



“Letter from the Chairman” “Wisdom Comes In All Sizes, Shapes and Ages”

Some of the best advice I have been given in life has come from individuals that have reached and surpassed the milestone age of 80. I think this sage advice has come from their keen observances of not only those around them, but of their lives in general. Recently a study was completed in which 50 people over the age of 90 were asked one simple question – “If you had to do it over again, what would you do different.” As you would expect there was a myriad of answers, but surprisingly there were three that were answered often. They were:

- ***I would reflect more.*** Do you ever feel like you spend a majority of your time just doing things without properly taking time to ponder on why you are doing them or reflect on what you have done once finished? One of our tenets here at MNB is to look back on major decisions that have been made and reflect on how they affected our customers, our staff and our community.
- ***I would risk more.*** Naturally being of a rather conservative nature, this one took me by surprise. However, think about the things or times in your life where you have not done something because you feared rejection or failure. In looking back at my life, many of the blessings I’ve received have been because I took a risk. When I asked my wife out for the first time, I took a risk that she would see something in me other than a 36-year-old bachelor with a receding hairline and a beat up sports car.
- ***I would do more things that would live on after I died.*** This is the one that truly touched me in so many ways. And the more I contemplated this one, the more I realized though that wisdom can come from all ages, and I would like to relate a story to illustrate that conclusion.

Several years ago while I was serving as Chairman of the Banker Advisory Board of the Graduate School of Banking at the University of Wisconsin – Madison, I had the pleasure of getting to know Kirby Davidson. Kirby, now President of the Graduate School, was then Marketing Director and had an incredible young son named Ryan. Although I did not have the privilege of knowing Ryan well, I did follow his story over the years. You see, Ryan had been diagnosed with cancer at the early age of 6 and fought this disease on and off for several years. Because of the attitude and courage Ryan showed in battling this affliction, he caught the attention of many – including some celebrities in the sports world. In July 2008, Ryan was told that his cancer had returned after almost five years of remission. It is Ryan’s story from then on that will touch your heart. Knowing that the cancer had returned more violent than ever and with the prognosis terminal, Ryan made a commitment in his final days to raise \$15,000 for the American Cancer Society to help battle this horrid disease and hopefully make life better for other kids that might face the same situation in the future. Ryan’s last days were chronicled on a website that I was able to follow that provided inspiration on a daily basis. Ryan was able to easily surpass his goal of raising \$15,000 with donations climbing well above the \$50,000 mark. But what makes this story relevant is that Ryan is still raising funds today (I think the current total is over \$65,000), well after his physical presence is gone. Sadly, Ryan passed away on his sixteenth birthday – February 19, 2009.

Ryan’s story really brought two clear lessons to me. Lesson #1 is a deeper understanding of the hyphen lesson. The hyphen lesson is the story of the individual that died and his tombstone memorialized his life with the dates of his birth and death separated by a hyphen. The hyphen, it is explained, is the heart of an individual’s existence. What you do with your time on earth (the hyphen) is what matters – not the beginning and not the end. And the impact that you have on others is not determined by the length of life, but by the passion with which you live your life.

Lesson #2 is why I am so proud of associating with the people that comprise the MNB family. I firmly believe that each and every one of us lives our lives with a passion to serve. It has been a hallmark of being a MNB team member for well over 100 years now. Lesson #2 can be summed up in a quote from William James, “Act as if what you do makes a difference. It does.”



Brian Esch

From the President's Desk

For several years, we have seen a need for training in personal finance among our students to prepare them to deal with checking accounts, credit cards and consumer debt. To help with what is called "financial literacy," MNB has participated in different ways, including Teach Children to Save Day, Money Smart Credit, and teaching financial literacy in math classrooms. We created special accounts for youth, such as the Sparky's Savings Accounts and Youth

Checking Accounts, to help teach our young customers how to save and how to manage a checking account. But we decided to take this a step farther and bring the financial literacy program to any interested high school student at McCook High School with a new program called the *MNB Financial Scholars Program*.

This program, powered by EverFi, Inc., is designed to provide a highly engaging experience for students and features the latest technology and instructional design, including rich media, high-definition video, 3D simulations and social networking. The web-based course covers over 600 key personal finance concepts through six hours of interactive instructional content and 2-3 hours of adaptive gameplay.

This collaborative partnership will allow McCook High School to access the online curriculum at no cost. With educational budgets getting squeezed, MNB hopes to meet the community's needs and deliver a valuable service to McCook High School. Everyone can agree that teaching students these core financial concepts is paramount for success in the 21st century. This public-private partnership provides an engaging method of delivering Financial Education to our students. It's a game-changer for schools.

