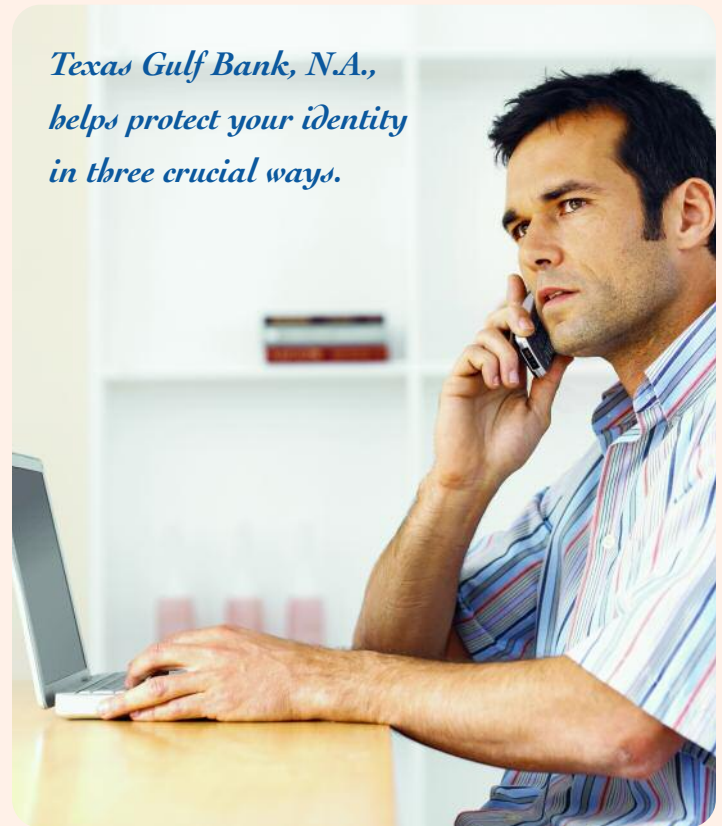
Verifying That You Are You

The Federal Financial Institutions Examination Council (FFIEC) outlines steps for financial institutions to take to ensure that your identity is protected whenever you access your accounts online. We do our part by addressing online safety at three levels.

- ★ We require authentication methods from our users with unique passwords.
- ★ We provide browser security with a Secure Sockets Layer (SSL). SSL establishes a secure session, and data cannot be monitored by others on the Internet.
- ★ The computer system does not connect directly to the Internet, and is protected by firewalls.

Technology Officer Pat Harrity says, "New security methods will be available by the end

*Texas Gulf Bank, N.A.,
helps protect your identity
in three crucial ways.*



of 2006, and Texas Gulf Bank will be upgrading authentication to continually help keep your private information secure and comply with the latest FFIEC guidelines."

Stay on Guard

You can do your part to help keep your accounts safe, too. By now you may have heard of phishing scams – fraudulent e-mails and look-alike Web sites that try to trick you into revealing personal information such as account numbers and

passwords. Remember that we will NEVER ask you for account or password information in an e-mail. If you receive a suspicious e-mail, do not reply to it or click on any links. Instead, call us at **(979) 297-7211** or **(979) 849-2372**.

By working together, we can protect your finances and your good name. Know that we are hard at work to keep our Internet services secure so you can continue to enjoy the convenience and ease of online banking.

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Stay On-the-Go This Summer with Our Online Services

*B*alancing weekend trips with family and friends, baseball and softball games, barbecues and other outdoor activities can make summer the busiest time of year. Pile that on top of managing your finances and the season may have you stressing out instead of enjoying the fun.

Thankfully, Texas Gulf Bank, N.A., may have the solution. We offer secure online banking. With

Internet banking, you can be on-the-go without having to worry about making loan payments, transferring funds or checking your account balance. Handling these tasks online may give you more time to spend with friends and family – the best part of life.

We're with You Every Step of the Way

Call or stop in to a branch today and a representative will be glad to help you set up your online account. We can walk you through the process and will gladly answer any questions you may have. Rest assured, we consider the security of your personal information of utmost concern. We authenticate every user and are vigilant in protecting your identity.

