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“Community is Our Currency”

The Platinum Standard

Serving Both the Vision and the Visionary

A Newsletter For Our Clients, Friends & Community
 :: Volume 1, Issue 1 :: Spring 2009 ::



Community Corner

Host Your Next Group at The Loft

The Loft is taking reservations! Right inside Platinum Bank, you will find a premiere meeting space with comfortable amenities and the latest in audio/visual technology. We can host up to 30 people — at no charge to you.

This warm, yet professional environment was designed with recycled oak right from our building site. Free use by public and private groups supports Platinum Bank's commitment to building stronger communities. The Loft is bringing back the hospitality of the community bank.

The Loft has played host to everyone from Girl Scout troops to networking groups to small business owners.

Visiting The Loft

Schedule a tour at your convenience to consider how you or another group might use The Loft. For more information, contact us at 651-332-5200. We look forward to seeing you soon!

Picnic at Our Place

You're invited to our place to enjoy a summer picnic out on the bank's patio. Please stop by on either date:

- Friday, June 19, 2009
11:00 am to 1:00 pm
- Friday, August 14, 2009
11:00 am to 1:00 pm

State of the Banking Industry: Inflation Looming?

by David Rom
 CEO, President and Director



When thinking about the state of our industry and the economy right now, I usually focus more on what our customers are telling us than the daily news. What I've discovered is that for all customers, across all industries, their sales prospects are cautious at best.

This is hardly surprising. While some industries are seeing the worst downturn in decades, other industries are experiencing flat or a little uptick in sales. Business to business activity, for example, is an area of cautious optimism.

One thing that is really nagging our customers right now — and probably you too — is the fear of inflation. Aside from sales concerns, they want to know when and how much inflation will begin to affect what they pay for raw goods, fuel and services.

My expectation is that 2009 will be a year for staying the course in most businesses. I also suspect that the plan of running record

budget deficits at the federal level will result in inflationary signs starting next year.

Keeping that in mind, the stability and cleanliness of banking relationships will continue to be a concern for small businesses. That includes consistency in the lenders they work with and an expectation that the bank will provide funds when the business needs it.

Recent publicity about banks facing financial and regulatory pressures and reducing access to credit are true. They may also change policies and limits on credit. The size of the bank no longer determines their stability or ability to lend money.

While I believe that interest rates will remain stable in 2009, the prospects are uncertain next year. The value of professional advice today is a lot higher than it was two years ago. You need to trust that your banker, CPA or attorney will stick with you and lend their experience to your unique business situation.

If you are questioning your banker's judgment or ability to lead you through this economy, consider meeting with a banker at Platinum. We are locally managed. All of our experienced bankers are also shareholders. We are profitable, clean and vested in the future of our bank and its customers. The fear of looming inflation doesn't have to keep you up at night.

Maximize Working Credit Lines Now

by Marc Cove
 Senior Vice President, Commercial Banking



Working lines of credit are the lifeblood of most small businesses. In times of tight credit like right now, it's important to keep your financials stable and to communicate with your banker regularly about the ups and downs of your business. These two steps alone will support liquidity and credit availability.

This might seem like common sense, but you would be surprised how many business owners put this on the back burner. An example is your financial statements. Are they prepared accurately and on time? In order to protect your credit access, your CPA and any internal controller or CFO should understand the covenants in place for all lines of credit. If you fall out of compliance, a timely financial statement will allow you to call your banker as soon as possible.

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Meet Our Leaders



David W. Rom
CEO, President and
Director

David Rom and his partners opened Platinum Bank in Oakdale, Minn., on February 12, 2007. Here, he answers a few questions about the bank and his vision of banking.

What is unique about Platinum Bank?

“We don’t have rope lines here. We believe in hospitality and treating people with respect — because every customer does matter. I want to bring back the meaning of a handshake and sitting across from your customers at a church breakfast like my grandfather did as an attorney in North Dakota.”

How do you define your role at Platinum?

“My partners and I all have the same end game, to prove to business owners and entrepreneurs that we have their back and will give them the straight talk. Platinum isn’t burdened by bad debt and legal challenges, so we are only focusing on customers and our role in the community. Each banker brings a different personality and banking background to our customers, so there is a sense of instant rapport.”

Tell us about your banking career so far.

“I graduated from Saint John’s University and I’ve had a very diverse career in both public accounting and banking — ranging from balance sheet reviews of failed S&Ls on the auction block to audits and regulatory projects at community banks in the Midwest and South. I worked for a time in mergers & acquisitions due diligence for the purchase of distressed small community banks. I have also served as CFO in several privately owned banks. This variety of experience has really given me a vision of how a respected business bank should operate.”

