



The key to
our completed
expansion?

*A bank that
recognizes it's
just a start.*

You're adding staff, equipment and space. You're a growing middle market company. Choose a bank that's right for you.

First National Bank, based locally, possesses a unique understanding of our region's economy, and can offer you insightful guidance and sound solutions.

For local decision making and expertise in lending, treasury management, equipment leasing, insurance and wealth management, find the growth-oriented relationship you deserve, at First National Bank.

To learn more, visit fnb-online.com or call 866.362.4603.



NATIONAL WINNER
Overall Client Satisfaction

Small Business Banking
and
Middle Market Banking



First National Bank

Relationships Built on Trust and Integrity

EQUAL HOUSING LENDER, MEMBER FDIC NYSE: FNB

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First National Bank

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“Cyber threat is considered one of the most serious assaults on businesses today.”

Protection from the Storm Brewing in Cyberspace

Cyberspace, the realm of electronic communication, has completely revolutionized the way we share, store and access information. How do you process invoicing, generate leads, recruit new staff and manage customer relationships? It's likely that your business relies on the speed and convenience of cyber channels for these and a variety of other business functions.

Progress brings challenges, and the shift to cyber interactions is no different. A single cyber breach could jeopardize your customer lists, financial information and trade secrets, ultimately resulting in a loss of privacy for your clients and a loss of reputation for your business.

Cyber threat is considered one of the most serious assaults on businesses today. That's because PII, or Personally Identifiable Information, has become a marketable commodity that drives an entire underground economy. At risk are the pieces of information that uniquely identify you and your clients, including email addresses, passwords, credit card information, bank account credentials, Social Security and driver's license numbers. Malicious cyber attacks cost U.S. companies millions of dollars each year in lost revenue and productivity, as well as the cost of investigation, client notification, legal expenses and settlements.

You can protect yourself against this unseen foe by securing each area of your business that may be vulnerable to fraud. An effective plan will reduce cyber threat by making your information more resistant to penetration and disruption. It will also include a contingency plan so that you can bounce back quickly in the event of a cyber incident.

Each proactive step you take now will help you prevent business interruption and loss of reputation down the road. Promote an internal commitment to cyber safety, and investigate financial services that prevent fraud through early detection. Also, be sure to invest in suitable insurance coverage to protect against the loss of electronic data, business property or trade secrets, as well as how to respond if a claim is filed against your company.

As you make cyber security a top concern for your business, consult the professionals at FNB for guidance in developing a comprehensive financial risk management plan that will help safeguard you, your company and your clients. Call us today at 866-362-4603.

Positive Pay with First National Bank mitigates risk by flagging potential fraud in the form of a daily exception report. Learn more about this and other services that will help you protect your business accounts by calling our Treasury Management experts at 866-362-4603.

Cyber Threat at a Glance

An average of 100,000,000 records containing sensitive personal information are involved in security breaches each year, enough to impact one out of every three people in the United States.

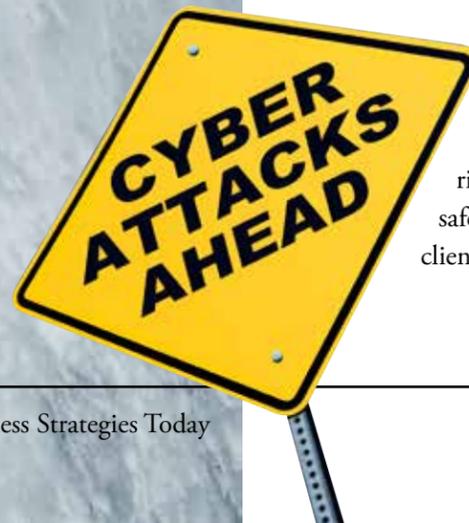
Quantify the Risks

- Loss of revenue, productivity and business opportunities
- Damage to client relationships and company reputation

Bring in Reinforcements

Take steps today to protect yourself, your business and your clients:

- Consult a professional to develop an effective risk management plan
- Safeguard accounts for early fraud detection
- Promote a culture of cyber safety
- View www.fnb-online.com for security tips



Successfully Navigating the Rocky Landscape of Healthcare Reform

Sweeping healthcare reform is changing the business landscape, and the effects are far-reaching for both employers and employees. Decisions about healthcare options have become decisions of strategic proportion, and your company may be feeling the pressure.