With our convenient online banking service, you can access your secure account information from any computer with Internet access. Also, consider having Social Security and other checks directly deposited into your account. These are a few simple benefits that can allow you more freedom when traveling or attending social functions this summer.

Sign Up, Get Going

Don't let managing your finances get in the way of enjoying the company of friends and family. Stop in or call us today to get started with our quick, secure and convenient online banking service.



It Pays to Monitor Your Accounts Closely

If you have considered handling your finances electronically for convenience, here's an even better reason. You'll be able to pay closer attention to your account activity, which can help keep you from falling victim to a new type of scam.

Thieves sometimes make "test raids" on consumers' checking accounts, electronically debiting small amounts, like \$10 or \$20. If these unauthorized debits go unnoticed and are not reversed by the financial institution or account holder, thieves may consider it a green light to steal much larger amounts from your account. While you may not be responsible for these unauthorized debits, they can still result in embarrassment and bounced checks, overdrawn and frozen accounts or returned check fees.

What You Can Do

With a few simple steps, you can stay on top of your finances and protect yourself. Here's how:

★ **Check your account balance regularly.** Make it a routine, like something you do every Saturday or after you make a purchase. With phone banking and online banking, you can check account balances seven days a week.

★ **Report any unauthorized charges immediately.** If you see any unauthorized debits, contact us right away. No matter how small the charge, it's important to make Texas Gulf Bank, N.A., aware of it immediately.

Come to Us

We want to help keep you and your finances safe. For more information about maintaining your account security, call us at **(979) 297-7211** or **(979) 849-2372**, stop by your nearest branch or visit us online at www.texasgulfbank.com.



From the President

Packing for College: Remember These Financial Tools



Among the books, paper, pens, towels and sheets your college-bound child takes to school, remember to tuck in money-management essentials, too.

Your Checklist

Success at college encompasses more than academic prowess. It also requires that students handle more personal responsibilities,

including their finances. To help ensure that your child is ready for life on his or her own, use this checklist before he or she leaves home.

- ✓ **Checking and savings accounts with debit card access** – Your child will have even more need for checking and savings accounts when away from home, and a debit card allows your student to access funds through ATMs and to make purchases quickly. Be sure to remind your student to carefully track withdrawals, purchases and deposits to prevent overdrawing the accounts.
- ✓ **Online banking** – One of the easiest ways to manage finances is to use online banking at www.texasgulfbank.com. It's accessible anytime.
- ✓ **A budget** – Take time to estimate your child's out-of-pocket expenses and income for a semester. Then help him or her create a spending plan.
- ✓ **A credit card** – A credit card can be a great way for your child to cover true emergencies, shop online, safeguard purchases and benefit from a zero-liability policy for lost or stolen cards.

However, it's important for your student to understand how finance charges and fees – for cash advances and late payments – can add up. If used prudently, a credit card can help your child establish a sound credit history, which will come in handy later when he or she needs to rent an apartment or take out a car loan.

Ready to Go

At Texas Gulf Bank, N.A., we offer a variety of personal finance services to help you and your student weather the financial demands of college. Plus, our accounts come with friendly, helpful service, so you never feel like you're completely on your own. For more information about new accounts or to open one, please log on to www.texasgulfbank.com, visit us at a branch or call us at (979) 297-7211 or (979) 849-2372.

James F. Brown, Jr.

James F. Brown, Jr.
President and CEO of Texas Gulf Bank, N.A.



Simplify Your Spending with a Business Check Card



Still carrying around that checkbook? For many people, checkwriting has become yesterday's news, thanks to the convenience of the check card. A check card eliminates the need to write out checks, and it speeds up transactions at most establishments. Texas Gulf Bank, N.A., offers a check card to sole proprietors designed just for your business expenses. Similar to our consumer check cards, the business card can simplify your spending and save you time and hassle.

Easy, Breezy Spending

With a business check card from Texas Gulf Bank, N.A., you don't

have to worry about handling cash or writing checks. You can use the card for all your business expenses, from ordering supplies to purchasing airline tickets. Each purchase is deducted from your business checking account and will appear on your monthly account statement. A business check card can help you manage and monitor transactions, giving you more control over your spending. And it's convenient, too – simply present the card wherever Visa® debit cards are accepted.

