

# ON THE MONEY

SECURITY FINANCIAL BANK

## from the president's desk

Financial Security is still here ... Headlines can be and often are misleading; and in a time of financial crisis that can make matters worse. Pick up a paper, or listen to the quick bursts of news on TV or radio, and what you get are reports of a sub-prime crisis, a "banking" crisis and market turmoil. That's only intensified on the rare occasion that a bank fails.

Let's set the record straight: The banking industry – traditional federally insured, federally regulated depository institutions – your local commercial bank – is safe and sound. And your accounts in these banks carry FDIC insurance. That means your account in a federally insured bank is protected up to \$100,000, with additional protection for joint accounts, and \$250,000 for a retirement account. The Federal Deposit Insurance Corporation guarantees your accounts with more than \$52 billion in assets to protect depositors like you. In addition, before accessing FDIC insurance in the event a bank fails is the capital it holds. At Security Financial Bank we hold nearly \$35 million in capital; and as a result receive a 5-star rating from Bauer Financial as one of the safest banks in the country.

The challenge the banking industry faces is that words matter. And when one word is used to mean several different things, it inevitably creates confusion. For example, we know what a bank is—or at least we think we do. Sometimes a business that wants to add status to its name will call itself a bank even though it is not an insured depository institution. Bear Stearns was not a commercial bank. It was not an insured depository institution. It was an investment "bank." The word bank is also applied to mortgage firms. Their function, their purpose and their regulation differ from federally insured depository institutions.

Yes, there are challenges in today's market economy. And yes, banks will fail. Today's crisis underscores the fact that there are two ways financial institutions can fail. They can fail due to capital insolvency or because they are liquidity insolvent. What we are experiencing now is a lack of liquidity, not a lack of capital. Capital remains strong, strong for investment banks as well as for commercial banks and thrifts. We all know that our financial system is being tested. But let us also remember that the system is showing its resiliency.

The Federal Reserve Board has acted to help restore liquidity by assuring everyone that they are responding to the problems in a measured way. The Fed opened up its lending facility known as the discount window to Wall Street firms and is taking steps to restore liquidity to the markets. In addition, the Office of Federal Housing Enterprise Oversight (OFHEO) has reduced the capital surcharge imposed on Fannie Mae and Freddie Mac so they can buy an additional \$200 billion in home mortgages. As OFHEO's director said in July, Fannie and Freddie "are adequately capitalized, holding capital well in excess" of what is required. And he added: "They have large liquidity portfolios, access to the debt market and over \$1.5 trillion in unpledged assets." Also, the Federal Housing Finance Board will allow the nation's 12 Federal Home Loan Banks to purchase more mortgage-backed securities to provide greater liquidity in the mortgage markets.

Meanwhile, those headlines and news reports that keep repeating the word "crisis" overlook the fact that the sub-prime lending crisis was caused by unregulated brokers and Wall Street institutions themselves, sometimes using the title "bank," and not by regulated, insured banks. Federally regulated banks employ underwriting practices to minimize losses and to promote safe and sound operations. And when they do not operate appropriately, their regulators, who visit them annually, will take exception to such practices and require corrective action. That's why FDR's observation half a century ago is still relevant: "The only thing we have to fear is fear itself." Our banking system is strong. This crisis will pass, as have all the others, and the result will be a stronger financial system with fewer unregulated players and a reminder that liquidity and capital are both important to solvency. ■

### BauerFinancial 5-Star Rating



The 5-Star rating is based on the overall financial picture of the bank and indicates that Security Financial Bank is one of the strongest banks in the Nation.

### ALSO INSIDE:

**Electronic Statements  
& Online Bill Pay**

**Lifestyle Banking**

**The Back Forty**

**Just For Teens Banking**



**Security**  
FINANCIAL BANK  
SECURE YOUR FUTURE.



## take advantage of **electronic statements and online bill pay services now**



As we progress further into the age of electronic banking, Security Financial Bank has decided to increase the security and convenience we offer our customers by providing additional electronic services, specifically eStatements and Online Bill Pay.

In addition to the obvious advantage of the reduced storage space required, other advantages of eStatements include the ability to access, view, print, and save your account history when it is convenient for you. The possibility for your account information to get lost or stolen in the mail is also drastically reduced. eStatements actually offer more security than paper statements, as they are encrypted and password protected. They are also considered official documents, just as paper statements are, and can be used for record keeping, tax purposes, etc. eStatements are fast, convenient and easy! You simply receive a monthly email when your most recent eStatement is ready to view.

