

# Center Stage

VOL. 16, NO. 1 - WINTER '09

## BEST BANKING PRACTICES PAY OFF FOR EVERYONE



**DAVE DAEGES** PRESIDENT

Recently, there was an article in the Washington Post by Steven Pearlstein, a business columnist with the paper. The headline: "Big Lessons in Finance from a Little Bank You've Never Heard Of."

It told the story of how a 104-year-old community bank - Citizens South, headquartered in Gastonia, N.C. - has weathered the current economic downturn thanks to a set of best banking practices that avoided sub-prime lending and other lax policies that have been the bane of some financial institutions across the country. I don't know how Pearlstein discovered Citizens South, but he very well could have written the column about Center National Bank. Like Citizens South, our bank has been serving the residents, businesses and communities of Meeker County for more than 100 years.

Our loan-administration procedures have always followed best banking practices. We did abstain from sub-prime loans, and we did not ease credit requirements that had been in place for decades. As a result, we have maintained a strong capital base, and our bank was profitable in 2008.

We continue to make mortgage, consumer, agricultural and commercial loans to those persons and businesses that have good credit records and manage their finances and operations well. We also offer our customers low-risk savings opportunities that are safe and sound. We understand that during these trying times, peace of mind is important.

This is not to say that none of our customers are hurting. Some are. Our loan delinquencies are higher than they were a year ago, but we are working closely with these individuals and companies to work out a fair resolution.

In closing, I want to thank you for your confidence in Center National Bank. We appreciate your business.

## NEED A LOAN? SEE CENTER BANK TODAY!

Considering buying a home? Need to purchase a new car? Feeling pressure to make home improvements? Ready to purchase a new appliance?

Then now is the perfect time to explore all your loan options at Center Bank. Yes, we are lending money to qualified borrowers for a wide variety of needs at attractive interest rates.

**Discuss the possibilities by making an appointment with either Loree Schultz or Deanna Lease by calling 320-693-3255.**

Both are highly skilled loan professionals who will clearly explain all your options and handle the paperwork.

Here are more reasons why it makes sense to contact Center Bank:

- Local underwriting means a quick decision for you.
- Local processing means lower costs for you.
- Local servicing means payments are made to Center Bank and remain in the community.



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# THINKING ABOUT YOUR NEST EGG? EXPLORE OUR IRA OPTIONS TODAY!



If you're looking for a safe and sound place to build your retirement savings, look no further than an Individual Retirement Account (IRA) at Center National Bank. We offer excellent options that may provide a buffer against difficult economic times:

- **Traditional IRA** - With this account, you can contribute up to \$5,000 (\$6,000 if you are age 50 or older) a year which is possibly deductible on your income-tax return. Whether it's deductible depends on your adjustable gross income and if you are covered by an employer-sponsored qualified retirement plan. Earnings accumulate tax-free.

- **Roth IRA** - The same contribution limits apply to a Roth IRA as to a

Traditional IRA, but the contributions to a Roth IRA are made from *after-tax dollars* and are therefore not deductible when your funds are contributed. Earnings accumulate tax-free and can be withdrawn tax-free and penalty-free if they are taken as a "qualified distribution."

**2008 Contributions - If you have not contributed to an IRA in 2008 or have not reached your contribution limit, you have until April 15 to do so and still claim the amount on your 2008 taxes.**

- **Direct Rollover IRA** - In addition, Center Bank can help you with a direct rollover from your 401(k) plan. You may want to consider this if you are unhappy with your earnings on

your 401(k) plan or have been separated from service.

For more information about these IRA options, visit or call Loree Schultz at 320-693-3255 and she'll explain every aspect so that you will have a complete understanding. However, Center Bank also strongly suggests you contact your financial planner or tax advisor prior to making a decision to contribute to an IRA.

## SHIRLEY KRONBECK TO RETIRE APRIL 1!



These days, it's a rare employee who works for an organization more than 43 years and can say she has served four presidents during that time. Shirley Kronbeck, who will retire from Center National Bank on April 1, is one of those people.

Her career at the bank began in 1960 when it was called the First State Bank of Litchfield. She started as a secretary in the insurance department,

advanced to secretary for the bank's officers, was promoted to administrative assistant and became operations officer in 1984, a job she has held ever since.

She left the bank to raise a family in 1968 and returned in 1974.

"It has been a wonderful, interesting and challenging career, and I have thoroughly enjoyed working with our employees and customers," she says.

Wait a minute, let's not put that in past tense just yet. Although Shirley will give up her operations-officer duties, she will continue working with the Center Classic Club, the bank's 50+ organization.

"I enjoy working with our Classic Club members setting up potluck luncheons and arranging day trips, and, frankly, I will need to do something to occupy my time after retirement."

Most likely, keeping busy will not be a problem for Shirley and her husband, Russell, who already is retired. They plan to travel; more frequently visit their children (Sherry and Mark) and their five grandchildren in New London and Rosemount, respectively; read more books; enjoy their home on Lake Minnebelle southwest of Litchfield; volunteer at First Lutheran Church in Litchfield and other organizations; and comb through and organize a large collection of photos. (Did we mention she is an avid photographer?)

A lover of music and a former piano player, Shirley also plans to purchase an electronic keyboard so she can play her semi-classical and '50s favorites. Fond memories are too numerous to mention, but she does look back on two bank events that have special meaning. On her 60th birthday, employees, friends and relatives brought her 60 boxes of Cheerios (she mentioned once that she liked Cheerios). Also, there was the purchase of the bank in 1987 by Bob Sparboe from First National Bank of Minneapolis ("It was a new start for an independent community bank").

