

CITY STATE BANK SPIRIT

Grimes • Indianola • Madrid • Martensdale • New Virginia • Norwalk



PRESIDENT'S LETTER

One of the leaders that I have admired over the years is Jack Welch, formerly the head of General Electric. He was a successful, energetic man who was able to lead with speed and simplicity. During his time with GE, they made over 1700 acquisitions - in 1999 alone, GE made 134 acquisitions valued at 17 billion. Although, GE was very complex, he was able to make business simple. He stressed that the organizational structure should be simple and urged his managers to never stop simplifying.

In light of the ever increasing complexity of the business environment and speed at which business is transacted, I felt it may serve us all well to be reminded of some of Jack Welch's lessons. So in this piece, I will try to outline some of Welch's ideas; I know they have served our organization well during the past 20 years.

Here are some recurring themes of Welch's management: 1) Command and control is not the best way to run a business. He felt getting everyone involved was more important than adhering to a rigid hierarchy. 2) Involving everyone is the key to enhancing productivity. 3) Ideas and intellect rule over hierarchy and tradition - new ideas and developing the company intellect are the keys to success. 4) Finding leaders that live the company core values are more important than finding those who make the numbers. 5) Developing a learning culture is the key to creating a competitive enterprise.

Welch's key lessons for identifying and developing leaders: 1) Nurture only those leaders who share the company vision and values. 2) Look for leaders who harness the power of change. 3) Look for the Four E's - Energy - The best leaders possess an enormous amount of energy; Edge - Those with the edge have the competitive spirit and know the value of speed; Energizer - An energizer is someone who is able to motivate others with an unvarnished brand of enthusiasm; Execution - The GE chief knows that edge and energy would be of little use unless they were followed by effective execution. 4) Search out confident managers - genuine confidence is a rare trait. 5) Look for leaders who place the customers first.

I think we all should remember lessons from Welch's grocery store story. The owner knows the customer's names, who they are, and what they buy. Never forget that the customers are the focal point of the business - never take them for granted. Change the focus of your company to "outside-in". He urged employees to put customers' needs at the epicenter and not to inflict the company's ideas on the outside world.

I hope this may help with the continued success of your business or enterprise. I truly believe, like Welch, that the driving force of any organization is its value set and the integrity within. City State Bank will always have the "small company soul" and the "grocery store philosophy" concerning our valued customers. Thank you for your continued patronage.

Sincerely,

Steve Albrecht

INSIDE THIS ISSUE

- Upcoming Bank Events
- Product Focus:
Overdraft Privilege
- Give Your Children The Tools
They Need To Be Good
Money Managers
- City State Bank Trust
& Investments
- City State Bank Donations
- Events from Last Quarter

SPIRIT. DRIVE.
RELATIONSHIP.





SPIRIT. DRIVE.
RELATIONSHIP.

UPCOMING BANK EVENTS

- January 2nd –Bank Closed for New Year's Day Holiday
- February 20th –Bank Closed for President's Day
- March 11th – Daylight Savings Time Begins...Spring Forward!



PRODUCT FOCUS: OVERDRAFT PRIVILEGE

At times, unanticipated expenses or unforeseen problems can leave you with too little cash in your checking account. Having a check returned due to insufficient funds can be a costly, inconvenient and potentially embarrassing experience.

At City State Bank, we do not encourage overdrafts. As always, we encourage you to manage your finances responsibly. However, we want to save you from the additional merchant fees and possible damage to your credit history that might result if a check is returned. That is why we provide 'Overdraft Privilege,' a special service for City State Bank's checking customers.

Overdraft Privilege is a discretionary service that is provided to eligible accounts. Your account will have a limit that you are allowed to overdraw, provided your account is in 'good standing'. (For example, we typically do not pay overdrafts if your account has not been positive within the last 30 days, you are not making regular deposits, or you have a past due loan, garnishment, or levy). Transactions will be approved, up to this limit, even if you do not have sufficient funds in your account. Please be aware that this is intended for inadvertent or occasional use, such as a balance miscalculation or unexpected expense. You are encouraged to setup an automatic transfer from a savings account as a first line of defense against overdrafts.



Overdraft Privilege is automatically provided to eligible accounts and there is no charge unless you use the service. If you do not overdraw your account, you will never be charged an Overdraft or Return Item fee. If you prefer not to have Overdraft Privilege on your account please call 515-981-4234 and we will remove.

If you want to have Overdraft Privilege cover ATM and everyday debit card transactions in addition to checks and ACH items, YOU MUST OPT IN.

How do you Opt In? Just call or stop in to your local branch and let us know. Have peace of mind knowing ODP is there if you need it!