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## CDARS® | proud to offer **certificate of deposit account registry service**

For customers concerned about the amount of Federal Deposit Insurance Corporation (FDIC) coverage they may have, we are proud to provide information regarding Security Financial Bank's involvement with the Certificate of Deposit Account Registry Service otherwise known as CDARS. The CDARS network provides additional FDIC coverage on investments which exceed the typical limit of \$100,000.00 by splitting your large deposit into smaller amounts and placing them with other banks that are members of this special network. By working with just one bank – our bank – you can receive insurance from many.

For easy access to full FDIC coverage on investments over \$100,000.00, ask one of our Personal Bankers about CDARS. ■

## lifestyle banking **provides free ID theft monitoring**

For most people, personal health and the health of loved ones always ranks first in importance. Now you can have a banking relationship that has your physical and financial health at the center . . . a checking account that connects you with the information and the inspiration you need to feel good about your health, your finances, and yourself. Welcome to Lifestyle Banking!

Our Lifestyle Banking checking accounts are unique accounts designed to more completely satisfy desires for good health and fitness, better security, and greater peace of mind. Our Lifestyle Banking accounts not only provide all of our secure electronic services free of charge but also connect you to resources which help you and your family stay fit and healthy. In addition, they provide you with sound financial ideas and help protect your good name and identity from theft.

Our Free Lifestyle Banking and Lifestyle Banking Plus Interest checking accounts both include a free check card with no fee ATM transactions,\* free internet banking, free online bill pay, and free eStatements. New benefits also accessible with these accounts are free ID Theft Monitoring Service, free membership to an Online Family Health & Fitness web site (with customized training, nutrition, check-ins, health information, recipes, specialized info for kids and other age groups), and free access to online financial courses, ideas and information. This package alone has an estimated annual value of over \$200.

*The new Lifestyle Banking benefits are also available to those interested in our new Goodtimes account designed for customers who are 50 or better. Be sure to stop in and ask for details! Lifestyle Banking is for you! ■*

*\* Other financial institutions may impose fees at ATMs not owned by Security Financial Bank.*

# the back forty

(written 7/25/08)



It's summer and our area farmers are dealing with the many risks associated with another cropping season. Many of the crops in the area got off to a slow start, but with warmer temperatures and adequate rainfall as of late, many of those crops are nearly back to normal for this time of year. Corn and soybean prices have also softened a lot since their late June and early July highs.

The stress passed onto the farmer varies, depending on what kind of crop insurance they carry. Some farmers were able to lock in profitable prices for both corn and soybeans earlier, especially those who had the crop revenue coverage. This kind of coverage enables the producer to forward sell their guaranteed bushels with no worry of filling their contract in case they have no crop in the fall. Contact Mark or Craig at the bank if you have any questions regarding crop insurance. Also, for our Crop Hail insureds, if you have any hail damage, call us immediately so that we can send an adjuster to your farm promptly.

Milk prices remain relatively high. Many producers continue to see over \$20 as their mailbox prices. With the higher corn and bean prices, milk prices have also increased in the past year. Milk futures prices range from \$18.22 to \$19.54 from July 2008 thru June 2010. For many in the area who receive around an additional \$1/cwt basis price, the mailbox price should average about \$19.88/cwt if these milk futures prices hold steady from here on.

Fat cattle prices are still relatively high, even with higher grain prices. World markets, including South Korea, are continuing to open or reopen their markets to U.S. beef. Beef prices are also expected to be higher this year due to lower inventories.

Chicago Board of Trade futures prices for 2008 corn and soybeans remain relatively high, even after a modest rundown in prices during late June/early July. Futures prices for 2009 through 2011 look very strong due to added demand from ethanol plants, and expanding world demand for bio-diesel. Input costs for all commodities have also risen dramatically which has reduced profit margins for these crops.

However, the Federal Reserve has left interest rates alone for the past several months. They appear to be done cutting rates and are more worried about inflation. The Wall Street Journal Prime interest rate remains at 5.00%.

Most area farmers are having a pretty good year. With very good milk prices, good corn and bean prices and good steer prices, it's hard not to be optimistic now and into the foreseeable future.

