



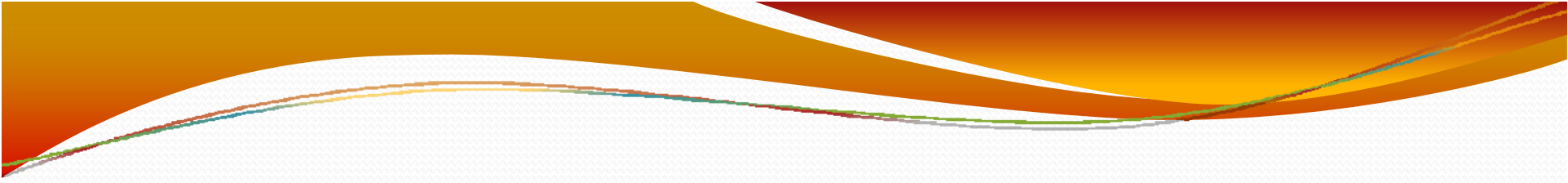
First GREEN Bank

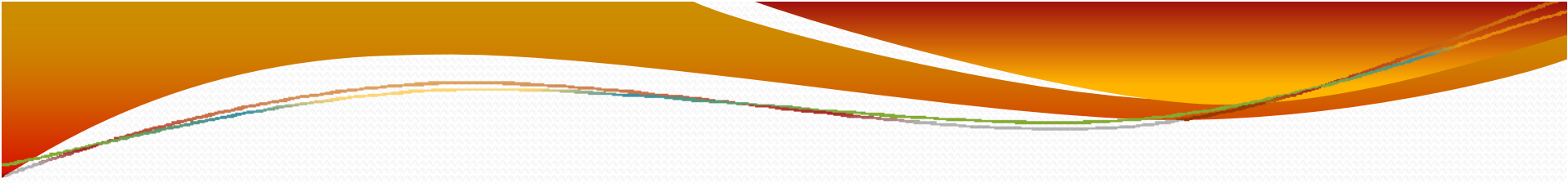
Ken LaRoe, Chairman / CEO



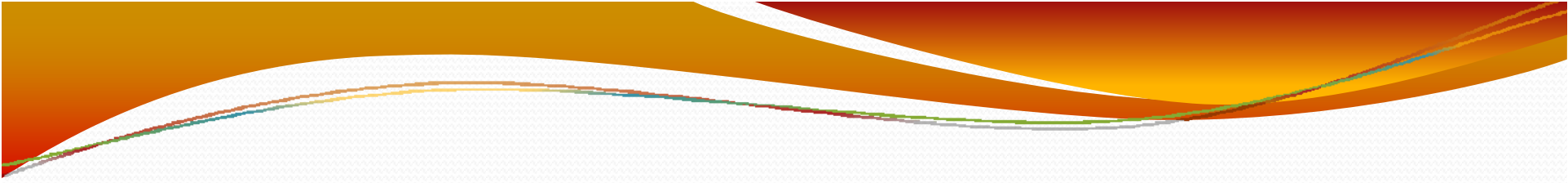
Press

- Time Magazine
- Florida Trend Magazine
- Christian Science Monitor
- The Wall Street Journal
- Numerous newspapers across the country
- Interviewed on Fox Business nationally and the local affiliate

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- NOT because we are green-
But because we were the
last bank to be granted a
charter in the United States

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- Charter approved by the FDIC on December 22, 2008. We opened our doors February 17, 2009 and have enjoyed unbelievable success since then.

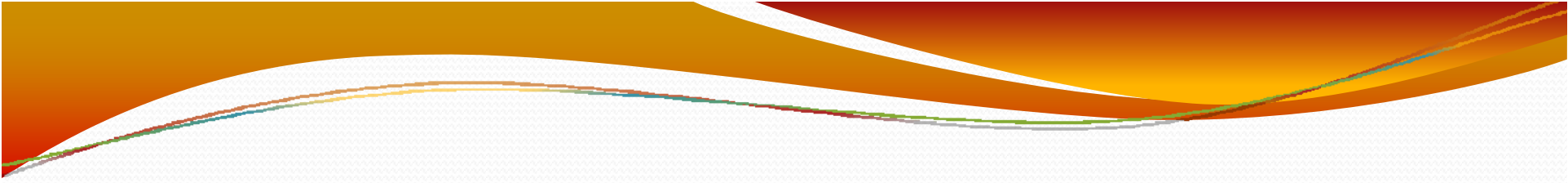
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- And this was IN SPITE OF BEING GREEN.

