

# Farming Is Our Foundation

A History Of First United Bank



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## A Message From Our President, Steve Rehovsky

A seed is a miraculous thing. Not because of what it is, necessarily. After all, it's mostly just a small, inert object without much in the way of color or decoration. No, the magical thing about a seed isn't what it is – *it's what it can become.*

Planting a seed is all about *potential*. Start with something small, give it what it needs to thrive and watch it become something much greater. It's this incredible process that makes farming such a rewarding vocation. It's also what I love about being an ag banker.

Each time we help a farm get what it needs – whether it's land or fertilizer or equipment – we're helping it to grow. Just as a farmer works toward the success of a crop, we work towards helping farmers realize their own potential. It's satisfying to know that our work helps farmers to succeed, and that our partnerships help to grow the crops that feed the world.

The seeds of this bank were planted in North Dakota more than a century ago. We started small, but we've grown as agriculture has grown. We've shared the challenges that have faced family farms. We've supported farmers because they are our foundation.

Read on to learn a little more about our history and our commitment to agriculture. Then take a few minutes to chat with one of our ag bankers. You'll discover that our values are a lot like your own, and that our resources can help your operation to become more successful.

Here's to another century of farming – let's plant the seeds together.

# Farming Is Our Foundation

Here at First United Bank, the seeds of our business were planted more than 125 years ago in the rich, black soil of North Dakota farms. It doesn't matter how you do business with us; if you are involved with First United Bank, you are involved with agriculture. That's because our bank is still true to its roots. Every account, every loan and every customer interaction sprouts from the deep, powerful traditions of family farms and hardworking farmers. We share our history with farming itself.

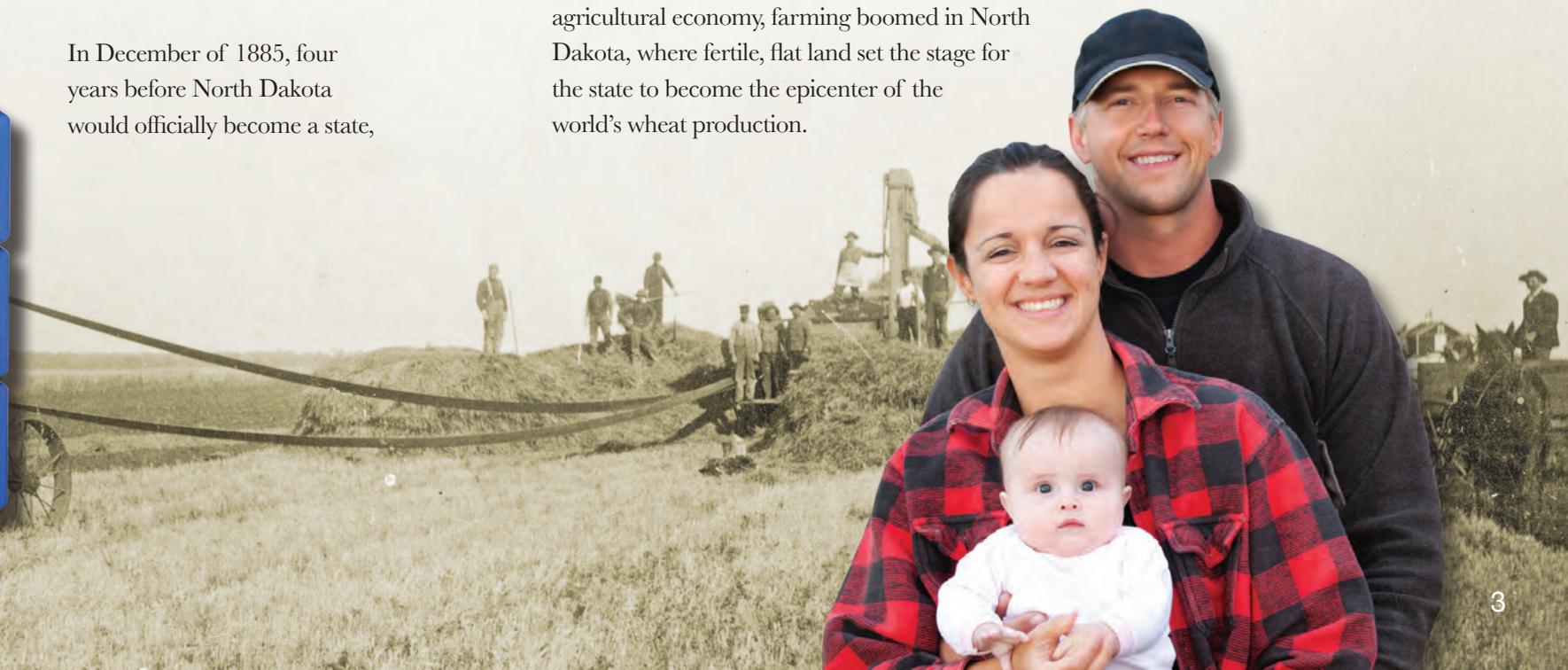
In 1862, Abraham Lincoln signed the Federal Homestead Act, leading to the development of family farms across the western United States. The first claim west of the Red River came in 1868, and Americans have been farming Dakota country ever since.

