



The FMCBank

STATEMENT

An Update For Our Customers

Volume 2, Number 2

Spring/Summer 2003

First Minnetonka City Bank Plans for Annual Customer Appreciation Week

First Minnetonka City Bank has set aside one week each summer to show our appreciation and thank our customers. We recognize that you are the reason for our continued success in the community for the past 39 years and invite you to celebrate with us.

Last year, customers enjoyed the WHITESIDEWALLS concert in the park, a picnic lunch served up by First Minnetonka City Bank employees, a week filled with daily refreshments and prize giveaways.

This year our Customer Appreciation Celebration is scheduled for July 7th through July 11th. Because customers enjoy the WHITESIDEWALLS so much, we've already invited them to perform on July 9th. Festivities for the week will include:

- Daily give-a-ways and refreshments at both office locations
- A grand prize drawing at each location
- An ice cream social and WHITESIDEWALLS concert on July 9th (in case of rain, the concert will take place on July 16th)

- A picnic lunch at both office locations on July 11th

For more information about the week's events, visit our web site at www.fmcbank.com and watch for information at both bank locations. ●

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For questions regarding this newsletter, please contact: Tom Rogers at 952.935.8663 or trogers@fmcbank.com



COMING SOON! FIRST MINNETONKA INVESTMENT CENTER TO LAUNCH NEW WEB SITE



The First Minnetonka Investment Center (FMIC) is getting a new look! Found at www.fmiconline.com, this site will have information about FMIC's complete line of financial planning and investment management services. Learn how Certified Financial Planner Tam Hubert partners with customers to preserve capital and build wealth by utilizing many different types of investments suitable for your unique situation.

The site will specifically focus on financial planning, retirement planning, college planning, estate planning, the basics of investing, portfolio review, and asset allocation.

It will provide helpful and updated information about products available to individuals as well as small and large business owners. User-friendly charts will allow quick review and access to definitions of the things you want to know most. Our new Frequently Asked Questions (FAQs) section and various tools and links will keep you informed about the latest financial and market news.

The web site is currently under construction and will be available soon. Watch the bank web site — www.fmcbank.com — or this newsletter for further details. ●

TWO MORE SUNSHINE TRAVEL TOURS PLANNED FOR 2003

Please join the First Minnetonka Investment Center and Sunshine Travel Company for two remaining tours planned for July and October. From July 15th to 23rd, our tour will head to Banff and Lake Louise in Alberta, Canada. From October 8th to 10th, we will travel to Door County, Wisconsin.

The deluxe motorcoach tours will visit many regional

landmarks and include transportation, lodging, a professional tour guide, and most meals. For more information about our upcoming tours, visit our web site at www.fmcbank.com and click on the Deluxe Motorcoach Tours link in the What's New section of the home page. You may also contact Tam Hubert, CFP, with the First Minnetonka Investment Center at thubert@fmcbank.com or 952-935-8663. ●

CONTACT OUR CERTIFIED FINANCIAL PLANNER TODAY.

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NEWEST FEATURES MAKE ONLINE BANKING A BREEZE



We have found that First Minnetonka customers are very Internet savvy. We are pleased to announce that we have added some new features to FMCBank

Online, to make your online banking even easier. You may have already noticed a variety of new features as you use our online banking service. The most significant of these include viewing check images, retrieving previous months statements, and a “printer-friendly” icon for printing.

VIEWING CHECK IMAGES

All checks that you write are now available for you to view online. When you’re logged on at FMCBank Online, you simply access your account transaction statement and click on the check number of any check transaction. You will see the check image of that particular check, both front and back. What better way to ensure that a check has cleared your account, or to verify information on the check? In addition, an Image Search option allows you to search for a particular check by check number. Once found, FMCBank Online provides you with the check image.

DOCUMENT RETRIEVAL

Many customers have requested this feature. FMCBank Online now offers the option to retrieve previous months statements. You can retrieve current and previous statements for both checking and savings accounts just by clicking the “Documents” button. Previous statements are available for the prior four (4) statement cycles.

“PRINTER-FRIENDLY” PRINTING

The graphics displayed online may take additional time many don’t want to spend when printing transaction statements. Now FMCBank Online provides a new printing feature that is “printer-friendly” and that prints transaction lists without printing the background colors and graphics. The printer-friendly icon can be found at the top and bottom of each page.

All of these new features will enhance your online banking experience. If you haven’t yet tried our online services, visit our web site at www.fmcbank.com to learn more or to use our online banking demo. When you’re ready to start banking online, have your account number and TeleBank password handy and follow these steps:

GO TO WWW.FMCBANK.COM

- Click the green “First Time Users Enroll Here” button
- Review and agree to the terms and conditions
- Complete the online enrollment form and click “Submit”
- When prompted, select an Access ID and password that are easy for you to remember and click “Submit”
- **Start banking!**

FMCBank Online is secure and safe because we use the latest in data encryption and password-protection technology. We take the utmost precaution in maintaining the privacy of your personal and financial information. If you have questions about the newest features or about online banking in general, please contact Customer Service at 952.935.8661 or custservice@fmcbank.com. ●

COMMON MISPERCEPTIONS ABOUT BANK LOANS



Banks play an important role in the success of small businesses. Often, a bank is the primary source of funding for the business. A good working relationship with a bank is often the difference between success and failure.

