



A LETTER FROM GARY HUDSON

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While this is a busy time of year for almost everyone, it's also the season when most of us try to slow down long enough to spend extra time with family and friends as well as reflect on the joys of days gone by.

Here at your bank, we are working on 'closing the books' on 2012 and preparing for another successful year in 2013. Financial challenges for banks remain complicated just as they do for each of you. I am happy to report that Farmers and Merchants remains strong and healthy. I wish the same for you and your family as we stand ready

to assist you whenever possible.

We remain committed to the communities we serve, helping develop small business, agriculture, schools and health care throughout the region. It's because of you, our loyal customers, that we are able to accomplish so much together.

Best wishes to you and your family as we welcome another new year,





Call us at 870.673.6911 or visit us online at www.mebanking.com

2013 LIMITS

TAKE ADVANTAGE OF UNCLE SAM'S HELP TO SAVE FOR RETIREMENT

Check to see how much you can save for retirement in tax-advantaged accounts in 2013. Cost-of-living adjustments are reflected in retirement account contribution limits for 2013, although catch-up contributions remain unchanged.

The adjusted gross income (AGI) limits to qualify for the saver's credit have increased for 2013, too. The saver's tax credit helps low- and moderate-income savers with a credit worth up to \$1,000 (or \$2,000 if married filing jointly). For more information, visit the IRS website, www.irs.gov.

\$5,500 = Individual retirement account (IRA) contribution limit

\$1,000 = IRA catch-up contribution limit (age 50+)

\$17,500 = 401(k), 403(b) and 457 elective deferral limit

\$5,500 = 401(k), 403(b) and 457 catch-up contribution limit (age 50+)

\$12,000 = SIMPLE contribution limit

\$2,500 **SIMPLE** catch-up contributions (age 50+)

\$59,000 = AGI for saver's credit – married couples filing jointly

\$44,250 = AGI for saver's credit – heads of household

\$29,500 = AGI for saver's credit – singles and married individuals filing separately

Investment products: • Not federally insured • Not a deposit of this institution • May lose value

OVEN-CRUSTED CHICKEN BREAST

Ingredients

For chicken:

- 4 boneless, skinless chicken breasts (3 ounces each)
- 1 egg white (or substitute liquid egg white)
- 1 cup fat-free evaporated milk
- 1 cup breadcrumbs
- 1/4 cup rolled oats, crushed; pulse a few times in the food processor or crush between fingers to make smaller pieces
- 1 cup whole wheat flour
- 2 tablespoons olive oil or vegetable oil

For salad:

- 2 tablespoons lemon juice
- ½ tablespoon olive oil
- 4 cups red leaf lettuce, rinsed and dried
- 1 cup cherry tomatoes, rinsed and halved
- 1/4 teaspoon salt
- 1/4 teaspoon ground black pepper

Per serving: 264 calories, 11 g fat, 49 mg cholesterol, 263 mg sodium, 3 g fiber, 24 g protein, 18 g carbohydrates, 553 mg potassium.





A healthier way to pan fry chicken! Serve with salad and cherry tomatoes for a balanced meal. Number of servings: 4

Directions

- 1 Preheat oven to 350°F.
- 2 Place chicken in a freezer bag with the air squeezed out, and pound each breast down to 1/2-inch thickness.
- 3 Combine the egg white and evaporated milk in a bowl, and mix well. In a separate bowl, combine the breadcrumbs and crushed oats, and mix well.
- 4 Coat the chicken breasts in flour, and shake off the excess. Dip the chicken breasts in the egg and milk mixture, and drain off the excess. Then dip the chicken breasts in the breadcrumb mixture to coat, and shake off the excess. After all chicken breasts have been coated, discard any leftover breading mixture.
- 5 Heat oil in a large sauté pan. Pan fry the chicken over medium-high heat on one side until golden brown, about 2-3 minutes. Turn carefully, and pan fry the second side for an additional 2-3 minutes or until golden brown. Remove from the pan, and place on paper towels to soak up excess oil. Place on baking sheet, and finish cooking in a 350°F oven for about 5-8 minutes (to a minimum internal temperature of 165°F).
- 6 For the salad, combine lemon juice and olive oil, and mix well to make a dressing. Toss the lettuce leaves and cherry tomatoes with the dressing, salt and pepper.
- 7 Serve 1 cup salad with one piece of chicken.