More Advantages

Unlike a regular check, your business check card can be used

to purchase items online. It's also convenient for phone and mail orders. Tired of waiting for check approvals? With a business check card, your purchase is completed immediately. Another advantage is that you can order additional cards for your employees with preset spending limits.

A business check card offers new opportunities for working professionals. If you're interested in ordering a card or want more information, contact us at (979) 297-7211 or (979) 849-2372, visit www.texasgulfbank.com or stop by one of our branches.

Forecasting Cash Flow: An Art and a Science

A healthy business relies on good cash management, and that begins with developing an accurate cash-flow projection. Unlike a profit-and-loss statement, a cash-flow projection balances a number of financial variables during a specific period of time. These factors might include equipment and inventory purchases, increases in employee salaries, money owed to you by customers, investment income and a fluctuating credit rating. An accurate cash-flow projection does not guarantee future liquidity. Rather, it uses both art and science to offer an educated prediction of your business's cash inflows and outlays.

Creating a Cash-Flow Statement

Many business owners use either weekly or monthly cash-flow projections to help manage short-term cash needs along with annual projections to develop longer-term capital strategies.

To calculate a cash-flow projection, you need three critical pieces of information:

1 Beginning cash balance. This totals all the cash on hand at the beginning of your designated time period.

2 Projected cash sources. This combines the sum of accounts receivable and other cash income related to the business. Beyond customer payments, it may contain interest income, royalties, service fees, investment equity and collection of bad debts. Usually, this is the trickiest amount to calculate because customers may pay more slowly than in the past or sales volume may change unexpectedly.

3 Projected cash uses. This equals the sum of business operation costs. A few examples include sales commissions, taxes, utilities, manufacturing costs, loan payments, advertising, office supplies and cash dividends.

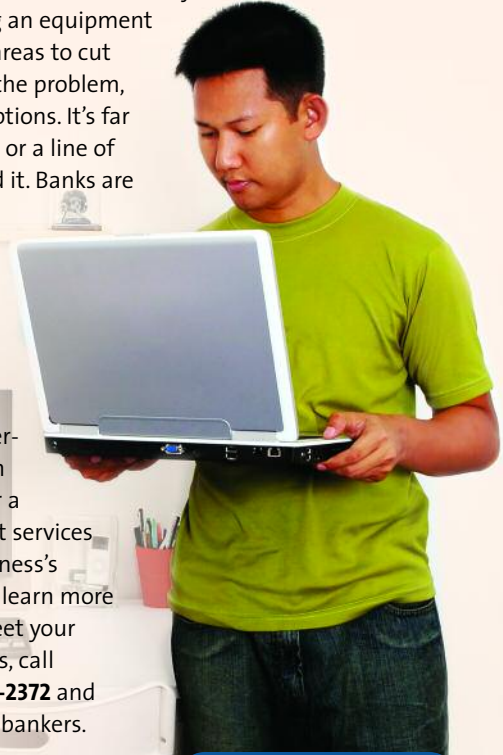
By subtracting the total of projected cash uses from the total of projected cash sources, you'll determine the **projected net change**. Finally, add the projected net change to the beginning cash balance to calculate your ending cash balance, which also acts as the beginning cash balance for the next statement period.

Solutions for Cash Shortfalls

The key to managing a cash crunch successfully is to detect it and deal with it as early as possible. A negative projected net change in your balance sheet may signal a shortfall. The solution may be as simple as postponing an equipment purchase or finding other areas to cut costs. If that doesn't solve the problem, consider your borrowing options. It's far easier to arrange for a loan or a line of credit when you don't need it. Banks are wary of businesses that need a cash infusion immediately because, if nothing else, it indicates a failure to plan.

We Can Help

Texas Gulf Bank, N.A., understands the nuances of cash management, and we offer a range of cash management services designed to keep your business's finances in good health. To learn more about how we can help meet your company's cash flow needs, call **(979) 297-7211** or **(979) 849-2372** and talk to one of our business bankers.



Balance Sheet Example for World-Class Widgets

August 2006

Projected Cash Sources \$25,000

Projected Cash Uses - \$18,000

Projected Net Change \$ 7,000

Beginning Cash Balance \$60,000

Projected Net Change + \$ 7,000

Ending Cash Balance **\$67,000**

