



109 N. ST. PAUL AVENUE  
FULDA, MN 56131  
507-425-2575  
FIRSTNATIONALBANKS.COM  
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## AGRICULTURAL BANKING **EVERY FARMER'S** ESSENTIAL GUIDE



You already know that agricultural banking is a vital part of running your business. From loans and lines of credit to farm mortgages and more, agricultural banking products and services can help you purchase land, finance equipment and operating costs, and manage risk.

But with so many types of agricultural banking products and services available, it can be tough to understand all the different options. That's why we've created this essential guide to agricultural banking. In it, you'll learn about the different types of agricultural banking products and services available, as well as what to look for when choosing a bank or financial institution. With this information in hand, you'll be able to make the best decisions for your Ag business.

Your financial needs will adjust as your business progresses and expands and First National Bank is here to be your proactive financial partner. We'll make sure you have the right resources to support growth at every level. Our knowledgeable Ag bankers are eager to collaborate with you in order to better understand your business banking requirements and suggest solutions that are suitable for you right now and will grow with you in the future.

**WHAT TO LOOK FOR?**

**ACCOUNTS**

**AG LENDING**

**CASH MANAGEMENT**



# WHAT SHOULD YOU LOOK FOR IN AN AG BANK?

As an agricultural business owner, you know that one of the most important elements of success is having access to capital, especially during challenging times. The concern is finding a financial partner who understands your business. A lender that can guide you through challenges, one that can evolve and develop with your company over time, and be a consistent and reliable teammate even when conditions are uncertain. When choosing an agricultural bank, select one that meets all these criteria so you have access to capital when you need it most!

## LOCAL INDUSTRY EXPERT

A good ag lender will have a thorough understanding of the industry. They will be familiar with the challenges, opportunities and risks associated with agricultural businesses. More importantly, they should have experience working with agricultural businesses in your community. A local expert should know the people in the industry along with their specific needs and expectations. Finally, they should have a solid grasp on what's happening with markets at large, and the nuances of the industry that can impact profitability.

## ADAPTABILITY

Make sure the bank and lender you choose are aware of how your business adapts and develops during the ups and downs to help you stay profitable and meet performance milestones along the way. Your ag lender should be able to help you find solutions to any problems or needs that come up during the course of your business. You shouldn't have to worry about whether or not they will be there when you need them most. A skilled banker will be there for you every step of the way.

## A RELIABLE TEAMMATE

When it comes to understanding your farm's finances, nothing replaces first-hand experience. A reputable agricultural lender will take the time and effort to get to know their clients' operations extremely well. And, the dedication to travel to farms and ranches to see the organizational dynamics firsthand.

It's also crucial to find a partner that can offer more than financing. You deserve a lender who can deliver sound advice and customize solutions to your unique needs. A bank that can provide innovative products to support and streamline your operations. Choose a bank that can give you simple, secure and convenient ways to manage your money from the field to the farmhouse.

## FINALLY

The best financial partner understands that success doesn't always follow specific guidelines. They know it's a craft that begins by developing meaningful partnerships. The ability to recognize individual needs and the flexibility to create customized solutions. Hometown experts, who are involved in and passionate about the local community.

First National Bank is a family-owned financial institution that specializes in agricultural and commercial banking. Our lenders remain heavily involved throughout the banking relationship and understand that speed & responsiveness are crucial to your success. They know the market, they make lending decisions locally and they're dedicated to your success and the success of your business.

When you need a financial partner that truly understands the agricultural business, you can be confident in First National Bank. It's been an honor to be part of such a crucial piece of our local economy and we're excited to serve the next generation of farmers and ranchers.

**First National Bank - Unmatched Service and Dedication.**



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# IF YOUR GOAL IS GROWTH YOU'VE COME TO THE RIGHT PLACE

Our bankers know the agricultural business. First National Bank offers a variety of agricultural loan products that can help you reach your goals: to expand your operation or just maximize cash flow. Work with our team of ag experts today.

## **Basic Business Checking**

The perfect account for businesses that normally deposit and write a small number of checks each month. There's no monthly service fee when you maintain a minimum balance and the first 40 checks paid and the first 40 items deposited are included at no charge. Plus, check images are returned with your monthly statement!

## **Small Business Checking**

It's all you need a business account to be...simplified! For businesses that deposit and write 40-100 checks per month and like to receive check images with their monthly statements, this is the perfect small business account! It's an easy-to-use account that gives you access to our full range of cash management tools to fulfill your company's needs and help in your success.

