

CITY STATE BANK SPIRIT

Grimes • Indianola • Madrid • New Virginia • Norwalk



PRESIDENT'S LETTER

Dear City State Bank Customers,

We have all been overwhelmed in recent months with negative financial news. In light of the current state of affairs, I think it is important for you to understand your bank's position.

The takeover of Freddie and Fannie along with the failure of IndyMac, has been attributed to their lending in the Subprime mortgage arena. This type of lending is not part of the philosophy or portfolio of City State Bank. However, the benefit to our customers, with the takeover of Freddie and Fannie, has been the dramatic decrease in interest rates to our mortgage borrowers. Now is a fantastic time to consider refinancing your current mortgage.

You are aware that integrity is one of the most important values at City State Bank. Being honest about our numbers and results is imperative. Our business is based upon trust and our reputation is one of our most valuable assets. All our numbers are prepared in accordance with regulatory accounting principals. We are conservative when reporting to regulators. Our bank's balance sheet remains rock solid; we have been here since 1895 and plan to be around long into the future. We prepare our financial reports so they most fairly represent our business, we have a very strong management and board, our buildings and grounds are well maintained, but modest when compared to similar sized institutions.

I want you to know that I take our company's reputation very seriously. Our bank's capital is reality, not fiction, and we will strive to protect it. We will continue to operate City State Bank in a conservative fashion, which will provide solid long-term results. Thank you for allowing City State Bank to serve as your financial partner.

Sincerely

Steve Albrecht

INSIDE THIS ISSUE

- Upcoming Bank Events
- Product Focus:
Photo Debit Cards
- Bank Green
- Customer Appreciation Days
- Energy Saving Home
Improvements
- City State Bank Donations
- Events from Last Quarter

SPIRIT. DRIVE.
RELATIONSHIP.



CDARS®

Are you worried about having CDs and staying under the FDIC insured limit? City State Bank has just the option for you...it's called CDARS® and it allows you to have up to \$30 million in CDs at our bank...all completely FDIC insured! You can receive the coverage of working with many banks, by working with just one...us! Call your local office for more details and to see if CDARS® is right for you.





SPIRIT. DRIVE.
RELATIONSHIP.

UPCOMING BANK EVENTS

- November 1st –
Norwalk Pie Contest–Bring in your best pie by 8 am to our Norwalk Home Loan building (located next to the bank). We will have local judges ready with forks in hand. Prizes for the top 3 places and pie served in the bank lobby from 10 am-noon!
 - November 6th –
Trust & Investments Seminar
 - November 11th –
Veteran's Day–Bank Closed
 - November 14th –
Wine Harvest Celebration (Norwalk Chamber) – Join us at the Celebration Barn for a night of dinner, wine tasting and fun and look for the City State Bank basket on the silent auction tables
 - November 27th –
Thanksgiving – Bank Closed
- Because we have so many December events, we will have a special 'December' edition of our City State Bank Spirit newsletter to fill you in on all the details!
- Look for us...In the special 'Trust & Estate' section of the Business Record and of DSM magazine!

PRODUCT FOCUS: PHOTO DEBIT CARD

City State Bank now offers Photo Debit Cards! These cards work exactly like our regular debit cards, but they have the added advantage of having your photo on them. With an initial cost of only \$10, it is a great way to step up your security ...and in a world full of identity theft issues, it's just another way we're helping you protect yourself. Stop in today to apply!



BANK GREEN

Hey, we know nobody's perfect, including us, but there are some things we can do...and isn't it just an added bonus when they're also FREE? City State Bank has some great ways to help you 'Bank Green':

- 1 Direct Deposit–talk to your employer about getting your check direct deposited
- 2 Online Banking–just log on to www.citystatebank.com and sign up today
- 3 Online Bill Pay–save paper, stamps and time with our online bill pay
- 4 Telephone Banking–Call (515) 981-5418 to access your account by phone

And introducing our newest way to 'Bank Green'...**E-Statements!** Why waste the paper and envelope every month when we can send an e-statement right to your computer! To sign up, just log on to your online banking and choose 'Services' and then 'Electronic Statements'. Read the agreement, click 'I Agree' and then just choose the accounts you would like to have sent to you by e-statement.



