

BUSINESS EXTRA

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First Bank Honored with ABA Community Bank Award

First Bank was nationally recognized for its community outreach efforts by the American Bankers Association (ABA). First Bank was awarded for its endeavors in the Encouraging Volunteerism category for its Community Service Award Program.

The ABA selection committee awarded nine banks from a field of more than 180 nominations across the nation based on the innovation, creativity and effectiveness of the bank's approach to making a difference in its community. "First Bank is honored to receive this award, which represents our commitment, passion and leadership to our communities in Southeast Alaska throughout the year," says Michael Medford, Vice President and Community Reinvestment Officer for First Bank.

First Bank's Community Service Award Program is designed to encourage and foster citizenship, knowledge and personal development of people in Southeast Alaska through community service opportunities. The program provides local organizations opportunities to serve their communities and at the same time, get paid for it.

For example, a middle school girls' softball team in Ketchikan organized a food and fundraising drive for Women in



Sheila Kleinschmidt, Vice President and Community Development Officer, and Michael Medford, Vice President and Community Reinvestment Officer, receive the American Bankers Association award given to First Bank for Encouraging Volunteerism within its communities.

Safe Homes (WISH). The local softball team collected more than \$1,000 worth of food that was donated to WISH. In turn, First Bank donated \$1,000 to the softball team. Since inception of the Community Service Award Program, more than 800 young volunteers, not including family participants, have raised or contributed more than \$62,000 in value to local community organizations.

Entries were divided into seven categories, including helping to achieve homeownership, encouraging volunteerism, fundraising for foundations and local groups, improving financial literacy, reaching out to the underserved, building with Habitat for Humanity and revitalizing your community.

Business Growing Pains Small Business Loans to Grow

In 2008, when the economy dropped into the doldrums, consumers put away their wallets to wait out the lean years. But a slow, steady recovery finally heralded consumers' return to confidence in 2010. Although it's not going gangbusters, people are more inclined to purchase again. According to the Bureau of Economic Analysis, in December 2010, personal consumption expenditures increased \$69.5 billion, or 0.7% over the previous month.

If your business is buoyed by this economic change and is experiencing growth, you want to meet the demands. But maybe you don't have the funds readily available. Whether you need to expand your space, hire more employees or upgrade your technology, a small business loan might be a good option.

BANKING ON YOUR BALANCE SHEET

Before you approach lenders, here's what you need to know that will help you land that loan. The first thing a lender will review is your balance sheet. A business with a debt-to-equity ratio (sometimes called leverage ratio) between 1-to-2

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Still Haven't Tried Online Bill Pay?

Reasons to Pay Bills Anytime, Anywhere

Do you remember life before direct deposit? Perhaps you enjoyed catching up with the teller every payday and the satisfaction of completing the transaction in person. You may have hesitated to switch to an automated process fearing that it was less reliable and secure. But once you converted, chances are you never looked back. If you have similar excuses for not using online bill pay, we have just as many reasons why you should.

Excuse No. 1: It's not safe. First Bank uses security certification, password protection and an encrypted network, which helps prevent unauthorized users from accessing your account information. What's more, having fewer personal checks in the mail stream keeps you safer from identity thieves.

Excuse No. 2: I already have a good system in place. Online bill pay automatically produces an organized, accessible record of all of your payments. You can easily generate reports to see where your money goes. And our system is compatible with personal accounting software that you may already use.

Excuse No. 3: It will take too long to set up. It takes a short time to enter your billers' information. But the process is simple, and once it is set up, paying bills requires just a few clicks of the mouse. In fact, you can pay all of your bills from one screen, at one time. You can even set up recurring payments.

Excuse No. 4: It's too expensive.

Online bill pay for businesses is very affordable and will save you the cost of postage and reordering checks.

Getting started with online bill pay is simple. Just talk to your customer service representative or go to **www.FirstBankAK.com** to sign up. We bet you'll wonder why you waited so long to make the switch.

Small Business Loans to Grow *continued from front*

and 1-to-1 is generally considered in good standing (however, different thresholds may apply in different industries). For example, if your business has \$75,000 in total debt and \$125,000 in total assets, your debt-to-equity may make the grade. Next in line of importance is to measure current assets against current liabilities, called a current ratio. A 2-to-1 ratio, where assets are twice the liabilities, is generally considered good, but a 1-to-1 ratio may be acceptable, too. Satisfactory ratios vary by industry.

Lenders will also want to look at your balance sheet from the previous year. They will compare your balance sheet with a comparable business of similar size to see how you measure up. Finally, cash flow, defined as net income plus depreciation, will be scrutinized.

LET US HELP

If you're ready to expand your business, First Bank is ready to help you understand what you need to take the next steps. Contact a business loan officer to find out more about how to qualify for a business loan. We can help you find one that meets your needs.



Business Loan Checklist

Lenders need certain information to determine whether to loan money. You'll want to present your potential lender with everything necessary to get the ball rolling.

The documents you need include:

- A business plan that explains why you need the money and how you will spend it.
- Cash flow projections to show that you can repay the loan.
- Business and personal financial statements, including past tax returns.
- Repayment plan that explains how you will repay the loan.
- Description of collateral (legal description, make, model, etc.).

Low-risk businesses, whose documents prove their ability to profit and repay funds, generally will receive a loan before a high-risk company. Applicants that appear to be a high risk might get a loan, but they could pay higher interest with stricter loan terms.