## **Commercial Business Checking**

When you need an account that allows a high volume of activity but still rewards you for a larger balance, look no further than the Commercial Business Checking! Get unlimited check writing privileges, an earnings credit to offset fees and cash management tools designed specifically for your business.

## **Business Interest Checking**

An interest-bearing checking account for sole proprietors and business individuals.

## **First Class Club - Personal Checking Account**

It's our most popular account for a reason. No minimum balance to maintain and no monthly service fee. The account provides you with a variety of features, including your first order of checks free, unlimited check writing privileges and automatic safekeeping of checks.

## **FNB 300 - Personal Checking Account**

You'll benefit from unlimited check writing privileges and check images are returned with your monthly statement. The perfect account for your day to day finances and there's no service fee when you maintain a minimum balance.

## **FNB 500 - Personal Checking Account**

Unlimited check writing privileges, monthly interest crediting and free safekeeping of check images. We're proud to offer an account that rewards you for keeping a higher balance. And there's no monthly service fee when you maintain a minimum balance!

## **FNB 1000 - Personal Checking Account**

Just like our FNB 500, but check images are returned with your monthly statement! Unlimited check writing privileges and monthly interest crediting with tiered rates to reward you for keeping higher balances. And there's no monthly service fee when you maintain a minimum balance!

## **Health Savings Account**

If you have an eligible High Deductible Health Plan (HDHP), a Health Savings Account allows you to save money for qualified medical expenses. Your contributions are made with pre-tax dollars, and the variable interest earnings are also tax-free, providing you with a smart way to save for medical expenses. Debit cards offer easy access to your money and check writing is unlimited!

## **Available Account Features:**

ATM/Debit Card, Internet Banking, Mobile Banking, Internet Bill Pay, E-Statements and more.



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## SAVINGS ACCOUNTS

# WE HAVE THE PERFECT SOLUTION FOR COMPANIES THAT MAINTAIN EXTRA FUNDS IN THEIR CHECKING ACCOUNTS

As a business owner, you're always looking for ways to improve your bottom line. One way to do that is to make sure that your idle funds are working for you. With business savings options, you can earn interest on your deposited funds while keeping them readily available for business expenses. Enjoy the peace of mind that comes from knowing your business' money is always hard at work.

### **Statement Savings**

Short-term or long-term, you'll earn a competitive rate on your balance!

### **Money Market Accounts**

Enjoy the features of an interest-bearing savings account and check writing privileges with our Money Market Account! And the best part is, the more you save the more you earn because the rates are tiered to reward higher balances. Earn current market rates while enjoying the flexibility of limited check-writing privileges.

### **Certificates of Deposit**

If you're looking for a competitive, higher interest rate, a certificate of deposit may be the account for you. A CD requires funds to remain on deposit for a specified time but offers you the security of a fixed rate. CD s available in terms from 91 days to 60 months.

### **RETIREMENT PRODUCTS**

Whether you're looking for immediate tax savings or thinking about your long-term bottom line, we can help. Let our experienced bankers help you select the account that will help your retirement savings grow.

### **CD IRAs**

- Choose from a variety of fixed CD terms -12 months to 60 months
- Invest as little as \$500
- Guaranteed interest rate for the full term of your investment
- 24/7 online access available through PC Express® Internet Banking
- Online Statement delivery available
- FDIC Insured

### **IRA Savings**

- Flexible contribution options
- 24/7 online access available through PC Express® Internet Banking
- Online Statement delivery available
- FDIC Insured



## WE KNOW AG BANKING

Our bankers know the agricultural business. First National Bank offers a variety of agricultural loan products that can help you reach your goals: to expand your operation or just maximize cash flow. Work with our team of ag experts today.

### Ag Operating Loans and Lines of Credit

Operating loans and lines of credit offer the flexibility you need to operate your business. Available as both a loan, with a one-time disbursement or a line of credit with easy access as needed, we'll customize the loan to fit your needs. These loans are ideal for:

- Crop & Livestock Inputs
- Other operating expenses & working capital needs

### Equipment Loans

Equipment upgrades and additions are a part of moving your business forward. When the time comes, look for an equipment loan from First National Bank. Our loans can help you buy the equipment your business needs, without depleting cash reserves and feature:

- Flexible term lengths to spread the cost of purchasing new equipment over several years
- Customized repayment plans
- Automatic payments from your checking account

### Livestock Loans

Whether purchasing feeder livestock or breeding livestock, we offer flexible term lengths and customized repayment plans for your livestock purchase.

### Farm and Ranch Real Estate Loans

Long-term, fixed or variable rate financing for the purchase or refinance of farmland as well as building and storage facilities.