The 10-unit course offers exciting yet sophisticated programming aimed at teaching, assessing and certifying students in a variety of financial topics. Through 10 learning modules, students are launched into live environments, where they learn about topics from real-world adaptive simulations. EverFi covers essential subjects to prepare the next generation in topics such as: Budgeting, Savings, Banking, Insurance, Taxes, Trading, Investment, Mortgages, Student Loans, Interest Rates, Credit Cards, Credit History. Teachers are able to uniquely track the progress and score of every student. Students who successfully complete the course become certified and join a nationwide network of financially literate students.

We are excited about offering this program to McCook High School and have committed the funds to do so for three years. I want to thank the administrators and teachers at MHS for implementing this program into the curriculum, and I invite parents to encourage their high school students to explore this new program.

Retail Banking

"Like Us" on Facebook

On March 3, 2011, McCook National Bank established a Facebook Fan Page. We realized that the world is moving faster and it is becoming more difficult to stay connected with all of the exciting happenings going on within the bank and the communities we serve. It is our hope that this page will allow us to better connect with some of our customers and keep you better informed of the many promotions and events that are going on around the bank. We hope to share some of the fun that happens around the bank!

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Located at:



220 Norris Avenue • P.O. Box 1208 • McCook, NE 69001-1208
Phone: 308-345-8723 • aaron.broz@securitiesamerica.com
Fax 308-345-3767



Aaron S. Broz
Certified Financial Planner®

CURRENT EVENTS UPDATE

The unfolding tragedy in Japan has saddened the world. We have never seen a triple tragedy like this with an earthquake, a tsunami, and a nuclear disaster all hitting one country at the same time. Like many others, we are hoping and praying for the Japanese people that their situation will improve soon.

It seems like our world has been hit with an unusually large number of "black swan" events over the past few years. Black swan events are negative events that were once thought to be highly improbable, but actually turn out to happen every few years.

Here's a list of events in just the past 15 years that might qualify as "black swans":

- The late 1990s internet bubble and resulting crash
- The 2001 terrorist attacks
- The early 2000s real estate bubble and resulting crash
- The 2004 Indian Ocean earthquake and resulting tsunami that killed over 200,000 people
- The 2007-2009 Great Recession, subprime crisis, and related economic problems
- The ongoing rebellion in the Middle East and North Africa
- The ongoing triple tragedy in Japan

With today's interconnected world and global communication system, we see these events unfold in near real-time and that amplifies their effect on our psyche. As a result, we have a tendency to think "this is the big one" that will take out the world economy. However, unless the world is coming to an end -- which I don't think is happening -- then the latest situation in Japan, which is very tragic on a human level, will probably not cause a worldwide recession.

Whenever these black swan events occur, it's important to remember that while we can't predict when they will occur or what the event will be, we do know that they will happen and we try to plan for that in how I manage your account.

Today, we have our hands full with the evolving situations in Japan, Libya, and the Middle East. On top of that, we still have the simmering sovereign debt issues in Europe and the economic malaise in the U.S. The uncertainty and the day-to-day developments surrounding these situations are affecting the markets and causing volatility to spike.

Over time, though, as these situations move from crisis to closure, we expect the world will continue its march toward progress and that the markets will eventually resume their positive momentum. Japan's own history of recovering from World War II gives us an example of their resilience. For example, The Wall Street Journal stated that, "...from 1950 to 1960, in the heyday of the "economic miracle" that followed World War II, Japanese stocks returned an annual average of 27% after inflation." We're not predicting that type of return over the next 10 years; rather, it just shows that Japan has bounced back from severe devastation in the past.

As humans, we are keenly aware of the pain and suffering that these tragic world events inflict upon our collective community. As your advisor, I try to ensure that this pain and suffering doesn't spill over to your portfolio.

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From the IT Department

Neural Network; try saying that 10 times fast. While you may not know what it means, you can be assured that we do, and we are using it for your protection. A neural network is a set of programs which monitor your debit card usage for anything unusual.

A neural network works by assigning a score to each transaction based on the amount of risk associated with it. It will also learn your typical spending habits to produce a more accurate score. For example, if you typically only spend money in McCook but suddenly transactions happen in New York and Texas on the same day, these transactions would receive a higher score. There are many factors included in the score; such as whether the card was present for the transaction or if it was manually entered, the type of merchant, or if you regularly receive cash back. These, combined with other factors about the transaction, create that transaction's risk score.

Should the risk score for your transaction be high enough, several things could happen; the transaction may be blocked, or you might simply receive a call from us verifying that the transaction is legitimate. We continually review what transaction levels the system will alert on to hopefully catch much of the fraud while not alerting on legitimate transactions initiated by you.