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- I was naive enough to think that because of our sustainability mission that we would actually receive preferential treatment in our charter application.

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- However, it was a hindrance.

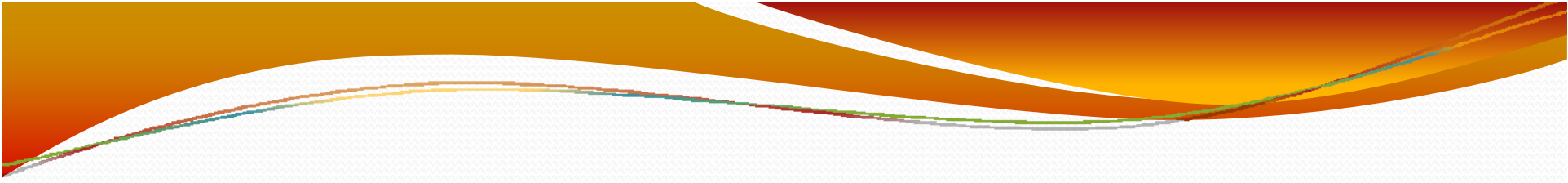
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- Interest rate discounts to borrowers with LEEDS projects.

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- This is how he spelled it: LEADS

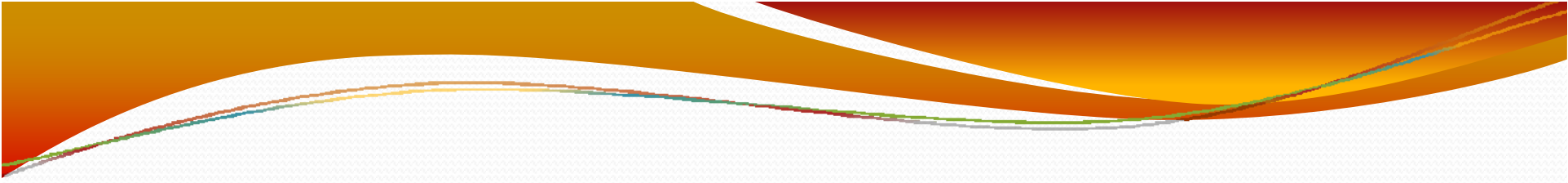
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- He said it makes us “niche” bank.
Let me tell you that being a “niche” bank is not a positive in the eyes of a financial industry regulator.

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- Our Mission is paying off in droves.

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- It alienates few but attracts many.

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- However-If we relied on just “Green” customers we’d be broke in a week. This is Central Florida. It is the Pleistocene here as far as sustainability is concerned.

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- What makes you a green bank?