### FSA Guaranteed Loans

We are proud to offer Farm Service Agency (FSA) guaranteed loans for family-size farms and ranches. Working with the FSA, First National Bank can help you obtain a loan to purchase:

- Land
- Livestock
- Equipment
- Feed
- Seed
- Supplies

## What does this program do?

This program offers loan guarantees to rural businesses.

## What is considered an eligible area?

- Rural areas outside of a city or town with a population of fewer than 50,000 people.
- The borrower's headquarters may be based within a larger city as long as the project is located in an eligible rural area.
- The lender may be located anywhere in the United States.
- Projects may be funded in rural and urban areas under the Local and Regional Food System Initiative. Check eligible addresses for Business Programs.

## How may guaranteed loan funds be used?

Eligible uses include (but are not limited to):

- Business conversion, enlargement, repair, modernization or development.
- The purchase and development of land, easements, rights-of-way, buildings or facilities.
- The purchase of equipment, leasehold improvements, machinery, supplies or inventory.
- Debt refinancing when refinancing improves cash flow and creates jobs.
- Business and industrial acquisitions when the loan will maintain business operations and create or save jobs.

## What Collateral must be Required?

Collateral must have documented value sufficient to protect the interest of the lender and the Agency. The discounted collateral value must be at least equal to the loan amount. Lenders will discount collateral consistent with sound loan-to-value policy. Hazard insurance is required on collateral (equal to the loan amount or depreciated replacement value, whichever is less).

## Maximum Discounted Value

- Real Estate: 80 percent of fair market value.
- Equipment: 70 percent of fair market value.
- Inventory: 60 percent of book value (raw inventory and finished goods only).
- Accounts Receivable: 60 percent of book value (less than 90 days).

## What is the maximum amount of a loan guarantee?

- 80 percent for loans up to \$5 million.
- 70 percent for loans between \$5 and \$10 million.
- 60 percent for loans exceeding \$10 million, up to \$25 million maximum.

## What are the loan terms?

- Maximum term on real estate is 30 years.
- Maximum term on machinery and equipment is for its useful life or 15 years, whichever is less.
- Maximum term on working capital is not to exceed 7 years. Loans must be fully amortized; balloon payments are not permitted.
- Interest-only payments may be scheduled in the first 3 years.

## OTHER LOANS

First National Bank works with local and state programs including AgBMP and the Minnesota Rural Finance Authority Loan Programs.

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## FIRST NATIONAL BANK OFFERS PERSONALIZED CASH MANAGEMENT SERVICES TO HELP YOUR BUSINESS REACH ITS TRUE POTENTIAL.

Our bankers are here to work with you to get to know your special business needs and help to identify the banking tools and services that will allow you to streamline your operations. We're happy to help you set up and support the systems you need to make your business grow.

### Internet Banking for Businesses

Manage your business accounts without leaving your office. PC Execubanc® provides you with powerful banking tools designed specifically for your business.

Save time, improve your cash flow and streamline your cash management procedures in a fully secure environment. Use our flexible, user-friendly system to access your accounts. With PC Execubanc® you have:

- Real-time Account Balances
- Check and Deposit Images
- Direct Deposit of Payroll
- ACH Origination
- Wire Transfers
- Transfer Funds between accounts in real-time.
- State and Federal Tax Payments
- Bill Pay Services
- E-Statements
- Ability to Export Transactions
- Designated Employee Access
- All in a fully safe and secure environment

Our professional, trained staff will be there every step of the way to ensure proper setup and continued satisfaction.



## Business Mobile Banking

Would you like more flexibility in managing your business accounts? Now you can access essential business account information anywhere you have a mobile internet connection with the First National Bank, mobile banking app for business. It's quick, secure and it's available wherever your business takes you!

Once you are an existing user of Business Internet Banking, all you need to do is download the First National Bank mobile banking app for business, and you'll be able to access real-time banking information.

- View business account balances, transactions, and pending payments
- Transfer money between your First National Bank accounts in real-time
- Pay your vendors and bills
- Deposit checks straight from your mobile device
- Authorized users can view and transmit time-sensitive transactions requiring approval

### GET STARTED NOW

Download the Business Mobile Banking App! Search the app store or Google Play for: First National Bank Oldham. Log in using your Business Banking user name along with your Token and Pin.

### BUSINESS MOBILE BANKING FAQs

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*Q: How do I enroll in Mobile Banking for my business?*

A: If you are an enrolled user of Business Internet Banking, then no enrollment for Mobile Banking is required. Simply download the First National Bank Mobile Banking for Business app from your mobile device and sign on using your User Name along with your Token and PIN. The app can be found on the Apple App Store or Google Play Store by searching, First National Bank Oldham.