In December of 1885, four years before North Dakota would officially become a state,

what was then known as First National Bank of Park River was formally organized. It was capitalized at \$50,000 with 500 shares issued at \$100 each. In 1886, the bank's Board of Directors voted to construct a building on the corner of 5th Street and Briggs Avenue in Park River, the same location that First United Bank's Park River office occupies today. While much about the bank has changed since then, our commitment to farming is not one of them. Agriculture is our foundation, and virtually every decision, expansion and breakthrough we've made over the course of our history has been influenced by that fact. From owners who were farmers to bankers who were farmers, from generations of ag customers to innovations in ag banking, our history has grown up alongside the crops of North Dakota.

The bank's first employees were a president and a cashier – at annual salaries of just \$1,200 each. During the first years of the bank, regular directors' meetings were not held. In fact, sometimes it would be six months between formal meetings. This lack of formality didn't impact the bank's success adversely, however, and we soon began to grow.

In the late 1800s, innovative milling techniques developed in Minneapolis, Minn., enabled spring wheat to be turned into excellent flour. This was a boon for farmers in the Dakotas, which were well suited for spring wheat. As railroads began to connect the cities and towns that were part of the agricultural economy, farming boomed in North Dakota, where fertile, flat land set the stage for the state to become the epicenter of the world's wheat production.



## Overcoming Adversity

As agriculture evolved, so did the banking industry that served it. In December of 1913, Congress passed the Federal Reserve Act, and by 1915 the Federal Reserve Bank of Minneapolis had come into being. From then on, national examiners visited the bank on a regular basis. The modern era of banking in the United States had begun.

The economy expanded, and it wasn't long before big railroads began to raise their rates – so much so that North Dakota farmers felt that they were excessive. To make things worse, big-city grain merchants started to grade North Dakota wheat unfairly. Producers were inspired to stand up for their rights, and by the 1920s, farmers had organized politically to fight for North Dakota agriculture. Over the following few decades, North Dakota farmers proved to be more than just agents of change. They started a worldwide agricultural revolution through innovative thinking and good old-fashioned common sense.