One of the most pressing facets of the Affordable Care Act is the requirement that *large employers provide affordable minimum essential health insurance to full-time employees*, or face financial penalties. The mandate sounds straightforward, but compliance is proving much less so.

A large employer is any company that employs 50 or more full-time equivalent employees (FTEs). The basic interpretation of an FTE is one who is employed at least 30 hours per week, but this definition has been muddled by no less than six temporary regulations that govern periods of initial employment, transitions from new to ongoing employee status, variable hour guidelines and several other variations of employee status.

As a large employer, you are required to provide group health coverage to your FTEs and their dependents or face a financial penalty of up to \$2,000 per year per FTE. Providing coverage may not be enough, however.

The coverage you offer must be deemed *affordable and sufficient*, or your penalty will increase to \$3,000 per year per FTE.

Most companies are choosing to investigate what it will take to offer some level of affordable and sufficient coverage rather than waste money on high-dollar penalties.

The Insurance experts at FNB can guide you through the maze of healthcare reform and help you identify compliant coverage options that are affordable for you and satisfactory for your employees. You'll also benefit from the up-to-date knowledge of our professionals as healthcare definitions and regulations continue to evolve. *Schedule a consultation today by calling 800-252-4850.*

Medical coverage is only one component of a comprehensive benefits package that will help you attract and retain a qualified workforce. The professional Financial Advisors at FNB can help you evaluate your benefits strategy and ensure that your current program is providing the best value at the lowest cost. Schedule a consultation today by calling 866-362-4603.

HEALTHCARE REFORM AT A GLANCE

With deadlines fast approaching, many companies are still functioning in the realm of the unknown when it comes to the Patient Protection and Affordable Care Acts.

Quantify the Risks

- Steep financial penalties
- Confusing coverage options
- Dissatisfied employees
- Need to absorb ongoing regulatory changes

Bring in Reinforcements

Act now to ensure that you are compliant with regulations and that you have what it takes to maintain a satisfied workforce:

- Consult with a knowledgeable Insurance professional
- Analyze employee benefits with an expert
- Consider a Health Savings Account



“Many investors have been lulled to sleep in a low interest, low inflation rate environment.”

The Forgotten Risk: Asset Allocation in a Fixed Income Portfolio

ASSET ALLOCATION AT A GLANCE

If you've been investing in high-yield junk bonds to stretch your portfolio yield, you could be incurring more risk than you realize.

Quantify the Risks

- Loss of principal due to increasing rates
- Loss of principal due to default

Bring in Reinforcements

Now is the time to reassess your fixed income portfolio before you get caught on the downside:

- Consult a professional to review your allocations
- Consider investments more resistant to today's risks

A number of factors could reduce your return on high-yield bonds:

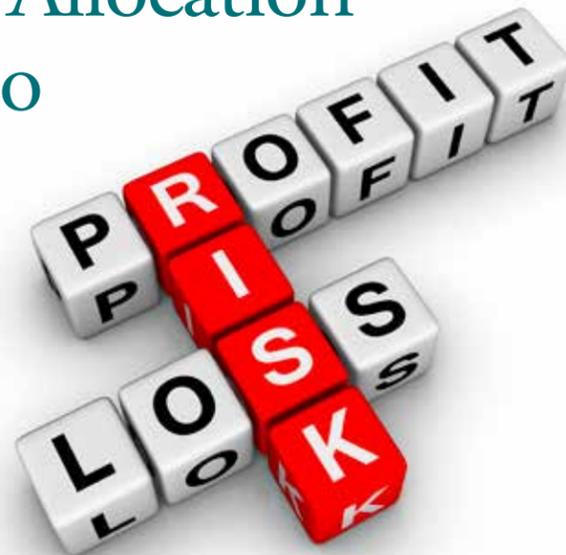
- Changes in the economic cycle and potential for recession
- Simple supply when the market becomes saturated
- Unpredictable global economic factors
- Default risk
- Interest rate risk
- Inflation due to quantitative easing (the artificial increase of money supply to stimulate the economy)

In addition to adequate working capital, a successful business climate requires a healthy return on investments. The Investment 101 principle of diversification is broadly understood, so a majority of companies routinely allocate a percentage of funds to lower risk, fixed income vehicles.

