

CITY STATE BANK SPIRIT

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



PRESIDENT'S LETTER

It is hard to imagine that December 31, 2012 marked the 20th anniversary of my family owning City State Bank. It seems like just yesterday my father, Dale, and my two brothers (Dick and Dean) and I purchased Norwalk-Cumming State Bank in Norwalk and New Virginia. At the time we bought it, the bank had \$17 million in assets and two locations. We are now a bank with \$250 million in assets, a solid Trust & Investments department, and six locations in Grimes, Indianola, Madrid, Martensdale, New Virginia and Norwalk, and we employ nearly 75 people.

As many of you know, I am originally from Wall Lake, Iowa. A town that is probably best known for being the hometown of Andy Williams, or perhaps, for the younger generation, the hometown of Cookies BBQ Sauce. It is a town of 800 people and the same small-town values that were instilled in me as a kid...honesty, integrity, hard work and customer service...were the same values that we were striving to bring to City State Bank 20 years ago, and still strive for today.

When I had been bank President for three years, we celebrated our 100th year in business. We published a small newspaper to document the milestone and in it, I was asked to write an article. Within that article, I was posed the question 'What About the Next 100 Years?' and this was what I wrote:

"Well, I believe the bank must be dynamic. Change is essential in order to provide the best products and services to our customers. 'Service, Service, Service' will be our motto. We will continue to have heavy involvement in the community by our staff especially at school, city, and community group level. We must continue to remove the word 'can't' from our vocabulary and strive for 'how we can' to accommodate our customer base.

We will operate as an independent, locally owned bank in times of merger, consolidation, and bigger is better philosophy. We will provide prompt, courteous, and personalized service to our customers. Norwalk-Cumming State Bank intends to continue to place emphasis on the benefits of 'buying local.' Local merchants create local jobs and lend strength to our proud community."

It is amazing to me that 20 years later, these are still our goals every year, every day, every minute at City State Bank. We still strive to provide you with great products, but more importantly, the great service that should go with those products. We are still 'Committed to our Communities' and volunteer, sponsor and support our schools, cities, and community groups at all levels. We are still an independent, locally owned bank...though I could not have foreseen how extreme the 'merger, consolidation, and bigger is better philosophy' could get on Wall Street.

As the previous year comes to a close and a new year begins, let me take a moment to thank you for your trust, your business and most importantly, your friendship over the past 20 years. We look forward to serving you for the next 20 and beyond.

Sincerely,

Steve Albrecht

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SPIRIT. DRIVE.
RELATIONSHIP.





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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.

UPCOMING BANK EVENTS

- January 1st – New Year's Day
-Bank Closed
- February 18th – President's Day
-Bank Closed
- March 10th – Daylight Savings Time
Begins...Spring Forward!

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 it.

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.

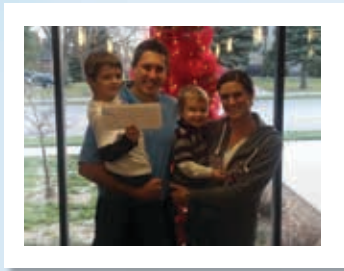


WINNERS OF OUR 'DO YOU KNOW WHEN IT WILL SNOW?' CONTEST

Our first official snow FINALLY arrived on Sunday, December 9th at the Des Moines International Airport (our official measure). The closest guess in each office won a family four pack with skate rentals to the Brenton Skating Plaza downtown. Thanks to everyone who participated!



Grimes



Tom & Meghan Mueller with their sons, (L) TJ-5 years old (R) Blake-2 1/2 years old

Indianola



Janean Hallin (L) pictured with Indianola Head Teller, Patty Patrick (R)

Norwalk



Bryan Greiner

New Virginia



New Virginia teller, Stephanie Morris (L) pictured with Brian Mitchell (R)

Martensdale



Branch Manager, Clark Ridlen (L) with winner, John Davis (R)

Madrid: Seth Thomas

CITY STATE BANK TRUST & INVESTMENTS



Chad Stevens
515-981-1400



David Albrecht
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515-986-2265



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

- Alzheimer Walk
- DCG Booster Club
- DCG Yearbook
- Grimes Chamber Golf Outing
- I-35 Yearbook
- Indianola Dollars for Scholars
- Indianola Public Library
- Indianola Yearbook
- International Cooperative Ministries
- Madrid Community Chest
- Main Street Montessori School
- MStM Post Prom
- MStM Yearbook
- Norwalk High School Football
- Norwalk Middle School Art Club
- Norwalk Public Library
- St. John's Catholic Church Fall Festival

MISSION STATEMENT

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



NORWALK PIE CONTEST

City State Bank held it's annual Norwalk Pie Contest on Friday, November 2nd. Winners from last year were on hand to judge the 2012 entries according to appearance, crust, taste, texture and filling. This year's judges of our public entries included Katie Routh and Tammy Berenguel. Judging the employee pies were Jan Sparks and Marge Albrecht.

The contest was divided into two categories of Fruit Pies and Cream Pies. 1st place winners received \$100 and 2nd place winners received \$50. Afterwards, all pies were served in the bank lobby for the public to sample. Thank you to all who entered and a special congratulations to our 2012 Winners:

1st Place Fruit Pie: Bridget Lottman (Apple-Caramel)
2nd Place Fruit Pie: Hillary Lucas (Pear-Caramel-Apple)

1st Place Cream Pie: Bridgett Lottman (Praline)
2nd Place Cream Pie: Randi Morgan (Sugar-Free Coconut Cream)

1st Place Employee: Mary Jane Kralik (Caramel)
2nd Place Employee: Sarah McPherson (Peanut Butter)



Employee judges: Jan Sparks (left) and Marge Albrecht (right)

MADRID CHRISTMAS EXTRAVAGANZA

The annual Madrid Christmas Extravaganza took place on Monday, December 3rd with a lighted street parade at 6 pm. Attendees could beat the chill 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.



Santa and his elves, Eva & Zane Wilcox (Children of Ken and Jennifer Wilcox)

BREAKFAST WITH SANTA

Norwalk's City State Bank held their annual 'Breakfast with Santa' event on Saturday, December 8th. 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.



Sofia and Sawyer Stevens, children of Chad and Emily Stevens, visit with Santa.



Claire and Jack Albrecht, children of David and Holly Albrecht, visit with Santa.

CONTACT INFORMATION

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