Everything



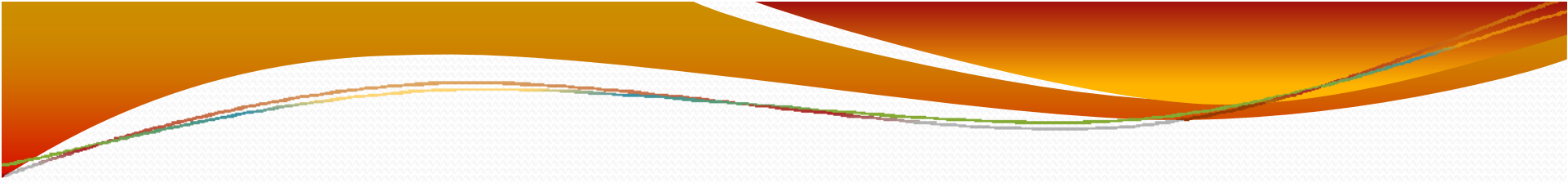
Detractors – Sneer

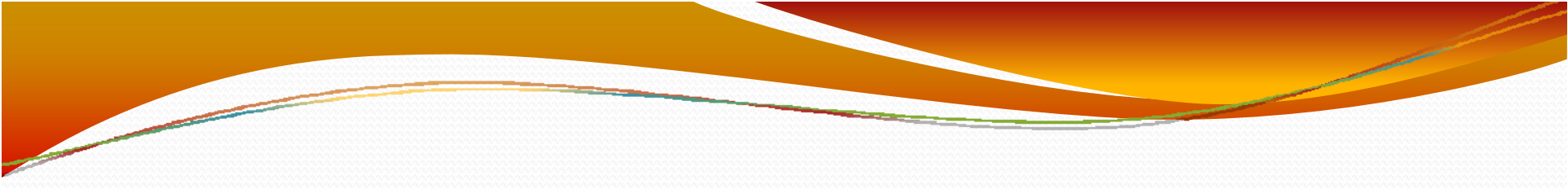
Supporters - Smile



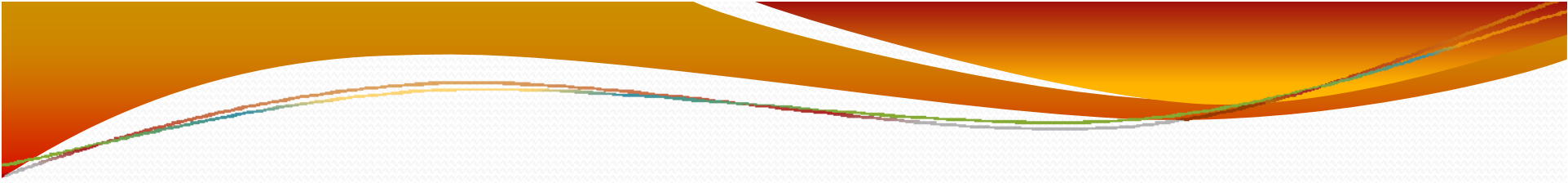
Holistic Capitalism

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- Starting and running a bank is not easy but starting and running a green bank is especially difficult.

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- The reason for that is that we are inundated almost daily with requests to finance a new start-up green business or finance a business with horrible financials that is purportedly “going green.”

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- We're a bank, we're a bank we're a bank.
 - We take money in on deposit and we loan it out to borrowers with good, sound financial statements.

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- Can't do venture capital
 - Can't do start ups unless there are extremely compelling mitigants
 - Can't invest in green technology

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- It's not that we don't want to do any of these things it is just that we can't do them. The regulators won't let us

