



CITY STATE BANK SPIRIT

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



PRESIDENT'S LETTER

I'm writing this edition of the newsletter to you after my first few months of being President of City State Bank. I am grateful for the opportunity ahead and excited about continuing to work with the customers and co-workers here at City State Bank in this new role. As Steve has always said, the people are what make City State Bank so great, and it is certainly true.

It has been an interesting summer. Near record high inflation, global supply chain issues, a Russian war with Ukraine, high oil prices, and an aggressive Federal Reserve that we haven't seen the likes of since the 1980's.

The target range for the Federal Funds Rate is between 3.0-3.25% as of this writing, which is not necessarily high by historical measures. In my opinion, it's been the speed of change, up from virtually 0% in March, that has been most dramatic and difficult for everyone to deal with. Whether you are buying a home, using a HELOC or business operating line, buying a car, credit cards, or whatever your tie to interest rates is, you've likely noticed. As we all work to adjust our collective balance sheets to these new levels, please remember the rate of change will at some point slow as stability returns. Work on reducing your high-cost debts, keep your debt-to-income ratios in line, keep some cash on your balance sheet, stay diversified and you can weather just about any storm.

No matter what challenges we face, it's always good to remember just how lucky we are. You have a 3% chance of being born in America. There is no place I would rather live than this country, especially now. I believe the winds are at our collective backs as we approach the years ahead. Our great country has resources more readily available than most places on earth. Access to food, energy, goods, health care, and a consumer demographic that I wouldn't trade. Yes, we have headwinds too, but with corporations re-trenching in the US, I look for the decades ahead to be some of our best.

Regardless of where the interest rates or markets move, our experienced City State Bank team is here to help. Our commercial and ag lenders can work through what current conditions might mean for your business and help you maintain a healthy balance sheet. Meet with your Trust and Investments advisor about staying diversified to weather the changing markets. Our insurance agents will advise you on how you, your business, and your family can be best prepared for the unexpected. Our mortgage lenders can guide you through the current housing cycle and what it means for your household. And our retail team can make sure you have the right deposit products for your family and business.

As always, thank you for choosing City State Bank. We look forward to seeing you this Fall!

Sincerely,

David Albrecht

David Albrecht

OUR MISSION

Embracing a relentless spirit to achieve success for the customers and communities we serve.

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SPIRIT. DRIVE. RELATIONSHIP.



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SPIRIT. DRIVE.
RELATIONSHIP.

PARTNERING WITH IOWA FARMERS SINCE 1895

Keeping your operation going is our priority.



Weather, low yields, equipment issues, we get it, because we know farming is tough... but you can be prepared. City State Bank Insurance Services understands the farming industry, so when something does happen, you know you are covered.

Farmers can depend on a Master Farm Certified agent to have an in-depth understanding of their farming operations, provide detailed risk assessments and provide professional, knowledgeable service. This designation is also intended to help farmers and ranchers recognize agents who have made a continuing commitment to understanding the complex risks faced by the agriculture industry.



UPCOMING BANK EVENTS

- **October 1-31:** 'Do You Know When It Will Snow?' contest begins.
- **October 2:** Beggar's Bash in Mount Ayr – Bring your little ghosts and goblins to visit us from 5-6:30 pm at our booth in Judge Lewis Park.
- **October 6:** Norwalk Physical Education and Competition Center (NPECC)–Tour the new facility at the Open House from 5:30-7:30 pm with a ribbon cutting ceremony at 6:30 pm. See you there!
- **October 10:** Columbus Day – Closed
- **November 11:** Veteran's Day – Closed
- **November 12:** Norwalk Student Education Foundation Fall Gala. Cocktail Hour 5:30-6:30 pm and Dinner and event 6:30-10 pm at Carper Winery. City State Bank is proud to be the presenting sponsor. For tickets or more information, visit norwalkstudentfoundation.org.
- **November 24:** Thanksgiving – Closed



INSURANCE SERVICES

Grimes
100 NE Jacob Street
515.986.3306

Norwalk
1225 Colonial Pkwy
515.981.0434

Madrid
105 E 2nd Street
515.795.5112

Perry
901 1st Street
515.465.3588

* Not a deposit. Not FDIC insured. Not insured by any federal government agency. Not guaranteed by the bank. May go down in value.

DO YOU KNOW WHEN IT WILL SNOW?

Please stop into any of our locations and fill out an entry form during the month of October or tell us your guess at the drive-thru and we can enter it for you. The snow must be measurable (over 1/2") and since we have several locations, we will use the Des Moines Airport as our official measurement. Tell us your guess for when and how much we will receive (which will be used as a tiebreaker). We will have a Winter Prize awarded to the closest guess. Good Luck!

