



We Have Money to Lend!

At Iowa Trust and Savings Bank, we have plenty of money to lend! And with interest rates at historic lows, it may be time for you to consider refinancing or borrowing for that project that you have had on your mind. At Iowa Trust and Savings Bank, we've always offered smart, secure financing options. Iowa Trust and Savings Bank has continued to build on our sound financial foundation and we are committed to supporting the community. As reflected in our current statement, assets grew in 2012 to over \$179 million. By always using safe lending practices, we ensure that you can obtain loans you'll have no problem paying off.

At Iowa Trust and Savings Bank, our lending operations are located in your neighborhood, not out of state. This means you get the fast, professional local service you deserve from your locally owned community bank.

No matter what type of loan you are looking for – car, home, personal, commercial, agricultural and more – Iowa Trust and Savings Bank has a low-rate option to suit your needs. Stop by or call today to speak to a loan specialist.

Bank Officers:

- Jeffrey T. Young, Chairman, President and CEO
- Renate Deininger, Executive Vice President
- Mark Dekker, Senior Vice President
- Russell McGee, Vice President
- David Yahnke, Vice President
- Mary Craver, Operations Officer and Cashier
- Kathy Kearney, Moravia Branch Manager
- Tracy Alexander, Financial Services Officer and Trust Officer
- Kimberly Beals, Loan Officer
- Michael O'Connor, Public Relations Officer

Board of Directors:

- William C. Benz
- Larry L. Piatt
- Renate Deininger
- J. Bradley Young
- Mark Dekker
- Jeffrey T. Young

Bank Staff:

- Stacey Carter
- Connie Nedved
- Jara Cassady
- Angie Oehler
- Rebecca Craver
- Regan Padget
- Cryssie Gardner
- Lois Reynolds
- Jennifer Henderson
- Linda Riggall
- Melanie Hermon
- Julie Seals
- Alyson Hoover
- Heather Strode
- Leah Howard
- Cynthia Sulser
- Penny Kauzlarich
- Abby Swarts
- Heidi Keller
- Marcy Thamke
- Charlotte Long
- Sheryl Wagner
- Erin Micetich



STATEMENT OF CONDITION

A CONDENSED REPORT OF THE CONDITION OF THIS BANK AT THE CLOSE OF BUSINESS DECEMBER 31, 2012

ASSETS

Cash and Due from Banks	\$13,243,729
U.S. Government and Agency Securities	\$6,073,229
Municipal Bonds	\$17,535,986
U.S. Agency MBS	\$49,705,696
Corporate Bonds, Stock and Market Value Adjustments	\$15,824,301
Loans Less Reserves	\$73,518,418
Building and Equipment	\$1,304,258
Income Earned-Not Collected	\$1,429,128
Other Assets	\$411,599
TOTAL ASSETS	\$179,046,344

LIABILITIES AND CAPITAL

LIABILITIES

Deposits	\$132,735,636
Purchased Funds	\$25,061,344
Interest Payable	\$170,778
Other Liabilities	\$702,562
TOTAL LIABILITIES	\$158,670,320

CAPITAL

Capital Stock	\$600,000
Surplus	\$1,900,000
Undivided Profits and Market Value Adjustments	\$17,876,024
TOTAL CAPITAL	\$20,376,024

TOTAL LIABILITIES AND CAPITAL	\$179,046,344
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Financial Insight

PROUDLY SERVING OUR COMMUNITIES

ANNUAL NEWSLETTER 2013

Dedicated to Delivering a Superior Banking Experience



Now in its 117th year of serving the community, Iowa Trust and Savings Bank has proven that it can stand the test of time – building upon its conservative policies year after year to become the successful bank that it is today. Complementing this conservative nature, however, is a continued focus on delivering innovative products that serve the needs of today's banking customers. And in today's world, there is perhaps no greater need among consumers than convenience. In response to this prevailing need, Iowa Trust and Savings Bank recently added text alerts to its suite of electronic banking services – making personal financial management even more convenient for its customers.

"Text alerts allow customers to receive a text message based on alerts that they set up through online banking, which will go by text message to their mobile phone or by email to their email account," says Jeff Young, chairman, president and CEO of Iowa Trust and Savings Bank. Additional electronic services offered at Iowa Trust and Savings Bank include online banking, mobile banking, bill pay, e-Statements and direct deposit. These services (available at no charge to Iowa Trust and Savings Bank customers) provide account accessibility at all hours and from nearly any location. Customers simply need a web-enabled mobile device or computer with Internet access to check account balances, transfer funds, pay bills and more.

Customers who take advantage of these electronic services can rest assured their information is both safe and secure. "Online safety starts with the authentication process, which confirms that it is you and not someone else when you log on to online or mobile banking," Young explains. "Iowa Trust and Savings Bank uses what is called

multi-factor authentication." With multi-factor authentication, accounts are protected by a username and password as well as additional security features – specifically image identification and personal information questions. For mobile banking, in particular, account information is encrypted and never stored on the device itself.

COMMITMENT TO THE COMMUNITY

Along with benefiting customers this past year with new convenience services, Iowa Trust and Savings Bank managed to find additional time and resources to devote to the community at large. The bank participated in Teach Children to Save Day, partnered with the Centerville Rotary Club to recognize a Student of the Month, served as a strong supporter of agriculture in the community, presented awards to outstanding 4-H recipients, sponsored numerous youth and civic programs and generously donated to many community charities.