TIMING MATTERS

MANAGING YOUR SOCIAL SECURITY BENEFITS

Social Security may be intended to protect against the economic uncertainties of old age, but, for many, the question of when to begin taking benefits is, itself, a matter of uncertainty. You can begin receiving benefits anytime between ages 62 and 70, but the monthly payment will vary depending on which age you choose. Although the system is actuarially neutral – if you live to the average age, your benefits will come to approximately the same total regardless of when you start collecting - there are pros and cons associated with each choice.

Taking Benefits ASAP

Taking benefits early may substantially reduce your monthly payment. For example, someone earning \$50,000 a year who turns 62 in 2013 might get a monthly benefit of \$1,021 if he or she takes benefits right away, whereas waiting until normal retirement age (NRA) – age 66 for those born between 1943 and 1954 - could mean an increase to \$1,442 per month.* In addition, collecting before age 66 may incur a further penalty if you are still earning an income.

Applying for Social Security before NRA may be the smart choice if you need the money to make ends meet. Better to have reduced benefits when you need them than to go into debt. But if you are financially solvent, waiting is often advisable.

Collecting at NRA

Signing up for your Social Security benefits at normal retirement age** means you get the full benefit amount based on your work record. (Find your estimated benefits at the Social



Security Administration website, www.ssa.gov/mystatement/.) In addition, you can earn an unlimited amount of income without any deductions to your monthly Social Security payment.

Delayed Gratification

Waiting to collect your benefits can mean a significant boost in your monthly payment for every year you delay up to age 70. That person earning \$50,000 a year whose NRA payment is \$1,442 per month could see an increase to \$1,985 a month by waiting until age 70 to collect.

In most cases, if you're in good health it may make sense to wait and maximize your Social Security benefit. By doing so, you are essentially buying longevity insurance, protecting yourself

against the possibility of outliving your money. The primary drawback to waiting to claim is that you have to live longer to collect the same amount you would receive had you started at an earlier age.

Take the Pressure Off

A well-rounded retirement plan doesn't rely solely on Social Security. You can take much of the stress out of your decision by having alternative sources of retirement income, such as an individual retirement account (IRA). For information on the IRAs and retirement planning we offer, call **870.673.6911** or visit our website at www.mebanking.com.

- * Source: Social Security Administration, Quick Calculator, $www.ssa.gov/cgi\hbox{-}bin/benefit 6.cgi.$
- ** Visit the Social Security Administration website to determine your NRA, www.ssa.gov/oact/progdata/nra.html.

WISE FINANCIAL PLANNING AND NUTRITION HABITS ARE SIMILAR

Every day, most people repeatedly decide what to eat and how to spend their money. The following tips can help you apply the same rules that govern good nutritional habits to smart financial planning.

How to Improve your Physical and Fiscal Health

Consistently apply small changes.

Making major changes to your eating habits - such as giving up all snacks and desserts - can quickly make you feel deprived and sabotage your efforts. Small changes made over time – such as replacing french fries with steamed vegetables one month and opting for water instead of soda a few months later – are easier to maintain until they've become established habits. Similarly, sudden, drastic changes to your financial habits can be difficult to maintain. A financial planner can help you determine which small steps – such as boosting payments on high-interest debt or increasing your retirement plan contributions by 1% – can provide the biggest benefit while healthy financial habits take hold.

Plan ahead. Preparing healthy meals in advance can help you stick to your nutrition goals better than if you visit the drive-thru when you're tired and hungry. In a similar fashion, building an emergency fund before the unexpected occurs can protect your investment strategy in times of hardship.

Focus on everyday habits rather than special occasions. If your diet is frequently high in saturated fat or sodium, over time you may experience high blood pressure and/or high cholesterol. But if you eat healthfully for the most part, an occasional lapse is not

a huge cause of concern. If your financial diet is frequently high on spending and low on saving and investing, you may jeopardize your future financial health. But if you usually practice healthy money management habits, it is easier to absorb occasional big-ticket expenses and still accomplish your financial goals.