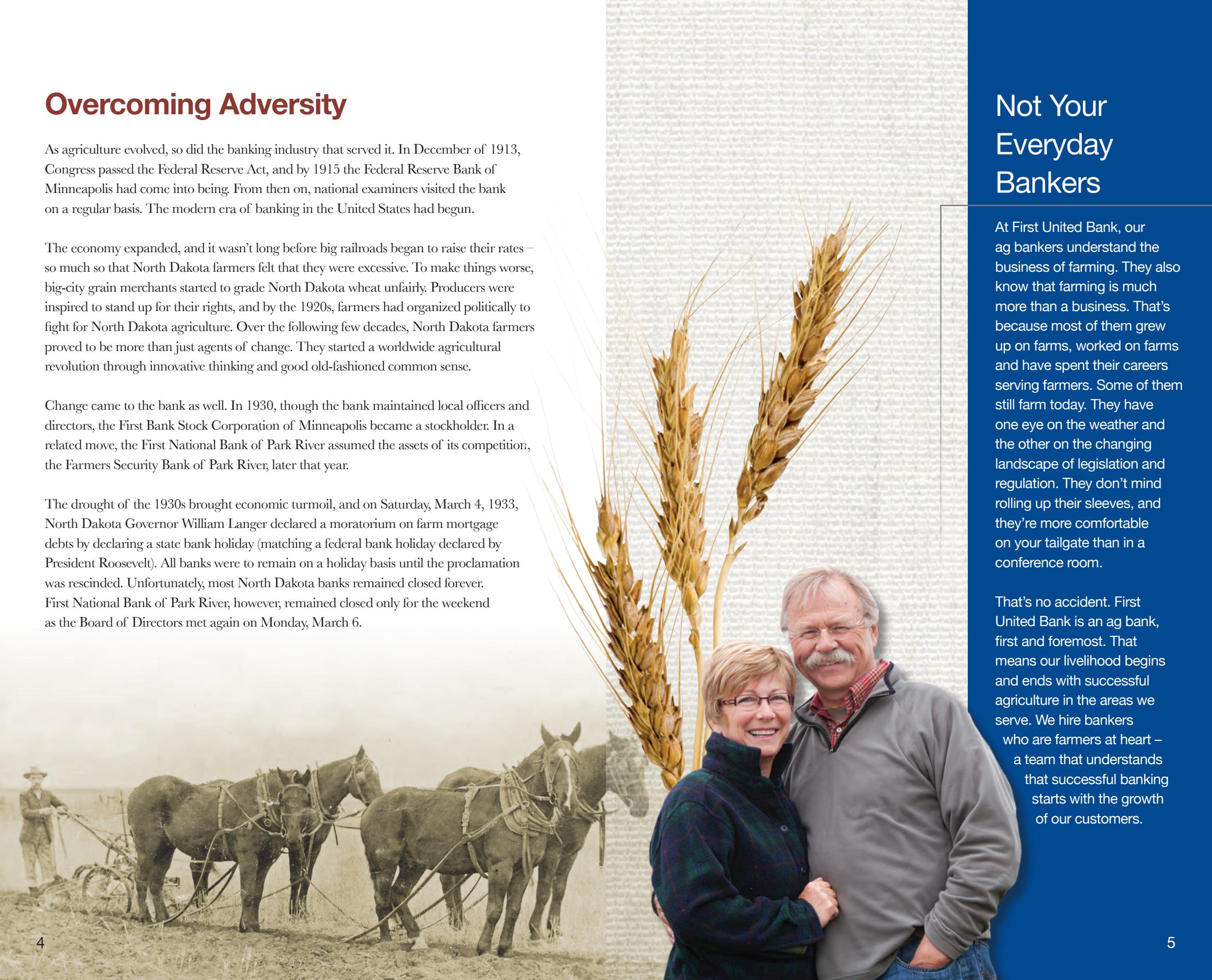
Change came to the bank as well. In 1930, though the bank maintained local officers and directors, the First Bank Stock Corporation of Minneapolis became a stockholder. In a related move, the First National Bank of Park River assumed the assets of its competition, the Farmers Security Bank of Park River, later that year.

The drought of the 1930s brought economic turmoil, and on Saturday, March 4, 1933, North Dakota Governor William Langer declared a moratorium on farm mortgage debts by declaring a state bank holiday (matching a federal bank holiday declared by President Roosevelt). All banks were to remain on a holiday basis until the proclamation was rescinded. Unfortunately, most North Dakota banks remained closed forever. First National Bank of Park River, however, remained closed only for the weekend as the Board of Directors met again on Monday, March 6.