At Security Financial Bank, we handle a wide variety of farm loans, crop insurance, and deposit accounts. See us for all of your banking needs including new land purchases, dairy expansions, and refinancing. Check us out for the best possible rates and service in the area. Please contact Mark or Craig at Security Financial Bank. Thank you for your present and future business! ■



## ask about just for teens banking



Healthy relationships and good habits develop early. That's why Security Financial Bank now offers teenagers Just 4 Teens (J4T) Banking. Our new J4T Savings Accounts offer an attractive interest rate while our new J4T Checking Accounts offer a free check card with no fee ATM transactions\*, free internet banking, and free eStatements. Your teen now has the ability to begin utilizing these services while you, their parents, have the ability to monitor their account activity and therefore provide the necessary assistance required to help them develop appropriate money management skills. Now, our young people can enjoy a safe and educational introduction to banking and smart money management. Stop in or give us a call to find out more about J4T Banking. ■

*\*Other financial institutions may impose fees at ATMs not owned by Security Financial Bank.*

## ELECTRONIC STATEMENTS...CONTINUED

Online Bill Pay not only saves you time but also saves you the money you spend on your checks, envelopes and postage! With a few clicks of the mouse, your payments are made. Simply select the payee, the account you wish to pay from, the payment amount and the date. With this convenient service, you can pay your bills any day you wish and set up future payments as well. The time you once spent writing out checks to pay your bills can now be used for more quality time with your family. Stop in or give us a call to find out how you can take advantage of eStatements and Online Bill Pay. ■

## Attention Prestige Travel Club Members

**September 15-18, North Shore Lake Superior Tour** – This trip includes city tours of Duluth and Superior and will feature the Glensheen Mansion as well as a dinner cruise on "The Lake." We will also visit Bayfield, Madeline Island and Ashland.

**November 13-19, Nashville Country Christmas** – This tour with Holiday Vacations from Eau Claire will showcase Nashville's best all decorated for the season, including a city tour and of course the Grand Ole Opry.

\*For reservations or more information, call 715-672-4237 or 888-254-0615. ■

## security financial solutions news

Security Financial Solutions, the Eau Claire based division of Security Financial Bank, is offering complimentary consultations to those of you who have funds invested in the financial markets. The financial markets have been volatile lately and if you would like an independent assessment of the investments you own, call Leslie today at (715)833-1884 to schedule your free consultation with Randy or Sherm.



Sherman Carstensen, CFP®, who is also a Registered Representative of Commonwealth Financial Network, member FINRA/SIPC has been working with customers of the bank to help them determine if they are on track to meet their retirement goals. Sherman helps the client assess if their investments are positioned appropriately to generate sufficient income for the client in their retirement years.



Randy A. Risler, CFS, a Registered Representative and Investment Adviser Representative of Commonwealth Financial Network, Member FINRA/SIPC, heads the office. Risler has 10 years of experience in helping investors make sure that their Estate Plan, Tax Plan, Insurance Plan and Retirement Plan are current and effective at meeting the client's objectives.

If you are planning for retirement or would like to take advantage of a complimentary, independent and objective investment review, give our office a call at (715)833-1884 or toll free at (800)254-0615, to set up your own personalized, complimentary consultation. Let Security Financial Solutions assist you in putting Security into your retirement plan.

Security Financial Solutions is located at 3430 Oakwood Mall Drive, Suite 200; Eau Claire, WI 54701. ■

Sherm and Randy offer Securities and Advisory Services offered through Commonwealth Financial Network, Member FINRA/SIPC, a Registered Investment Adviser. Securities are: \* Not FDIC Insured \* May Lose Value \* No Bank Guarantee.

### Security Financial Bank

Durand, WI, 212 West Prospect Street  
Local: **715-672-4237**  
Toll Free: **888-254-0615**

River Falls, WI, 1561 Commerce Court  
Local: **715-426-6600**  
Toll Free: **888-254-0615**

### Security Financial Solutions

Eau Claire, WI, 3430 Oakwood Mall Drive, Suite 200  
Local: **715-833-1884**

### Secure Net Banking

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

### 24-Hour Telephone Banking

715-672-3333 or 888-900-BANK (2265)

Hours	Monday-Thursday	Friday	Saturday
Lobby	9:00 - 4:00	9:00 - 4:00	9:00 - 12:00
Drive-Up	7:00 - 5:00	7:00 - 7:00	7:00 - 12:00
Lobby	9:00 - 4:00	9:00 - 4:00	9:00 - 12:00
Drive-Up	7:00 - 6:00	7:00 - 6:00	7:00 - 12:00

Durand

River Falls