

THE KEY



OCTOBER 2011



**Farmers
STATE BANK**

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Building Your Success

**UNLOCKING YOUR
FINANCIAL OPPORTUNITIES**



In This Issue:

Ten Reasons to Consider Online Banking, Protecting Internet Activities and Electronic Data & Investment Scams on the Internet

CD Rates:

18 Mo. - 1.02%^{APY*}

60-67 Mo. - 2.04%^{APY*}

Bump Up Rate:

36 Mo. - 1.60%^{APY*}

Loyalty Rate:

24 Mo. - 1.50%^{APY*}

*APY=Annual Percentage Yield. Substantial penalty for early withdrawal, \$1,000 minimum opening deposit for 18 mo., 24 mo. loyalty, 36 mo. bump up and 60-67 mo. terms. 18 mo. interest rate 1.02%, 24 mo. loyalty interest rate 1.50%, 36 mo. bump up interest rate 1.60%, 60-67 mo. interest rate 2.05%. Interest compounds every 6 months for CDs with a term of one year or greater. To obtain the Loyalty CD rate the following qualifications must be met monthly: Have an existing or new primary checking account with FSB (Ultimate, Platinum, or Loyalty Checking) for the term of the CD (24 months), have more than 12 unique transactions (checks, ach, debit cards processed at different merchants/companies) with each transaction amount greater than \$10.00. Deposit and withdrawals done inside the bank do not qualify. If those items are not met a lower interest rate of 1.00% with an APY of 1.00% will be paid on that CD for that calendar month. One CD per person per checking account. Personal Accounts Only. For the 36 mo. bump up, at your discretion, you may elect to increase the interest rate and resulting APY once during the initial term of the CD to the prevailing 3-year CD rate for the remainder of the original CD. Early withdrawal penalty applies. 36 mo. bump up automatically renews into 3 year CD all other CDs renew for same term. Effective 10/01/2011. Rates subject to change daily.

Ten Reasons to Consider Online Banking

The Internet is definitely changing the way we live. It has quickly become the choice method of communication for many. It has also become a major factor in the financial lives of millions. Using the Internet to interact with FSB can help simplify your financial affairs. Here are ten reasons to consider using internet banking (I-banking) and www.FSB1879.com:

- 1. Pay your bills online.** FSB offers convenient bill payment services. With these services, paying your bills just takes a mouse click. To really simplify your bills, schedule a recurring monthly payment.
- 2. Apply for loans online.** Applying for a loan online is easier than filling out paper forms. You may even get approved faster.
- 3. Review your account activity.** It is easy to see which checks have cleared and monitor your balances.
- 4. Create a simple savings plan.** Schedule automatic monthly transfers from your checking account to your savings.
- 5. Save money.** Online bill paying eliminates the costs of stamps and ordering checks. Avoiding trips to the bank also saves gas.
- 6. Save time.** You can bank whenever and wherever you want. All you need is a device with Internet access.
- 7. Get up-to-date rates.** Checking out the current rates on CDs, savings accounts and loans is fast and easy.
- 8. It is safe.** FSB banking activities use sophisticated encryption devices to ensure safety and privacy.
- 9. Receive valuable information.** FSB offers electronic newsletters and email messaging to keep you fully informed about any special offers or events. Also receive monthly eStatements through email in a secure password protected file.
- 10. Make better-informed financial decisions.** Visit the "news" tab at FSB1879.com for useful financial articles.



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Protecting Your Internet Activities and Electronic Data

Be careful using public computers. The computer may be programmed to capture user names and passwords. If you use this type of computer, make sure no one is looking over your shoulder to memorize your personal data; and be sure to sign off when you are done.

When using the Internet for financial transactions, be sure the sites you visit are secure. Most secure sites have URLs that start with "https://" instead of the normal "http://." Some websites may display a logo indicating it is secure, but make sure you know the site is one you trust.

Be careful using wireless networks that are free and not secure. Wireless home networks deserve attention as well. It may be time consuming or more expensive to have a secure network at home, but that is better than having your files and personal information available to anyone on your street.

It is important to install anti-virus software on your computer and keep it up to date. The same holds true for firewalls and security patches for your operating system.



Passwords

Having a strong password makes your online activities safer. Strong passwords are at least six characters long or preferably eight. They should contain a mixture of upper and lower case letters, numbers and special characters. The difficulty of long and mixed passwords is that they can be hard to remember. One suggestion is to create a password from a sentence that you are likely to remember. For example, start with the sentence "My children John and Mary are 12 and 16 years old." Then use the first letters of the words, characters and numbers to create the "McJ&Ma12&16yo" password.

Disposing of CDs

The best way is to physically destroy the CD. Shred it if you have a shredder that can handle it without difficulties. Otherwise, you can break the CD into pieces. Wrap the CD in a paper towel to avoid shattered plastic.