To help us avoid blocking transactions which you initiate, there are a few things you can notify us about.

- If you are travelling overseas.
- If you plan on more than \$1,500 in transactions in a single day.
- If you plan on more than 10 debit transactions or 5 ATM transactions in a single day.
- If you plan on more than \$500 in ATM withdrawals in a single day.

It is also important to check your statements for possible fraud which the system did not catch. Remember, with a debit transaction you, as the customer, are not liable for any fraud which may occur on your card.

PROMOTIONS

McCook National Bank is pleased to announce the following promotions within the bank:



Todd Thieszen was promoted from Senior Vice President to Executive Vice President/Business Banking Manager.



Matt Nielsen was promoted from Assistant Vice President to Vice President/Information Systems Manager.



Craig Merrihew was promoted from Assistant Vice President to Vice President/Credit Analyst.



Lyle Brown was promoted from Business Banking Officer to Assistant Vice President/Business Banking Officer.

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Marci Sis is the new Branch Manager at MNB – Stratton. She grew up in Stratton and is the 3rd of 4 children of Bill & Linda Zahl. Marci graduated from Stratton High School in 1999 and from Nebraska Wesleyan University in 2003, majoring in Business Administration. Most recently, Marci and her family, husband Aaron and son Luke, moved back to northwest Kansas from Aurora, Colorado. She was a Vice President for FirstBank in Aurora, and her duties included branch management, as well as, consumer and commercial lending. In addition to managing the Stratton location, Marci also helps Aaron farm and ranch. Please stop in and introduce yourself to Marci if you get the chance! She is excited to be back in the area and looks forward to getting involved in the community!

United Way



McCook National Bank was recognized in February for winning the United Way "Corporate Challenge" for medium-sized businesses. MNB and MNB Insurance employees gave \$10,364 this year. With the Bank and Insurance donations, the total given to the United Way in 2010 was \$16,364, over 17% of the entire United Way goal!

Chamber Home & Leisure Show

McCook National Bank had a booth at the Chamber of Commerce Home Show in February. Tim Hutchins of McCook won the Vizio Flat Screen LCD T.V. drawing!



"Dates soon to come!"

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MNB Student of the Month



Allie McConville, a junior at Southwest High School, was the **November** "MNB Student of the Month Award" for the 2010-2011 school year. Also pictured is Mr. Bob Loshbaugh, Allie's nominating teacher. Allie is the Junior Class President, a member of the Student Council and National Honor Society, and participates in Quiz Bowl and FFA. She plays volleyball, basketball and is in track. Allie is also an active member of 4-H and her church youth group. Her community service activities include volunteer work at the Ronald McDonald House in Omaha and at the Matt Talbot Soup Kitchen and Outreach in Lincoln. She currently carries a 4.0 GPA.

Emily Tolliver, a junior at McCook Senior High, was the **December** "MNB Student of the Month Award" for the 2010-2011 school year. Also pictured is Mr. George Briggs, Emily's nominating teacher. Emily is involved in Cheerleading, National Honor Society, Math Club, FCA and is the Art Club President. She also participates in Cross Country and Track. Outside of school, Emily is the McCook Interact Secretary, is in CYO, church choir, and is a volunteer at Bargain Bazaar. She currently carries a 4.0 GPA.



Laramey Lewis, a junior at Hitchcock County High School, was the **January** "MNB Student of the Month Award" for the 2010-2011 school year. Also pictured is Mrs. Peg Andrews, Laramey's nominating teacher. Laramey participates in volleyball, basketball and track. She is in quiz bowl, Student Council, National Honor Society, One Act Play, FBLA and is the junior class Vice President. She is also a math tutor, has helped the elementary with reading days, and has organized the NHS trash pick-up. Outside of school she is involved in 4-H, is a member of the Methodist Church in Culbertson, and has helped with lake clean-up at Swanson Reservoir. Laramey has also volunteered for many other activities including the Lions Club benefit supper, NHS collection for Haiti relief, and local blood drives. She currently carries a 3.97 GPA.



Alan Goodenberger, a junior at McCook Senior High, was the **February** "MNB Student of the Month Award" for the 2010-2011 school year. Also pictured is Mr. Tom Sughroue, Alan's nominating teacher. Alan participates in tennis, basketball and golf. He is also in National Honor Society, Math Club and academically, is in the top 10 of his class. Outside of school, Alan is involved in Boy Scouts, Youth Change Reaction, and CYO. He has also spent time volunteering for the Pantry in McCook and helped with the city-wide clean up. Alan currently carries a 4.0 GPA.



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TEACH CHILDREN TO SAVE DAY APRIL 12TH!!