What is your biggest pet peeve about the banking industry?

“It has become commoditized and gotten away from the basic banker/client relationship. There seems to be too much focus on formulas and a lack of authenticity or concern for the client.”

What are you passionate about when it comes to clients?

“Accomplishing what others deem impossible. Finding a creative solution that meets our needs as a bank, but also satisfies the customer and results in the growth of a business or improvement of the client’s life.”



“All my friends are calling me and warning me that their banks are changing the terms of their loans and lines. I have a large line at Platinum and it’s never changed. Like me, they love customer care. But it also comes down to money. If I can get a better deal at another bank, they’re the first to tell me. I like that.”

—Steve Sylvester, tree and landscape health specialist; futurist

establishing roots

(Photo, L to R) Tony, Louie and Steve Sylvester

Credit Lines

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Even if you’re not required to provide a borrowing base certificate, you should also understand your borrowing base. The standard formula across industries is 75-80% of accounts receivable less than 90 days and up to 50% of inventory. Your borrowing base may differ depending on your inventory and the types of receivables.

It is up to you to provide your banker with sufficient resources and information to support renewals and continuation of the credit line. Providing financial statements is important, but you should also sit down regularly with your banker to discuss your business cycles, the state of your business and the industry. Frequent communication is important in any economic climate, but is critical now.

If you have an uneasy feeling about trusting your banker with accurate information about your business, good or bad, then may I suggest that you are with the wrong banker? Full disclosure is the only way for your banker to provide timely advice and support. However, if your banker isn’t giving you advice or solutions, it may be the wrong fit. Protecting your access to credit shouldn’t be an afterthought.

Understand that a working capital line of credit should cycle regularly between advances and payments throughout the year. If you have financed inventory on your line of credit, you should pay off that inventory regularly as it sells. Don’t allow a balance to ride too long. If you discover that you cannot pay off your line, or pay it down, that is a red flag perhaps indicating that another structure is in order or that additional capital of some form may be required.

Platinum Bank can work with you and your advisors to find the right solutions to both working lines of credit and other permanent working capital needs. Don’t leave your credit needs up to chance — or your banker’s assumptions.

Case Study: S&S Tree Specialists

When some say it can’t be done, Steve Sylvester begs to differ. He knows trees and the signs of what lies beneath the soil. If you care for the root system, a tree can fight off disturbances and infestations above the soil. The healthy and mature oak trees around Platinum Bank were preserved thanks to Mr. Sylvester’s knowledge and belief that extra care and concern makes a difference.

As owner of the largest locally and family owned tree care and property maintenance company in the Twin Cities, Mr. Sylvester and his sons Louie and Tony have established a strong root system. S&S thrives with the involvement of Mr. Sylvester’s wife, Debbie, daughters, Karla and Tammy, Louie’s wife, Anne, four

brothers-in-law and several cousins. He was intrigued by the idea of a business bank that didn’t cut corners in the look and feel of its facility. Some of the oak that couldn’t be spared was used inside the bank, just like Mr. Sylvester recycles and resells 100% of his wood remnants from projects. He became a customer as soon as Platinum opened its doors.

The bankers at Platinum don’t question when Mr. Sylvester draws on his line. They come to him to service his loans, accounts or credit needs. They advise him on things like choosing a COO and planning for his sons to assume leadership. They schedule lunch — just to check in. “Businesses don’t want to be with bankers who are afraid. Platinum fulfills everything we need because they’re healthy and focused on the health of our family business.”

Remote Deposit Saves Time and Travel

Many of our business customers have discovered the benefits of Platinum’s Remote Deposit service. With a desktop scanner, internet connection and computer at your business, you can deposit personal checks, business checks, money orders, traveler’s checks, official checks and cashier’s checks.

Through Remote Deposit, we will credit your deposits up to 7 p.m. Central Standard Time on the same business day. Deposits after 7 p.m. will display as deposits the very next business day.

Our system provides you with a secure method for timely deposits and desired cash flow. Your time is valuable. Why waste it driving to the bank or filling out deposit tickets when you do not have to? We believe in helping you make the most of it.

Talk to Relationship Banking Manager Krista Kook about setting up your own Remote Deposit, 651-332-5215 or kkook@platinumbankmn.com. When you do stop by our bank — which we hope you will — we’ll have more time to discuss your other banking needs!