Within that fixed income category are high-yield assets that came onto the scene as a viable investment class in the 1980s. High-yield bonds, or junk bonds as they are often called, fill the space between traditional fixed income investments and equities. They typically appeal to investors who feel the need to stretch their portfolio yield. Given the extended low interest rate environment we've experienced, it's not hard to understand why investor demand for high-yield bonds has risen over the past few years.

The pattern is somewhat predictable. A business owner invests excess cash in savings accounts and CDs. When the interest rate bottoms out, he shifts those funds to high quality, short duration bonds in an effort to stretch the yield. As interest rates continue to drop, he feels compelled to venture into lower quality junk bonds to get some return. Because he is earning at least some income stream and because he identifies his fixed income portfolio as having little risk, he rarely pauses to analyze the allocation of funds within the portfolio.

The truth is that many investors have been lulled to sleep in a low interest, low inflation rate environment that has been favorable to



high-yield bonds. Unfortunately, many will be disappointed when circumstances shift and high-yield investments no longer provide the same benefit.

If you have invested excess cash in junk bonds to generate yield, take time to analyze your risk. Before you stretch further to increase yield, step back and view your portfolio on a total return basis. It's possible that you can accomplish more by tapping both income and growth investments to fund your spending needs.

Consider controlling risk by shifting to the lower end of the fixed income maturity range, and avoid the inclination to continue allocating funds to junk bonds. Eventually, your risk exposure will outweigh the benefits of a short-term income stream.

The investment experts at FNB can help you determine an asset allocation strategy that will protect you against a rising interest rate and a host of other economic shifts. Schedule a consultation today by calling 866-362-4603.

Partnering for Success in a New Age of Competition

Increased risk and a marketplace without boundaries are creating a new age of competition. Selecting the right financial partner will impact your level of success in this challenging environment.

Competition is no longer defined by city limits or national borders. Today's business prospects have nearly unlimited choices, thanks to mobile devices, online shopping and social media. Consumers can investigate products and compare prices without ever entering your place of business.

First National Bank has a long history of partnering with companies to help them develop and maintain a business edge, and we're here to do the same for you. We can help you combat cyber threats, navigate healthcare reform and succeed in a climate of global commerce.

To compete effectively, you need resources that allow you to expand, attract talent and capitalize on market opportunities as they arise. One of the most effective ways to tap the resources you need is to build a strong partnership with one of our trusted Commercial Relationship Managers.

FNB is a recognized business partner. We have proven our commitment by providing capital to local businesses throughout the economic cycle, and our clients have voiced their satisfaction. Recently we were named a winner of six Excellence in Banking Awards in Small Business and Middle Market Banking.

Our resources are comprehensive. There's no need for you to match a cookie-cutter lending profile. We'll consider your objectives, and then customize solutions to help you capitalize on growth opportunities, operate more efficiently and even satisfy your workforce. Our sophisticated offerings include asset based lending, capital markets, mezzanine financing and a variety of other lending solutions. We also offer investment real estate and commercial lease financing, as well as a full array of treasury management services to help you maximize the use of your funds.

Our Wealth Management and Insurance professionals can help you maximize investments and reduce risk without losing your competitive edge. Plus, to help you focus on the business at hand, you can count on our Private Bankers as a single point of contact for all your financial needs.

Our decisions are made locally. You don't have to wait on decisions from faraway cities or be subject to approvals by someone who doesn't understand your business. We'll meet your needs in a timely and responsive manner, so you can achieve your goals and stay one step ahead of the competition.

“YOU NEED RESOURCES THAT ALLOW YOU TO EXPAND, ATTRACT TALENT, RESTRUCTURE AND CAPITALIZE ON MARKET OPPORTUNITIES AS THEY ARISE.”

Whether you need working capital, sound investments, opportunities to augment your employee benefits program or services to maximize your daily cash flow, the financial professionals at FNB are here to assist. Call us today at 866-362-4603 to learn more about how we can help you achieve your personal and business goals.