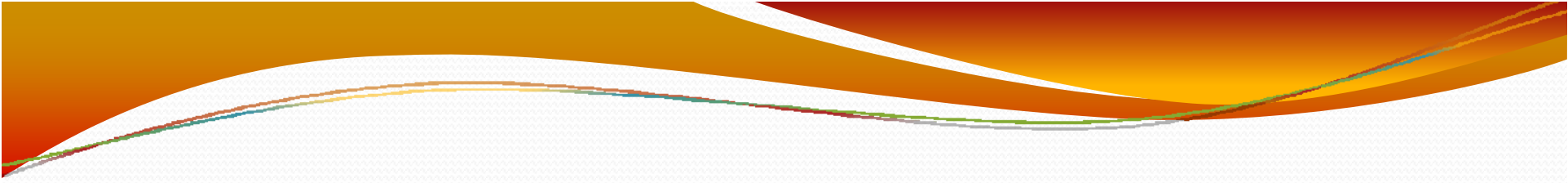


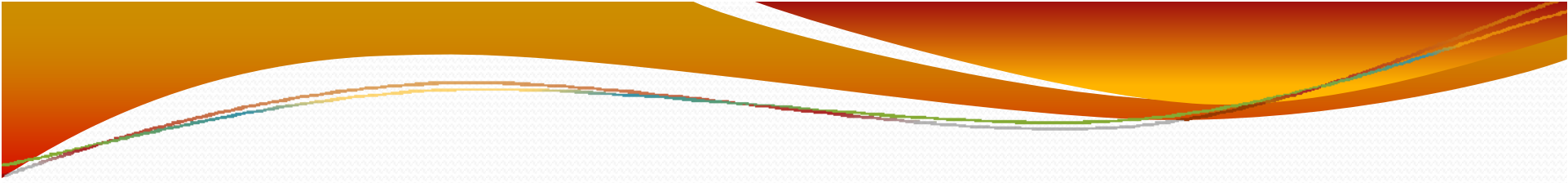
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- Finance Market is in the Toilet.
 - There really is very little money available for anything.
 - Not even land.

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- If you've got the dirt you can't get hurt.

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- Not any more

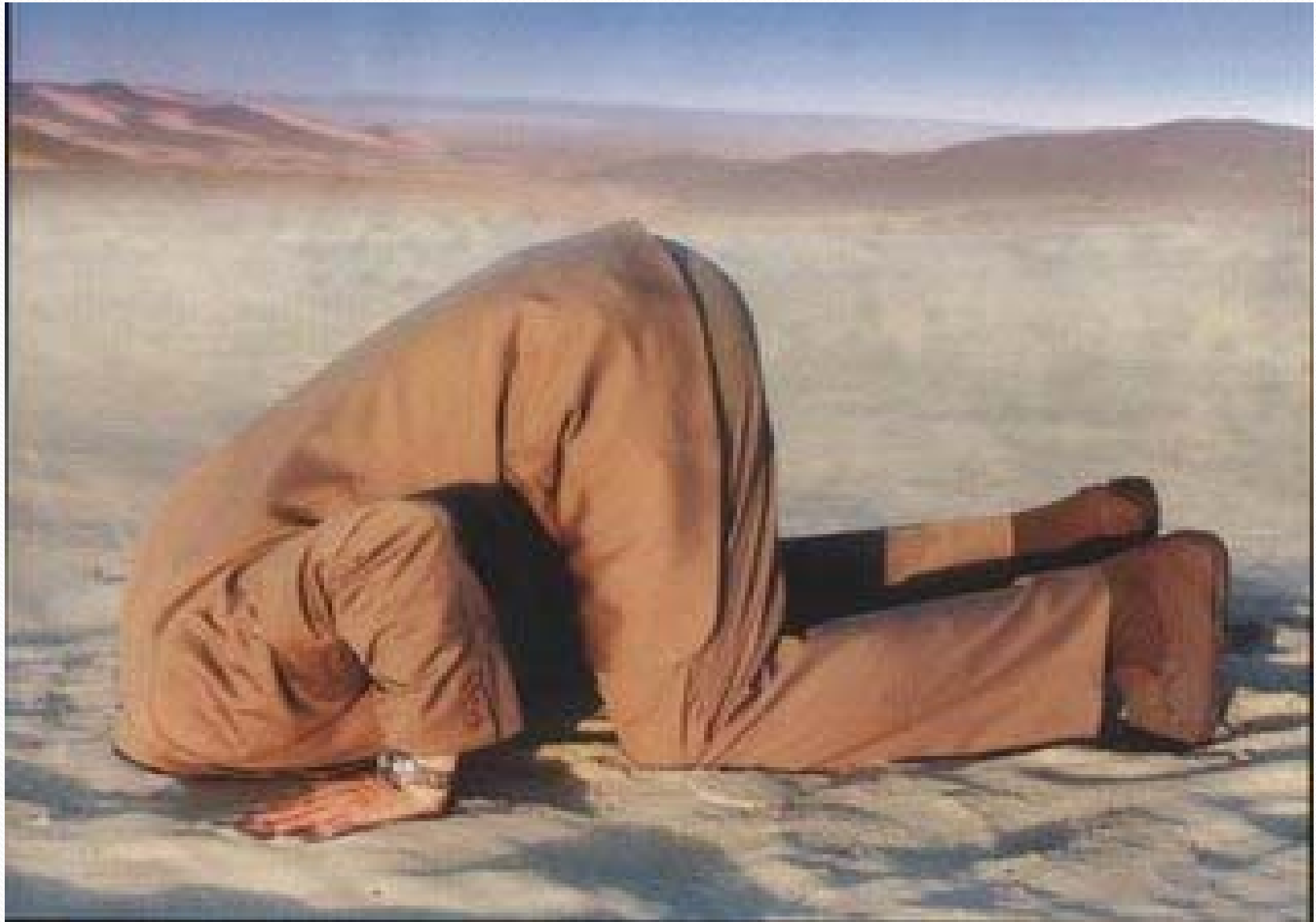
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- Now no one has equity in real estate.