*Q: Do I need a new User ID and Password for Business Mobile Banking?*

A: No, use the same login credentials that you use to log in to Business Internet Banking.

*Q: What features are available with Business Mobile Banking?*

A: The following features are available:

- Secure Sign-in / Sign-out
- View Account Balances
- View Transactions
- Deposit Checks
- Transfer Funds
- Manage Bills
- Authorized users can view and transmit time-sensitive transactions requiring approval

*Q: What is the difference between the Mobile Banking App and the Internet Banking Website?*

A: The Mobile Banking App is simply an additional tool, optimized to meet the needs of our business banking customers when they are on the go.

*Q: Can I use multiple devices to access my Business Mobile Banking?*

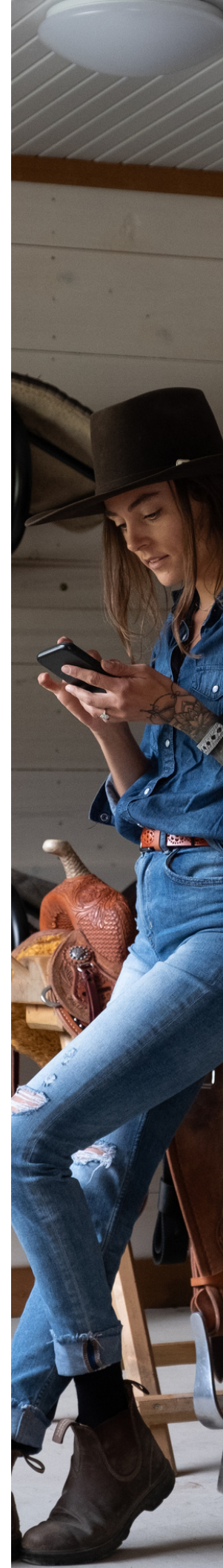
A: Yes, as long as the app has been downloaded on each device.

*Q: How much does Business Mobile Banking cost?*

A: There is no bank fee to use or access Business Mobile Banking, however, your wireless provider may charge data rates.

*Q: What if I get locked out of Business Mobile Banking?*

A: Please contact your local branch and we will happily help you out!





### Business Mobile Deposit

It's a SNAP! Conveniently deposit checks using the camera on your smartphone or tablet. It's simple, it's secure and it's available with our Business Mobile Banking App.

- Endorse your check and include the text: "For FNB Mobile Deposit Only"
- From the Home Screen, select Deposit
- Select New Deposit
- Choose the Account and Enter the Amount of the Check
- Take an image of the Front and Back of the Check
- Click Deposit

\*Message and data rates may apply.

### Business Bill Pay

Simplify your business books with this easy and fast way to pay bills. First National Bank offers PC Execubanc® Bill Pay, an online system that lets you quickly and easily pay anyone online that you currently pay by check.

Features of this convenient and secure system will allow you to:

- Make payments to individuals or companies. Receive and pay e-Bills online.
- Schedule repeating payments.
- Electronically link invoice and credit memo information with your payments.

### ACH Services

Automated Clearing House (ACH) services allow you to electronically pay employees' wages for payroll or pay vendor invoices. You can also collect payments such as fees, dues, or donations. ACH streamlines your payment process and eliminates the costs associated with check processing. You choose between several methods of origination that best meet your company's accounting needs. ACH expedites payments, improves your cash flow, and benefits your employees and vendors.

### Credit Card Processing

Choosing the right payment partner can be critical to your bottom line. Through our partners we deliver the industry's leading payment processing solutions. Contact your local branch to learn more about credit card processing options. VISA | MASTERCARD | DISCOVER | AMERICAN EXPRESS

### Remote Deposit Capture

Increase employee efficiency and save yourself a trip to the bank with Execu-posit®. First National Bank offers business customers this system that makes it possible to deposit checks without ever leaving the office. Using the scanner we provide, simply scan checks in and click submit. Your deposits are electronically transmitted and credited to your account without ever leaving your office.





Whether you're running a growing farm or a large-scale livestock operation, we have the insights and resources you need to do more. Our experienced ag bankers are eager to dig in and get to know you, your operation and your goals so we can help you prepare for what's ahead.



**DARWIN KRUSE**  
PRESIDENT - CEO  
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“ You've put a lot of yourself into this already. Money, time, effort. When you need a hand taking the next step, I'm ready to help you plan for the future of your farm or agribusiness. Together, we'll find the right financing solution for your operation, so you can keep moving forward. Give me a call today to get started!