Disposing of a Hard Drive

Highly sensitive information must be removed before disposing of an old PC. Unfortunately, it is extremely difficult to completely erase that data from your hard drive. Deleting files and even formatting your hard drive does not completely remove the data. The best, easiest and cheapest solution is to remove the hard drive and physically destroy it.



Halloween Fun Facts

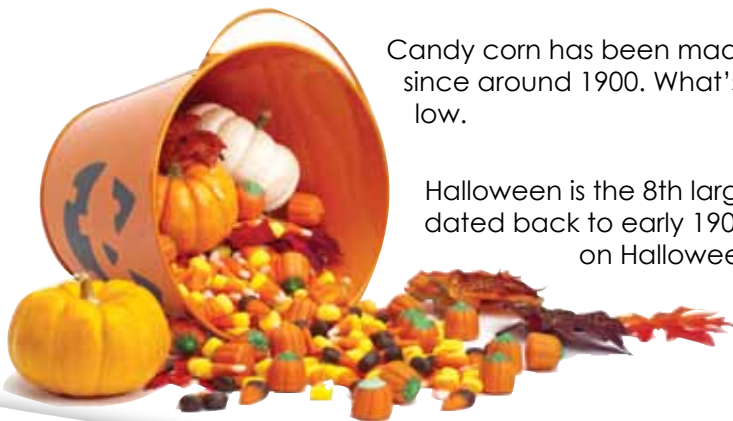
Jack o' Lanterns originated in Ireland where people placed candles in hollowed-out turnips to keep away spirits and ghosts.

According to tradition, if a person wears his or her clothes inside out and then walks backwards on Halloween, he or she will see a witch at midnight.

Candy corn has been made with the same recipe by the Jelly Belly Candy Company since around 1900. What's in that recipe, exactly? Sugar, corn syrup, and marshmallow.

Halloween is the 8th largest card sending holiday. The first Halloween greeting is dated back to early 1900 and today consumers spend around \$50 million dollars on Halloween cards each year.

Of the pumpkins marketed domestically, 99% of them are used as Jack-o-lanterns.



Investment Scams on the Internet

The Internet has become the communication channel of choice for many investors. It is a convenient way to communicate with investment providers and investigate investment opportunities.

The Internet has also become a popular place for thieves and scam artists to find victims.

- Emails promoting investment ideas can be sent to millions of people very cheaply instead of cold calling over the phone or using regular mail.
- Fraudsters can lure investors by building websites that look very similar to legitimate ones.
- Investment newsletters claiming to provide honest and unbiased advice have become popular as illegal vehicles for some promoters to hype specific stocks.
- Online bulletin boards may have messages from those trying to promote a stock with "inside" or "secret" information about a company's results or new products.

Using the Internet Wisely

It is always important to get the facts before making an investment. The Internet can make it difficult to distinguish between facts and what someone wants you to believe are facts.

- Never make an investment based solely on what you may have read in an online newsletter or from an online bulletin board posting.
- Be very wary of small or very thinly traded stocks you read about on the Internet.
- Beware of companies that do not file regular reports with the Securities and Exchange Commission. You can access the SEC's database of reports at www.sec.gov/edgar.shtml.
- Be wary of offshore investment ideas, especially if they involve some form of tax avoidance.
- Do not be lured by promises of high returns with no risk or very little risk.
- Be wary of ideas that promise fast returns.
- Be wary of investments in alternative investments like commodities, real estate, coins, artwork or gemstones.
- If you see words like "guarantee, high return, limited offer or safe as a CD", be very careful.

Using Common Sense

Skepticism and common sense should play large roles in evaluating investment ideas found on the Internet. Here are two questions to always ask:

- Does this sound too good to be true?
- What makes me so lucky to get this offer?

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SUDOKU

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Golden Horizons

A Club For Farmers State Bank Customers 55 & Older



Jumer's Casino Trip, Rock Island, IL - November 9th

Bus will leave Waterloo (Central Christian Church) at 8:00AM and Jesup at 8:30AM. Stopping at the Cedar Ridge Winery on the way back. Return to Jesup at 6:00PM and Waterloo at 6:30PM.

Price is \$35 per person and includes buffet lunch, \$5 Isle play and transportation.



Christmas Brunch, Jesup, IA - December 10th

Great food, entertainment and prizes! Brunch starts at 9:30AM.

Cost is \$6.50 per person. Registration deadline is Dec. 3rd.

For more information or to register for any event, contact Cindy at (319) 874-4344 or cindy.patten@FSB1879.com or Mary Jean at (319) 827-1050 or mary.bloes@FSB1879.com

Keep up to date on the latest events in four convenient locations:

1. Click Events at www.FSB1879.com
2. Branch Lobby Signs
3. Monthly Newsletter "The Key"
4. Facebook Posts

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