No purchase, payment, donation or account required to enter or win. Need not be present to win. Odds of winning dependent upon number of entries.



MEMBER FDIC

We are Agriculture.

Proudly supporting Iowa farmers since 1895.



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READ THE FINE PRINT ON GUARANTEES

By Chad Stevens, CFP®

Bonds offer investors a guaranteed rate for a certain length of time. At purchase, you know the exact yield and maturity or call date of the investment. The variable of holding a bond comes after purchase as values are updated daily based on how attractive your yield is in relation to newly issued bonds – as well as the perceived stability of the issuer. As rates have risen in the first half of 2022, bond values have declined. If you sell the bond early, you realize those losses. If you hold your bond to maturity, you will continue to receive the promised yield – as well as receive the principal at maturity if the issuer is solvent.

When markets are volatile, it is common to see an increase in the marketing of guaranteed investment products. These products often use the fear of weary investors who are too willing to overlook the expenses and opportunity costs in return for promises of safety. Below are a couple of investment pitfalls to watch out for.

- Annuities can offer a guaranteed fixed rate and most often have a surrender charge for a specified period. These investments work fine for investors looking for fixed rates, but only if the surrender period matches the period that the rate is guaranteed. If the two do not match, you are promising to pay a surrender charge or keep your money in the annuity without knowing the rate you will receive.
- Indexed annuities offer investors participation in market upside, yet also downside protection. Investors need to understand how the upside return is calculated – and whether the company has the option to change those rules during your surrender term, which is common.
- Variable annuities can also offer guaranteed returns. However, your guaranty is often tied to giving up the ability to withdraw your principal by using the “guaranteed return value” to annuitize. If you annuitize, you generally give up the option to take your original investment in a lump sum and instead receive a lifetime payment.

Any of these investments can work in a portfolio. Understand the details of the investment, the fees associated, and ability to access your own money. It also helps to understand the overall rate environment to discern whether the offering sounds too good to be true. If so, dig into the details further or give us a call for help!

While taxes can often be painful and confusing, hopefully the law changes outlined above will be beneficial to the bottom line for many Iowans.



TRUST & INVESTMENTS

For more information, contact City State Bank Trust & Investments at 515-981-1400 or 515-986-2265.

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Thank you for choosing City State Bank as your favorite Warren County bank!

3RD QUARTER DONATIONS

- Bowen Born Basketball Camp
- Celebrate Norwalk Event
- DCG Booster Club
- Friends of Warren County Conservation
- Grand River Lions Club
- Grimes Governors Days
- Grimes Lions Club
- Iowa State Sheriffs & Deputies Association
- Iowa Veterans Cemetery Memorial Day Motorcycle Bike Ride
- Madison County Fair Livestock Auction
- Madrid High School Booster Club
- Madrid Labor Day Car Show
- Madrid Labor Day Celebration
- Make A Wish Foundation
- National Balloon Classic
- New Virginia Old Settlers Day
- New Virginia Old Settlers Day Car Show
- Norwalk Girls State Softball
- Norwalk Girls State Track
- Norwalk High School Dance Team
- Norwalk PTO Warrior Dash
- Norwalk Student Education Foundation
- Perry Little League
- Pheasants Forever
- Ringgold County Fair
- Variety Club of Iowa
- Warren County DARE Program
- Warren County Fair
- Warren County Fair Livestock Auction
- Warren County Tractor Ride

NORWALK 4TH OF JULY CELEBRATION



A bit of rain in the morning, but the skies cleared just in time for the Norwalk 4th of July Parade and the Celebrate Norwalk event afterwards in the park. We loved seeing so many of you while we walked the parade and then enjoying food, drinks, friends and of course music on the City State Bank stage.

WARREN COUNTY TRACTOR RIDE

Tuesday, July 26th was the 17th annual Warren County Corn Growers Tractor Ride and we are proud to say we've been a part of it since it began! Participants started and ended at the Warren County Fairgrounds with over 100 people stopping at the Cumming Park for an afternoon snack of homemade pie and ice cream served by City State Bank.



INDIANOLA NATIONAL BALLOON CLASSIC

It was another great year to be a sponsor at the National Balloon Classic in Indianola!



AUGUST TEACHERS BREAKFASTS

City State Bank is proud to once again serve breakfast to the teachers and staff of our local schools on their first day of in-service. In total, we served over 1800 employees. Thank you for all that you do and we hope you're off to a great start!

- August 16: I-35 and Mount Ayr
- August 17: DC-G, MStM, and Norwalk
- August 18: Madrid
- August 19: Perry
- August 22: Indianola



CONTACT INFORMATION

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