It's SO EASY...and just to sweeten the deal...if you sign up for e-statements in the month of October we'll give you a reusable tote bag! Just pick it up the next time you are in the bank. If we're all in it together, maybe those little efforts will add up to big changes after all!

CUSTOMER APPRECIATION DAYS:

Thanks for joining us this summer at our Customer Appreciation events!



Grimes (June 14)



Madrid (July 26)



Indianola (August 1)



Norwalk (August 8)



ENERGY-SAVING HOME IMPROVEMENTS ON ANY BUDGET

If you're looking for ways to save on energy costs at home, you're certainly not alone! Millions of Americans are making changes, large and small, to improve their home's

efficiency. While major changes can, of course, produce the biggest savings, there are steps you can take even on a modest budget.

Here are some ideas in various price ranges:

Under \$100:

Programmable thermostat – You can purchase a programmable thermostat for under \$100, and regulate your home's temperature automatically. Possible savings: about \$180 a year.

Compact Fluorescent Light bulbs – These are now available in a wide variety of sizes and shapes to fit almost any fixture. Possible savings: \$30 or more over the lifetime of each bulb.

Under \$500:

Ceiling fans – During the summer months, a ceiling fan can lower a room's perceived temperature by 3 or 4 degrees. Possible savings: about 7% to 10% for every degree you raise your air conditioning temperature.

Sealing and insulating – Small leaks can be big energy wasters. Have your ducts sealed, insulated and repaired if necessary. Possible savings: as much as 20%.

Over \$500:

New HVAC system – While this is obviously an expensive move, today's high-efficiency furnaces and air conditioners can make a big difference in your monthly bills. Possible savings: \$200 or more per year.

For more ideas on making your home more energy efficient, visit www.energystar.gov. If you decide to make some major changes or purchase some EnergyStar appliances, let us know if we can help with the financing.

Our low-rate Home Equity Loans are the perfect way to pay for any projects you might have in mind!

THIRD QUARTER DONATIONS

- Local Booster Clubs
- Indianola Peace Officers
- Norwalk 4th of July Celebration
- Grimes Funtastic Days
- New Virginia Old Settlers Days
- Warren County Dare
- Norwalk Lions Club
- Madrid Labor Day
- Local Yearbooks

MISSION STATEMENT

The City State Bank Spirit drives us to provide service and solutions exceeding customer expectations.



EVENTS

NORWALK SHRED DAY:

City State Bank's Norwalk office held it's first ever 'Shred Day' on Friday, June 20th from 11 am-1 pm. Customers of the bank were invited to bring in any of their personal information and watch it get shredded onsite as well as enter a drawing to win a new shredder. Employees were on hand to help unload the vehicles. Total amount shredded? Over 2800 pounds!



ROOT BEER FLOATS:

If you stopped in any of our branches on the afternoon of Friday, July 18th, it was your lucky day. Our employees served up hundreds of Root Beer Floats to customers that afternoon!



WARREN COUNTY TRACTOR RIDE:

Tuesday, July 22nd was the annual Warren County Tractor Ride. Over 70 tractors participated in the ride that started and ended at the Warren County Fair, with stops in St. Mary, Winterset and Norwalk. City State Bank employees served up an afternoon snack at the Norwalk High School of homemade pies (made by Ethel Hughes) and homemade ice cream (made by Mike Pettit).



TEACHER APPRECIATION BREAKFASTS:

City State Bank was proud to once again serve breakfast to the teachers and school staff of our local schools on their first day of in-service. On August 14th we were at Dallas Center-Grimes, I-35 and Madrid. On August 15th we were in Norwalk and on August 18th we were in Indianola and Martensdale St. Mary's. In total, we served over 1300 school employees to thank them for all they do for our kids and our communities!



CONTACT INFORMATION

Grimes

100 N. Jacob St.
Grimes, IA 50111
515-986-2265

Madrid

105 E. 2nd St.
Madrid, IA 50156
515-795-3807

Norwalk

801 Main St.
Norwalk, IA 50211
515-981-4234

Indianola

1510 N. 1st St.
Indianola, IA 50125
515-961-7000

New Virginia

501 West St.
New Virginia, IA 50210
641-449-3314

Norwalk Trust & Investments

1104 Sunset Dr. Suite B
Norwalk, IA 50211
515-981-1400