The American Banking Association Education Foundation has declared April 12th as the 15th Annual National Teach Children to Save Day!!!! Presentations, made by bankers, will include games and activities that teach how interest makes money grow, how to create a spending plan, and learn the difference between needs and wants. The presentations are aimed at enhancing young Americans' financial literacy and money-management skills.

McCook National Bank will again join other banks in this worthwhile cause and do our part to help the youth of our community gain the necessary savings, spending and budgeting skills required to successfully manage their financial future. Look for us in the classroom April 12th!



MNB employees Sherri Stang & Kim Baumbach in the 6th grade classroom. (Not pictured is Scott Barger)



Youth Services Committee

There are 10 employees at MNB who make up the MNB Youth Services Committee. These individuals work together to create all kinds of educational and fun things for the youth of MNB and our community. This committee is in charge of the Sparky Easter Egg Hunt, Haunted Bank Tour, Sparky Honor Roll, Bank Tours, America's Promise grants, and much more. Several of the events sponsored by this group are not possible without the help of the other MNB staff members. Committee members include Angela Wagner, Kim Bauer, Sherri Stang, Jim Hull, Sparky, Cindy Roberts, Kristi Novak, Lisa Einspahr and Kim Baumbach at the McCook location, and Julie Bernt and Penney Walter at the Stratton branch (inset).

SAVING \$ IS IMPORTANT!

Do you want to help your child(ren) or grandchild(ren) establish good savings habits at an early age? Why not teach them the importance and rewards of regular savings now that will help instill good savings habits throughout their lifetime? Here at MNB we offer the "Millionaire in the Making CD", as well as our famous "Sparky's Kids Club" savings account. Both of these products are designed to benefit the younger customers. Here is some information about each of them:

Millionaire in the Making CD?

- Available to kids/teens birth to 18 years of age.
- 24-Month Certificate of Deposit.
- Low \$250 Initial Deposit!
- Add up to \$2,000 during the CD Term (restrictions apply).
- Interest can be withdrawn without penalty!
- You can have more than one!

Sparky Savings Account?

- Available to kids birth to 12 years of age.
- Get a Free Sparky's Club Bank when you join!
- No Minimum Balance required to have in account!
- No Monthly Service Charge!
- Earn Paw Points to buy Sparky's Club Items!
- Attend special events for club members!
- Make the Sparky Honor Roll
 - Runs from January to December
 - Make a deposit during each of the 12 months

Checking and Savings Accounts are also available for teens.



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MNB Student of the Month Scholarship Banquet



The six finalists pictured above: (Back row left to right), Hailey Esch – McCook Senior High, Morgan Schaeffer – McCook Senior High, Danielle Carpenter – Cambridge High School and Shelby Hubbert – Southwest High School. (Front row left to right), Brooke Ballou – Cambridge High School, Erin Premer – McCook Senior High. (Danielle Schutz of Arapahoe High School was unable to attend.)

The first ever MNB Student of the Month Scholarship banquet and ceremony was held Tuesday, March 22nd at the Keystone Business Center in McCook. Six of the seven finalists were on hand, accompanied by their parents and nominating teachers, as well as, other administrative staff of the schools. The two \$500.00 tuition scholarship winners for the inaugural year of the program were, Brooke Ballou of Cambridge High School and Erin Premer of McCook Senior High. Congratulations to all seven finalists!



Brooke Ballou accepting her award.



Erin Premer accepting her award.

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2011 SPARKY EASTER EGG HUNT

Sparky would like to invite all of his Sparky Kids Club members to the 15th Annual Sparky Easter Egg Hunt on Thursday, April 21st. The hunt will be held at Norris Park beginning at 5:15 p.m. sharp. There will be plenty of candy and prizes for everyone so don't forget to bring a basket or bag with you. Special thanks to all of the parents and grandparents for taking the time to bring the kids out for this fun event!



Photos from various Sparky Easter Egg Hunts.



Local Winner 2010
Jakob Wagner, son of
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A Gift that Keeps on Giving from MNB Sparky's Kids Club

Receive: **A FREE** Children's Portrait Session
1 FREE 5x7 Olson's Photography Portrait

A minimum package required of \$65, during Olson's Photography's Kids Portrait Contest. Winners in 4 Categories; Boys, Girls, Groups and People's Choice! **Each winner receives a \$50.00 Savings Bond and FREE 16x20 Portrait.** Sponsored by McCook National Bank and Olson's Photography. Also, chances to win over \$7500 in prizes in the National Contest!

Call Today 345-1356 or 1-800-779-5854 or
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Ends April 30th
(Mention that you are a Sparky member when setting up your appointment.)

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