Find a balance that is right for you.

Nutritional needs vary greatly based on a person's health, age and other factors. The same is true of the asset allocation in your investment portfolio. An investment professional can help you create an investment strategy that's appropriate for your goals, timeline and risk tolerance.

Make it easy. No matter how healthy a diet may be, if it's complicated or challenging to maintain, chances are good that you won't stick with it.

Stocking your cupboards and fridge with convenient and nutritious food makes eating well something you don't have to think about. Setting up an automatic investment program* works the same way; you'll reduce temptation to spend while contributing to your investment portfolio and creating a regular habit that requires little time or effort.

We Can Help

Our bankers at Farmers and Merchants Bank can help you improve your financial health. To learn more, call **870.673.6911** or visit our website at www.mebanking.com.

* Dollar-cost averaging (systematic investing) cannot guarantee a profit or protect against loss in a declining market. You should consider your ability to continue investing during periods of low price levels.

Investment (and/or insurance) products: Not federally insured Not a deposit of this institution May lose value



COLD-BUSTING REMEDIES



With more than 62 million cases of the common cold every year,* many who are under the weather turn to over-the-counter (OTC) medications, old wives' tales and new health trends for relief. Research on various remedies is often insufficient, but current data indicates that some home treatments may help, some may be harmful and others are worth a try.

Comfort Food

"Feed a cold, starve a fever" may be a debatable maxim, but some foods do seem to ease cold symptoms and boost immunity. Studies suggest that you might find relief from:

- Chicken soup. It sounds cliché but there's scientific evidence that chicken soup, especially homemade, may inhibit the inflammatory response of the body's immune system, temporarily lessening cold symptoms.
- Honey. An antioxidant that is antimicrobial and soothes on contact, honey may ease nighttime cough and sleep disturbances caused by the common cold. Honey is appropriate for adults and children over age 1, but should never be given to children younger than 1 because of the risk of infant botulism.
- **Probiotics.** The friendly bacteria found in fermented milk products like kefir and yogurt may boost your immunity and help prevent or reduce the severity of the common cold.

Trendy or Tried and True?

Many cold-relieving home remedies and store-bought supplements garner popular attention, but not all offer real relief and some should be used with caution:



- A neti pot flushes out the nasal cavities, which may help treat colds. Use only water that is distilled; boiled and completely cooled; sterilized; or filtered through a 1-micron pore sized filter to avoid introducing dangerous bacteria into the nasal passages.
- Echinacea is said to boost your immunities. Although no conclusive evidence supports this claim, if you're healthy and not on prescription medications there's likely no harm in trying it.
- Vitamin C has not been proven to prevent colds, but if taken before symptoms start it may shorten the duration of a cold, making it a worthwhile supplement for anyone frequently exposed to cold viruses.
- Zinc lozenges and syrups have been studied for their potential to shorten the length of a cold or reduce the number of colds when taken regularly. However, zinc's effectiveness remains uncertain and there are possible side effects, such as nausea caused by oral doses and

permanent damage to your sense of smell caused by nasal zinc.

symptoms, but do little to shorten the length of a cold. Also, research has shown that these products offer little benefit to young children. The U.S. Food and Drug Administration (FDA) strongly recommends that children under the age of 4 not be given OTC cold and cough remedies because of the risk of serious and possibly fatal side effects. The safety of OTC cough and cold medications for older children is still under investigation.

All in GoodTime

Time is the only surefire cure for the common cold. And time-honored methods of taking care of yourself can help you through. Get plenty of rest, drink fluids to stay hydrated and consult your doctor if you decide to add cold-busting supplements or home remedies to your regimen.

* Source: National Center for Health Statistics, www.cdc.gov/nchs.

MOOD-BOOSTING FOODS

For most people, just the thought of indulging in a favorite food can lead to a smile or even a warm, fuzzy feeling. But did you know that the foods you eat can actually affect your mood? What you put into your body affects your mental health (and your brain) just as it does your physical health. So if you're looking to boost your mood, rethink your daily menu.

Balance Carbs and Proteins

Both carbohydrates and proteins are key to a balanced diet, but which ones will help put a spring in your step?