Shirley was born and raised on a farm near Hutchinson, attended a country school and graduated from Hutchinson High School. She took a job at Citizen Bank in Hutchinson, and her banking career was underway.

# FDIC PROTECTION: GET THE FACTS ON FDIC PROTECTION!

One of the most frequent questions our personal bankers hear from customers these days is: Are my savings and checking accounts protected at Center National Bank?

The answer: Yes they are, along with money-market accounts, certificates of deposit, NOW accounts, IRAs and certain other retirement plans. Also, cashier's checks, loan disbursement checks, interest checks and money orders drawn on the bank are considered deposits.

This insurance coverage is automatically provided by the Federal Deposit Insurance Corporation (FDIC) and requires no action by you. It covers each depositor up to \$250,000, per insured bank, including principal and accrued interest. The premiums for this insurance are paid by Center National Bank.

This \$250,000 amount was increased from \$100,000 in 2008 and will remain at this level until December 31, 2009.



What makes this insurance even more important is that accounts can be structured to provide more than the current \$250,000 FDIC coverage by utilizing the FDIC's different account ownership account categories. Here is an example:

- **A husband and wife both have separate bank accounts in each of their names so that each account can be insured up to \$250,000 or \$500,000 total.**
- **The couple also has a joint account which can be covered up to \$500,000.**
- **A husband and wife have separate IRAs up to \$250,000 each.**

In this example, the couple could be insured up to \$1.5 million!

Another way to expand protection beyond \$250,000 is through Payable on Death accounts which are included in the Revocable Trust Account ownership category.

Be sure to ask our personal bankers to explain your options in this area.

If you need complete information about how FDIC coverage affects your accounts at Center Bank and how you can maximize this insurance, talk with one of our personal bankers as soon as possible or go to the FDIC website at [www.fdic.gov](http://www.fdic.gov).

## Trivia Quiz

Here are four questions relating to this issue of the CenterStage newsletter. Complete the quiz and bring it to Center National Bank for your chance to win:

### \$50 IN CASH!

Any entry with all four questions answered correctly is eligible to win. A final drawing will determine the winner from all eligible entries. Entries must be brought to the bank by April 30, 2009 to be valid.

**The winner of our latest Trivia Quiz was Mary Susa. Congratulations!**

1. **How many children received gifts from our recent Toys for Tots Drive?**

\_\_\_\_\_

2. **Can you be insured for more than \$250,000 at one FDIC-insured bank?**

\_\_\_\_\_

3. **What date is the deadline to make an IRA contribution and claim it on your 2008 tax form?**

\_\_\_\_\_

4. **How late is Center Bank open Monday - Friday?**

\_\_\_\_\_

NAME \_\_\_\_\_

PHONE \_\_\_\_\_

## INFORMATION

### Lobby Hours:

Mon. - Fri. 9:00 a.m. to 6:00 p.m.  
Sat. 9:00 a.m. to noon

### Drive-Up Teller Hours:

Mon. - Fri. 7:30 a.m. to 6:00 p.m.  
Sat. 9:00 a.m. to noon

### Phone Numbers:

**Main:** 320-693-3255  
**Toll Free:** 800-893-3255  
**Fax:** 320-693-7429

### DIAL-A-BANK Numbers:

**Local:** 320-693-2274  
**Toll Free:** 877-693-3255

### Website:

[www.centernationalbank.com](http://www.centernationalbank.com)

### Consumer and Real Estate Loans

Loree Schultz or Deanna Lease

### Business and Ag/Dairy Loans

Dave Daeges, Tom Smith, Dawn Jansen,  
or Darrell Mackedanz

### Checking/Savings Accounts and Time Deposits

Jean Witthus, Sheila Berndt,  
or Randa Larsen

### Center Bank ATM Locations:

**Econofoods** - 951 E. Frontage Rd.  
**Consumer's Coop** - 1025 E. Frontage Rd.  
**Litchfield Office** - 301 Ramsey Ave. N.  
**Plymouth Office** - 15705 37th Ave. N.

### Current Interest Rates

**6-Month CD**..... 1.76% APY  
**1-Year CD**..... 2.00% APY  
**2-Year CD**..... 2.25% APY  
**3-Year CD**..... 2.65% APY  
**M-M Gold Savings** ..... 1.26% APY

APY is annual percentage yield. APY is as of March 12, 2009. CD minimum deposit \$5,000. Penalty for early withdrawal. M-M Gold minimum deposit is \$25,000. Monthly service charge if below minimum. Rates subject to change.



# Thanks!

## FOR YOUR DONATIONS

## THE NEED WAS THERE, AND YOU RESPONDED!

Center National Bank's Toys for Tots drive was an unprecedented, outstanding success due to bank customers and area citizens accepting the challenge and coming through during these tough economic times. Here are the results:

- 611 children received toys and other gifts.
- 257 families received food vouchers for a holiday meal.
- 45 food baskets were distributed to the elderly.

**THANK YOU FOR YOUR  
GENEROSITY FROM ALL OF US  
AT YOUR HOME TOWN BANK!**

301 Ramsey Ave. N.  
P.O. Box 100  
Litchfield, MN 55355



Bulk Rate  
U.S. Postage  
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55355