Understanding some of the common misperceptions that occur when a customer takes out a loan will help improve your banking relationship. One of the most common misperceptions about loans is the importance of collateral. Customers tend to place too much reliance on collateral pledged to support a loan. Collateral is typically not a good source of repayment because banks have limited ability to dispose of it.

Communication is key to establishing and maintaining a mutually beneficial banking relationship. A common misperception about communication is that a customer should avoid communicating a change in circumstance that they feel could negatively impact how the bank views them. A change in circumstance is the time when communication is paramount. Talking to the bank and explaining the facts can lead to a solution that benefits both parties.

A third misperception is that the bank does not need to know the tax or other planning strategies of a business. Banks do need to know and understand strategies used by the business because they can have a direct impact on the business' risk profile. Knowing this, a business should maintain open lines of communication in order to meet their objectives and balance the interests of the bank.

Finally, market interest rates alone do not determine the interest rate a customer is charged on a loan. Loan pricing depends on several factors, the most important being risk.

Frequent communication enables the parties to understand each others' goals, objectives, unique operating characteristics, and needs. A small business

will get substantially faster response time on requests by routinely communicating with its bank because the banker will be "up to speed" on the business and its operating performance.

This article is excerpted from "What Every Business Needs to Know About Establishing and Maintaining Banking Relationships," by James A. Dosen, CPA and partner in Baune Dosen & Co., LLP. To receive complimentary copies of this booklet call Megan Wright at 952-935-8663 or stop in the Glen Lake Office.

First Minnetonka City Bank is committed to providing its business customers with a complete range of personalized, quality commercial banking services. Our commercial bankers take the time to understand customers' business needs and focus on building lasting relationships with them. Whatever your questions about commercial loans may be, know that they will be answered by real people who are experienced and empowered to make decisions. To learn more about commercial loans or to better understand how the bank works with business customers, contact any one of our dedicated commercial banking professionals. ●

FOR MORE INFORMATION ON MANAGING YOUR COMPANY'S CASH FLOW, CONTACT ONE OF THE FOLLOWING COMMERCIAL BANKERS TODAY.

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Glenn Keller • gkeller@fmcbank.com

SUMMER MEANS FUN — GET YOUR RECREATIONAL VEHICLE LOAN FROM FIRST MINNETONKA CITY BANK



If summer means boating on the lake, traveling cross country on motorcycle, or camping in an RV, one of your first destinations should be First Minnetonka City Bank for financing! No matter what vehicle you will need for summer — from boats to campers and more — First Minnetonka City Bank has a flexible term recreational vehicle loan available to meet your needs. Customers turn to First Minnetonka for financing of all kinds of recreational vehicles. Whether you're purchasing a new or used vehicle, we are able to find a program that will let you enjoy your summer.

Our experienced lenders go beyond interest rates and credit scores. We maintain a relationship with our customers so that you can call on us at anytime. Maybe you need to defer a payment or restructure your loan. We will help you determine your best options. ●

**FOR MORE INFORMATION ON A RECREATIONAL VEHICLE LOAN,
CONTACT ONE OF THE FOLLOWING PERSONAL BANKERS TODAY.**

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FMCB PARTICIPATED IN 2003 HOME REMODELING FAIR

On February 23, 2003, First Minnetonka City Bank participated in the 2003 Home Remodeling Fair sponsored by the Cities of St. Louis Park, Golden Valley, Hopkins, and Minnetonka. In its 11th year, the Fair attracted 1,500 to 3,000 people to learn about home improvements and residential landscape. Kevin VonBank, Paul Tesarek, and

Tam Hubert were on hand at the FMCB-sponsored booth to provide information about mortgage loans, refinancing, home equity loans, investments, and other questions fair-goers asked. The winner of the FMCB prize give-a-way was Paul Bachman, who received a Black & Decker combination tool set including a drill, sander, and a saber saw. ●

REFINANCE PROS AND CONS



Sometimes customers assume that the value of refinancing an existing mortgage is always a good move. Refinancing can be a sound option to help you reduce your monthly mortgage payments by locking into a lower interest rate, shorten the term of the loan so you can pay off your mortgage faster, or free up cash for major expenses. Many people only look at lower rates when refinancing and neglect to look at the big picture. Important questions to ask before rushing into a mortgage refinance include:

- What payment can you afford?
- Are your current major expenses long-term or short-term?
- Will you be in your home for a while or do you plan to sell in the near future?
- What is your current first mortgage interest rate?