The bank's continued growth serves as a testament to the respect it has garnered from local residents over the years. But with this growth comes the need to occasionally make updates and improvements to our offices to ensure customers continue to receive a premier banking experience. In response to last fall's paving project, Young says: "I would like to thank our customers for enduring the inconvenience of our parking lot and drive thru paving project. We are pleased with the results and are always conscious of making your banking experience the best that it can be."

MOVING FORWARD. LOOKING ONWARD.

No matter what changes or updates are taking place at Iowa Trust and Savings Bank, customers can always be sure of one thing: that the bank's mission to support its customers' needs will continue long into its next 117 years of service. "That's really what it's all about," Young concludes. "Helping people in the community achieve their goals."



Follow Your Instinct – Start Saving for Retirement Now

There it is again — that nagging feeling that you should be setting money aside for retirement. Listen to your intuition and contact Iowa Trust and Savings Bank to discuss how an Individual Retirement Account (IRA) could help you secure the comfortable retirement you want and deserve.

An IRA is an account that allows qualified investors to make limited monetary annual contributions. There are two great benefits of an IRA: you may be able to deduct your contributions depending on your circumstances, and earnings are generally not taxed until you take a distribution. IRAs also provide a safe way to save for retirement while earning competitive market interest rates.

From Traditional IRAs to Roth IRAs, starting your own retirement account isn't difficult. At Iowa Trust and Savings Bank, we're committed to your financial success so we strive to make the process as easy as possible. Our Financial Services Representatives will provide you with unbiased information to help you reach your goals. We'll explain account choices and help with a strategy that is appropriate for you.

To learn more or to start your own IRA, stop by or call us at 641-437-4500 today!



Ag Financing Can Mean Big Savings!

Let us show you how much you can save.

How much can you save by financing your ag operation? Let us help you do the math!

Join the customers who've saved thousands of dollars by financing their agricultural operations with Iowa Trust and Savings Bank. It's easy! Our quick approval process, hassle-free application, outstanding service and competitive rates make saving money simple.

We'll even help you determine how much you can save when you refinance your current ag operation with Iowa Trust and Savings Bank. Let our experienced Ag Lender, Dave Yahnke, sit down with you to review the process. Choose the most convenient way to refinance and we'll make the process easy! Contact Dave at 641-437-4500 today to get started. You'll be glad you did.



Standing: Kim Beals
Seated: Dave Yahnke

Now is the time to buy and save on a new vehicle!

If you are in the market for a new vehicle, you're in a great position to take advantage of historically low rates. Many auto dealers have special pricing, incentives, rebates and other financial offers. With these fantastic pricing deals available, NOW is the time to buy.

A FEW TIPS WHEN SHOPPING:

Visit Iowa Trust to get pre-approved for financing. Before you visit the dealer, come to Iowa Trust and get pre-approval for a low-rate loan that fits your budget. You'll have your financing lined up and you won't spend hours at the dealership. And many times, by using Iowa Trust's low financing and taking a manufacturer's rebate instead of "0% dealer financing," you will save money.

Do your research. Whether with Consumer Reports (www.consumerreports.org) or other vehicle review and pricing guides, research vehicle quality and price.

Call Kim, Kathy or Russ and they will help you get your new car on the road.

Manage Your Money on the Go

Electronic Banking Services Offered at Iowa Trust and Savings Bank

MOBILE BANKING

Mobile Banking from Iowa Trust and Savings Bank puts banking at your fingertips! You're busy, and managing your money on the go can be a challenge. Now you can stay on top of your finances anytime, anywhere from your mobile phone.

Mobile Banking is secure, convenient and easy to use:

- Check account balances
- Transfer funds
- Receive account transaction history
- Utilize Text Alerts

This service is FREE for Online Banking users. To enroll, simply go to www.itsb-iowa.com, sign on to your online banking account, click "user options" and choose "manage devices" under the mobile banking option and follow the steps.

ONLINE BANKING

For day-to-day monitoring of your Iowa Trust and Savings Bank accounts, nothing beats Online Banking. Online Banking provides you with a secure connection to Iowa Trust and Savings Bank, giving you access to all of your accounts, 24 hours a day, seven days a week. And it's totally free!

Benefits

- Check account balances and transactions
- View and print bank statements online
- Verify deposits
- View check images online
- Transfer funds between accounts and make loan payments
- View debit card transactions
- Order checks
- View, track and pay all your bills with FREE Bill Pay Services

Contact us today to get started!

E-STATEMENTS

Save time. Save space. Save money. Save a tree! Environmentally-conscious and security-minded people are choosing to receive e-Statements in place of traditional paper statements. Iowa Trust and Savings Bank offers this service FREE to our customers.

e-Statements are electronic copies of your account statements that you can view, search, save and print online anytime, at your convenience! They're:

- Fast – Available online, days sooner than paper statements that arrive by mail.
- Secure – Access your e-Statements using your secure Online Banking account login.

(e-Statements are not sent by email or by paper to an unsecure mailbox.)

Sign up for e-Statements today!



Standing: Heidi Keller
Seated: Linda Riggall

Delivering peace of mind with a smile! Of course, we also realize that some of our customers may be more comfortable conducting their banking in person. Our friendly staff is always ready to assist you.

Call us at 641-437-4500 (Centerville) or 641-724-3217 (Moravia) anytime you need assistance.

