

BUSINESS EXTRA

www.firstbankak.com • Fall 2010

Oops!

How Does an Overdraft Affect My Account?

Daniel and Susan were busy getting ready to leave town for a fall getaway. Each of them had a separate "to-do" list, so Susan wasn't aware that her husband decided to replace his old luggage with a new set just when she was using their debit card to buy an MP3 player to make their trip more enjoyable. Together, the unexpected purchases pushed their checking account over the edge.

PROTECTION FROM UNINTENTIONAL OVERDRAFTS

Sometimes life throws a few financial surprises your way and overdrafts occur. First Bank's overdraft protection services

are designed to save you from the inconvenience and embarrassment of finding insufficient funds in your account.

At First Bank, we help our customers avoid uncomfortable situations like the couple above in the following ways:

- **Standard overdraft practices** that come with your account. This includes our authorization and payment of overdrafts caused by checks or automatic bill payments. You will be charged a fee of \$20 each time we pay an overdraft.
- **Overdraft protection plans.** Two options include: 1) having your checking account set up to transfer

funds from a savings account to cover overdrafts, or 2) establishing an overdraft line of credit.

ADD OVERDRAFT PROTECTION TO YOUR ACCOUNTS

Almost everyone is capable of an overdraft mistake once in a while and First Bank is here to help you make the most of your finances – even when you're busy, running behind or distracted. Visit us at www.FirstBankAK.com, call **1-888-220-4446** or stop in and see us today to set up overdraft protection for your accounts.



Shop the Stores Next Door

Support the Local Economy

What do you enjoy most about Southeast Alaska? The breathtaking wildlife, beautiful outdoors or your friendly neighbors? When you support locally owned businesses, you contribute to the many characteristics that make Southeast Alaska communities a special place to live and work.

Here's what happens when you support "Main Street" shops and local services:

- **Your dollars stay in town.** Money spent at a large chain store may be sent to another city or state.

When you buy from a locally owned business, that shopkeeper will likely spend your money at another local business. In turn, community residents maintain jobs, and taxes pay for schools, parks, libraries and more.

- **Small-business owners contribute to community enrichment.** Not only do small-business owners create jobs, more than 90% give back to the community through donations or volunteering.* After all, they want what's best for everyone else who calls it home.

- **You're more likely to receive quality service.** At smaller stores, you can avoid navigating large parking lots, struggling to find what you need and waiting in line. Small-business owners are experts about their inventory and focus on giving top-notch service. They make an effort to get to know you and be a friendly resource.

At First Bank, we are proud to contribute to the strength, character and financial stability of our community.

Thank you for banking with us and helping us make a difference.

* Source: National Federation of Independent Business, www.nfib.com.

In Times of Trouble

4 Pointers for Businesses in a Financial Pinch

Even in the best of times, keeping a business afloat is challenging. If your business is struggling through stormy seas, consider these four steps.

1. Make sure all payroll taxes are paid on time, especially those withheld from employees' paychecks. Otherwise, the IRS and state tax authorities can hold you personally and legally liable for these taxes plus penalties, even if your business goes bankrupt.

2. Take control of your cash flow. If you lack the revenue to pay bills coming due, prepare a short-term cash projection. Make a list of money owed to you, and collect as much of it as possible. Cut expenses to the bare minimum, and pay only necessary items like taxes and overhead costs. Work with suppliers and other creditors to develop a flexible repayment schedule.

3. Rethink borrowing. If you're tempted to borrow more money to ease your financial situation, consider carefully

whether your business is really likely to do better in the near future or if borrowing money will only compound your debt problems. If you do decide to apply for a new loan or consolidate old ones, be forthright in disclosing your financial situation.

4. Plan for ongoing insurance coverage.

Insurance carriers can be hesitant to offer coverage to businesses undergoing bankruptcy. So if you're planning to seek bankruptcy protection, make sure you have insurance in place that extends at least 12 months into the future.

WE CAN HELP

As your partners in business, we want to work with you to find solutions and improve your company's financial position. If you're struggling, don't wait until it's too late – call or stop in today.



Maximize Your Business's Excess Cash

Your business can earn profits not only on sales, but on investing its cash. Consider these savings options in light of your cash flow needs.

First Premium Savings Account –

With \$100 minimum balance to open it, this basic account allows your excess cash to earn interest while giving you daily access to funds. Plus your balance benefits from FDIC insurance coverage.

Money Market Account – For larger balances, this option may provide higher yields without sacrificing liquidity. The money market account also offers tiered interest rates. And you can access funds by check on a limited basis. This account is also insured by the FDIC.

Consider tying a savings account or money market account to your commercial checking account to provide overdraft protection as well.

Certificates of Deposit – Because these accounts lock in your funds and rate for a specific term, they are best used for cash reserves not immediately needed. You can choose short or long terms. Typically, the longer the period, the higher the interest rate.* Your money still enjoys FDIC coverage in these accounts.

Sweep Account – Every day, excess funds are swept automatically from your commercial checking account into an investment account, where they can

earn competitive returns. While in the investment account, money is invested in high-quality money market instruments. You choose from a variety of options with varying levels of investment risk and potential returns. If the checking account balance falls below a set level, funds are automatically transferred back to it, so you don't lose liquidity. Money in the investment account is not covered by FDIC insurance.

SEE US FIRST

To learn more about the savings options for your business, please contact your First Bank representative at **1-888-220-4446** or visit our website at **www.FirstBankAK.com**.

* There may be a penalty for early withdrawal.

Investment products:

- Not federally insured
- Not a deposit of this financial institution
- May lose value