## Not Your Everyday Bankers

At First United Bank, our ag bankers understand the business of farming. They also know that farming is much more than a business. That's because most of them grew up on farms, worked on farms and have spent their careers serving farmers. Some of them still farm today. They have one eye on the weather and the other on the changing landscape of legislation and regulation. They don't mind rolling up their sleeves, and they're more comfortable on your tailgate than in a conference room.

That's no accident. First United Bank is an ag bank, first and foremost. That means our livelihood begins and ends with successful agriculture in the areas we serve. We hire bankers who are farmers at heart – a team that understands that successful banking starts with the growth of our customers.



# Growth And Teamwork

On December 28, 1936, the bank changed its name from First National Bank of Park River to First State Bank of Park River. It shared its building with a variety of businesses during this time, including one company that featured the combination of a furniture store and funeral parlor! The original building was torn down in 1961 and replaced with a facility that the bank inhabited entirely.

In 1979, an addition was constructed that added considerably to its office space. In 1982, a small branch office was built in nearby Pisek. Due to tough economic times, First Bank Corporation sought to sell its rural holdings, and a group of local investors and employees purchased the bank in 1987. It became a locally owned, independent bank with \$25 million in assets at that time.

The bank went on to acquire Security State Bank of Adams in 1992. Founded in 1905, Security State Bank lived up to its name, weathering the storms of the farm economy and competition (Adams was once the home of three (!) banks) with a long list of hard-working directors and employees. Security State Bank constructed its current facility on Main Street in Adams in 1976.

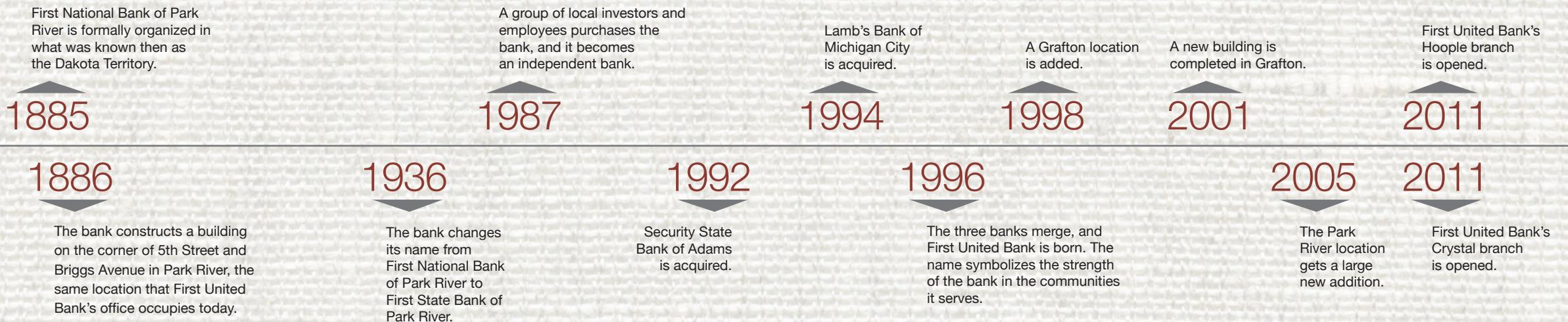
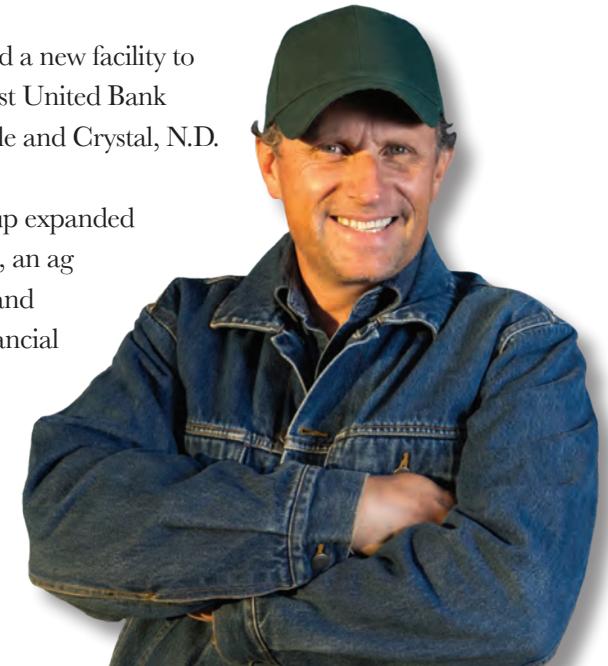
In 1994, Lamb's Bank of Michigan City was purchased. Started in 1900 by John M. Lamb, Lamb's Bank (originally named Nelson County State Bank) was a staple of the Michigan community almost since the town was established. A fire that raged down Michigan's Main Street in 1906 destroyed the bank's original home. Curiously enough, the fire completely