- How much will it cost to refinance?
- Have you recently refinanced your mortgage?

When you refinance your mortgage, you are replacing it with a new mortgage loan. The cost to refinance may exceed the amount you could expect to save. For example, the cost to refinance a \$150,000 home could be as high as \$3,500. Depending on the value of your home, the refinancing cost may be added to your new mortgage.

Another factor to consider is how long you will be in the home you'd like to refinance. If you are planning to sell the home, refinancing may not save you money. However, if you plan to live in the home for a number of years, refinancing may be an option that could benefit you..

When considering a mortgage refinance to help with major expenses, look at how long term those expenses may be. Refinancing to pay for an automobile is not advised — payment for a car could

outlive the car itself — and First Minnetonka City Bank has other loan options for such an expense. However, if you have long-term medical, home improvement or business start-up expenses, refinancing your mortgage may make sense.

Whatever your reason for refinancing, the traditional rule of thumb to refinance is when the market rate is 2% lower than your existing mortgage's interest rate. First Minnetonka City Bank recommends that the market rate need not be the only criteria you consider when refinancing. Everyone's situation is different and First Minnetonka City Bank suggests you consult with an advisor like Paul Tesarek to make sure that your plans to refinance are a good financial decision for you.

Paul Tesarek is available to answer your refinancing questions and guide you on your options. Please call him at 952-935-5995 or e-mail him at ptesarek@fmcbank.com for more information about First Minnetonka City Bank's refinancing options. ●

FOR MORE INFORMATION ABOUT REFINANCING, CONTACT OUR MORTGAGE BANKER TODAY.

COUNTRY VILLAGE • 952-935-5995
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Paul is also available to help you determine, based on your unique situation, if it's in your best interest to pay the costs out-of-pocket or to select a no-closing-cost option.

HOME EQUITY LOANS VS. HOME EQUITY LINES OF CREDIT

Many times customers want to use the equity in their homes to help pay for major expenses such as home improvement projects, college education, paying off credit cards, a child's wedding, etc. First Minnetonka City Bank offers both home equity loans and home equity lines of credit and while they both are a form of credit in which your home serves as collateral, there are differences between them.

HOME EQUITY LOANS

With a home equity loan you receive a fixed amount of money. The repayment is established over a fixed period of up to 15 years. Home equity loans can be set up with either a fixed or variable interest rate. First Minnetonka City Bank offers programs that allow you to borrow up to 100% of the equity in your home.

HOME EQUITY LINE OF CREDIT

A home equity line of credit is a form of revolving credit that is based on a variable interest rate over a five-year period. You are allowed to borrow up to your line of credit amount.

You only pay interest on the amount you borrowed. Interest payments are due monthly. You decide the repayment schedule of the principal. Home equity lines of credit are attached to your First Minnetonka City Bank checking account for easy access. As an added benefit, the home equity line of credit provides overdraft protection. At First Minnetonka City Bank, customers can access their credit online including getting advances, making payments, looking at your account balances, reviewing your transactions, etc. First Minnetonka City Bank offers programs that allow you to establish a line of credit up to 100% of the equity in your home.

The interest on your home equity loan or home equity line of credit may be tax deductible. First Minnetonka City Bank advises customers to talk with your accountant or tax consultant for more information.

To find out more about First Minnetonka City Bank's home equity loans and home equity lines of credit, please contact one of our loan officers at either of our two locations. ●

FOR MORE INFORMATION ABOUT HOME EQUITY LOANS AND HOME EQUITY LINES OF CREDIT, PLEASE CONTACT ONE OF THE FOLLOWING PROFESSIONAL BANKERS TODAY.

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FMCB RECOGNIZES EMPLOYEES OF THE MONTH

January Employee Judi Hansen, Teller

In December Judi Hansen prevented further check fraud from happening due to her attention to detail and for following bank procedures to the letter. She saved the bank \$900 and we thank her for being alert and aware.

February Employee Nikki Edman, Bookkeeper

Nikki Edman displays a strong dedication to her job and a commitment to providing customers with excellent service. She consistently works hard to meet our customers' needs and we appreciate her willingness to represent First Minnetonka City Bank in such an excellent manner.

March Employee Pam Kranzler, Loan Administrator

In addition to being a loyal employee and performing her required job duties with accuracy and attention to detail, Pam Kranzler consistently goes beyond her job

description. She often fills in for others and has taken on the preparation and inputting of payroll when needed. We thank her for not only doing her own work, but for pitching in when needed in other areas of the bank willingly and without complaint.

April Employee Sue Dean, Assistant Vice President, Deposit Operations

Sue Dean is recognized for stepping into action and providing outstanding customer service. She makes every effort to reach customers during business hours. However, to meet the needs of customers she can't reach during the day, Sue often stays after hours in hopes of reaching them at home regarding their problems or questions. Customers can always count on her to handle concerns quickly and seamlessly. We thank Sue for going the extra mile for our customers! ●

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