Good carbs. Carbohydrate-rich foods help the moodenhancing amino acid tryptophan make its way to your brain to produce the neurotransmitter serotonin. While you might get a quick "high" from foods with simple sugars or processed carbohydrates (think white bread, white sugar, etc.), this surge is short-lived. Reach for fruits, veggies and foods containing whole grains. Because these foods are high in filling fiber, their mood-enhancing effects last longer.

» Good carb go-tos: whole grains, beans, leafy greens, squash, apples, pears, berries

Protein. Incorporating lean protein into your meals helps you feel full, and it stays in your system longer than processed foods loaded with simple sugars. Protein can keep you alert and provide that steady dose of energy your body needs. When you stay energized, so does your mood.

» Lean protein go-tos: chicken, fish, seafood, eggs, yogurt, soy, chickpeas, almonds

Say Yes to Folate

Folate is a water-soluble B vitamin found naturally in foods such as leafy greens. It is most commonly known as the vitamin (or the synthetic version, folic acid), which is needed by pregnant women to help prevent neural tube defects in infants. Research has also shown that people suffering from depression often have low folic acid levels, so grab some greens!

» Folate go-tos: spinach, turnip greens, kale, citrus, dried beans or peas, asparagus, tomatoes

Give Omega-3s the Thumbs Up

Omega-3 fatty acids have been touted for contributing to a healthy heart, but research has also shown that people who

HAPPY DAY MENU

Breakfast: One half whole-wheat
English muffin with a slice of Canadian bacon and
a poached egg, topped with diced tomato sautéed
in olive oil. Round out the meal with a half grapefruit.

Lunch: Spinach salad with cocktail shrimp, chickpeas, red onion and a light, citrus vinaigrette. Enjoy a whole wheat roll on the side

Dinner: Grilled salmon with a side of whole wheat pasta tossed with canola oil, grilled asparagus, sundried tomatoes and your favorite seasonings.

Dessert: Fresh berries and yogurt.



eat more fish such as salmon (a great omega-3 source) are less likely to suffer from depression.

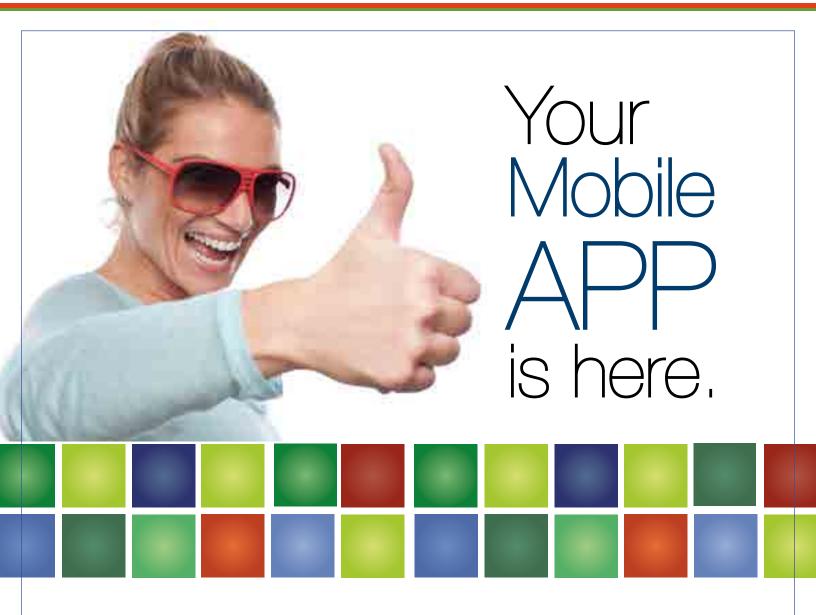
» Omega-3 go-tos: wild salmon, tuna, flaxseed oil, canola oil, olive oil, English walnuts

Eat Wisely, Be Happy

The benefits of a well-balanced diet are plentiful, and working in some of these healthy, mood-enhancing foods can make you feel happier, too. If you are feeling low, and your symptoms don't subside, talk with your doctor. He or she can help you determine what additional measures you can take to improve your mental health.



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Learn more & signup at MeBanking.com.