decimated the building but left the bank's safe virtually unscathed. In fact, the very same safe was used in a new facility for years to come.

In 1996, the banks were merged and a new name was chosen as well. A group of twenty customers representing all three locations helped in the name selection process. The name First United Bank was selected. It represents the uniting of the three banks into one, and it is a name that symbolizes the strength of the bank as a financial institution in the communities which it serves.

A location was added in Grafton in 1998, and a new facility to house it was completed in 2001. In 2011, First United Bank continued to grow, adding locations in Hoople and Crystal, N.D.

In 2010, First United Bank's investment group expanded its offerings by acquiring Sheyenne Financial, an ag bank with locations in Aneta, Cooperstown and Sharon, N.D. These were renamed First Financial Bank, and they operate in tandem with First United Bank.



## Ag Is Our Future

Today, much has changed in North Dakota agriculture. While grains continue to be the state's primary crops, First United Bank's service area also includes thousands of acres of sugar beets, soybeans, potatoes and even canola. Technology has improved the accuracy of farming, and new communication tools connect each farm to the world. Information is just a click away, whether you are in the shop or in the field.

As agriculture has adapted to the changes of the world, so has First United Bank improved itself to suit the needs of the modern farmer. Rather than a "one size fits all" policy, we have developed customized financial products for agriculture. Our experienced team of ag bankers understand farming (many of them were raised on farms), and our customer service team focuses special attention on the challenges of agriculture. We take the time to learn about each farm's operation inside and out, from crops to equipment, from the farmstead to the family that works it.

Then we put that knowledge into action using the latest technology. Bank from anywhere, anytime. There is no need to run into town on a busy day. First United Bank will help you grow your money even as you work your crops from the cab of your tractor. No longer a chore, we've integrated banking into farming. It shouldn't be a surprise. That's what happens when you spend more than a century integrating farming into banking.

Best of all, the future is filled with green fields and successful farming operations. We are committed to the growth of agriculture, and we continue to add youthful energy to our experience and innovation to our wisdom. We're listening to our customers and making every change an improvement. Most of all, we're strengthening our focus on farmers and the business of agriculture. We're looking ahead here at First United Bank, because every harvest is simply the start of the next growing season.

Join us as we partner with farmers just like you to take farming into the future.

## What Sets Us Apart

Many banks include agriculture in their portfolio, especially in North Dakota. But it is rare for a bank to have kept a singular focus on farming throughout its history. Our process does not change:

**STEP 1: LEARN** about each customer's unique farm by spending time working closely with their operation.

**STEP 2: LOOK** closely at the challenges presented in each situation and identify opportunities for growth.

**STEP 3: TAILOR** a specific set of financial products designed to give the operation every advantage, from specialized operating loans to unique ways to earn interest with deposits.

**STEP 4: PARTNER** with each farmer, staying involved as each growing season progresses, adapting as conditions change and preparing for future opportunities.

Farmers aren't just customers at First United Bank. They are our foundation, and it shows. Ask anyone we work with, and you'll hear about our process first hand.



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