Subject to bank discretion. Overdraft charge of \$25 per item imposed for overdrafts created by checks, in person withdrawals, ACH, Point-of-Sale, ATM withdrawals or by other electronic means. Payment of your overdraft is discretionary and we reserve the right not to pay. For example, we typically do not pay if your account is not in good standing, you are not making regular deposits, or you have too many overdrafts. Overdraft Privilege balances must be paid within 30 days. The bank has the right to require payment to bring the account current immediately after an overdraft.

GIVE YOUR CHILDREN THE TOOLS THEY NEED TO BE GOOD MONEY MANAGERS

Strong financial skills are as important to your child as good nutrition and exercise. When your child knows how to handle money confidently, they will make better decisions as they get older that will have a positive impact on nearly every aspect of their lives. Using everyday situations as teachable moments, you can build on your child's knowledge from pre-k to college.

Pre-K through Elementary School: Let your child see you handle money. Talk about what you do at the bank, at the ATM and at the register. Explain where the money comes from and how it gets there. Talk about the decisions you make while you are shopping.

Middle & High School: Introduce lessons on credit, retirement savings and charitable giving as your child begins to earn money of their own. Help them with goal setting and encourage entrepreneurial endeavors.

College & Beyond: Sit with your adult child and talk about paying for college loans, taking their first job, and long-term investments. Explain your expectations on their financial contribution if they still live at home and what you are willing to do to help them become truly independent.



Don't forget that every child's path to successful financial management begins with an active savings account. Stop by and open your child's account today.

CITY STATE BANK TRUST & INVESTMENTS



Chad Stevens
515-981-1400



Wade Lawrence
515-986-2265



David Albrecht
515-981-4234



As Another Year Begins...

As another year begins, many people reflect on what they have done in the past year and what they would like to do in the coming year. Now is the perfect time to review or establish your financial goals. Here are a few ideas to help you get started:

- 1) **Set a budget;** this process will force you to analyze your expenses and savings.
- 2) **Review your goals;** this is a perfect time to see how you are doing or to set new ones.
- 3) **Review all of your insurance policies;** make sure coverage still makes sense and be sure to check your beneficiaries on life policies.
- 4) **Tax planning;** consider IRA contributions, Roth conversions and increasing your employee benefit deferrals.
- 5) **Schedule a time with your financial advisor** to review your long-term financial plan and investment allocation.

We would be pleased to provide you with a full review of your financial plan today.

4TH QUARTER DONATIONS

- ADM Booster Club
- Boone County 4H
- DCG Fine Arts Association
- DCG Football
- DCG Yearbook
- Friends of Indianola Library Foundation
- Grimes Chamber Holiday Celebration
- Indianola Yearbook
- Indianola Dollars for Scholars
- Norwalk Fire Fighters Association Chili Cook Off
- Warren County Log Cabin Days

MISSION STATEMENT

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



EVENTS

NORWALK PIE CONTEST

City State Bank held it's annual Norwalk Pie Contest on Friday, November 4th. Community judges were on hand to judge the pies according to appearance, crust, taste, texture and filling. This year's judges of our public entries included Andy Mogle and Jane Walker. Judging the employee pies this year were Phyllis McCann and Phyllis Desenberg. With nearly 40 pies entered, it was a tough competition. Thank you to all who entered and a special congratulations to our 2011 Winners:

1st Place: Tammy Berenguel (Fruit-Apple Caramel) and Katie Routh (Cream-Almond Joy)
2nd Place: Marilyn Roth (Fruit-Apple) and Ed Kuhl (Cream-Strawberry)

1st Place Employee: Jan Sparks (Pumpkin)
2nd Place Employee: Patty Olson (Chocolate Pecan)



A sampling of just some of the many pies that were entered in the 2011 City State Bank Pie Contest.

MADRID CHRISTMAS EXTRAVAGANZA

The annual Madrid Christmas Extravaganza took place on Monday, December 5th with a lighted street parade at 6 pm. Attendees could beat the cold by purchasing cups of soup, sold outside of City State Bank by members of the Madrid PEO. After the parade, kids and adults were welcomed into the bank where they enjoyed hot cocoa, cookies and could visit with Santa.



Ashlyn Burkhart (being held by her mom and Madrid City State Bank employee, Jen Burkhart) is not excited about sitting with Santa Claus.

BREAKFAST WITH SANTA

Norwalk's City State Bank held their annual 'Breakfast with Santa' event on Saturday, December 10th. Kids were invited to come to the bank from 9-11 am to enjoy a breakfast of hot cocoa and donuts and to visit with Santa.



Luke Adair, son of Cole & Jenny Adair, came to visit Santa at Norwalk's 'Breakfast with Santa' event.

CONTACT INFORMATION

Grimes
100 NE Jacob Street
Grimes, IA 50111
515-986-2265

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

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

Martensdale
368 N. Hwy 28
Martensdale, IA 50160
641-764-2265

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

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