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- We can't loan money.
 - The regulators won't let us loan money.
 - Not good clean established banks
 - Not new clean banks
 - Certainly not banks with toxic assets



Director of the FDIC Southeast region called me and told me that if we exceeded our budget by more than 10% that it was going to be a big problem for us. In the old days, if you exceeded budget you got an attaboy and a 1 management rating. Well, it looks like now if we do well we are going to get degraded in our management rating.

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- So where does this all take us.





Potential Deals



GRU Feed-in Tariff

The first is the Gainesville Regional Utility (“GRU”) Feed-in Tariff.

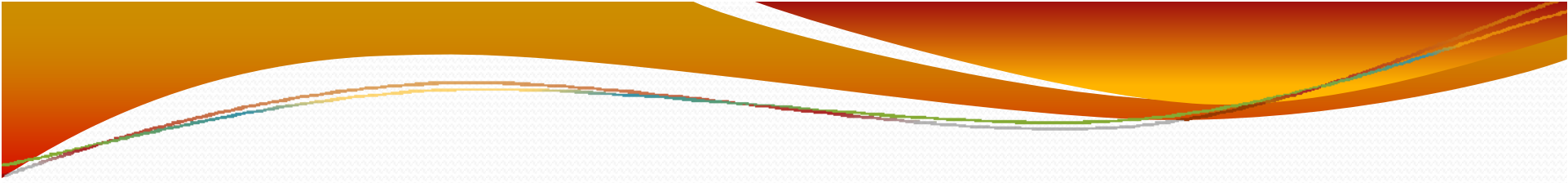
- Utility charges a small premium
- Contracts with solar provider for 20yr period for a set kw hour rate like .28 therefore providing a solid incentive to make the investment. Note: The rate is going to go down every year so it is advantageous to lock in now.

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- Gainesville Solar Farm



To provide perfected liens:

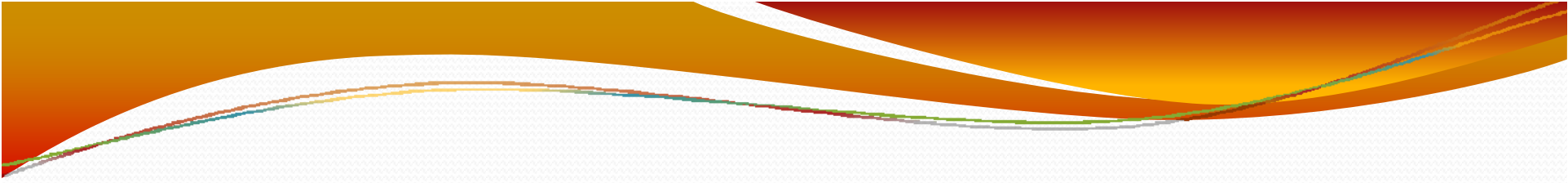
- Assignment of the contract from GRU – This is the cash flow component. If we have the ability to receive the payments for the power produced then we have a saleable income stream.
- UCC Filing on the Equipment – Allows us to replevin the equipment in the event of default.
- Mortgage on Real Property – Allows us to foreclose on the real estate in the event of default. Note: If the array is placed on an existing building we would seek a secondary lien position on the real estate which in today's market generally equates to no added value.

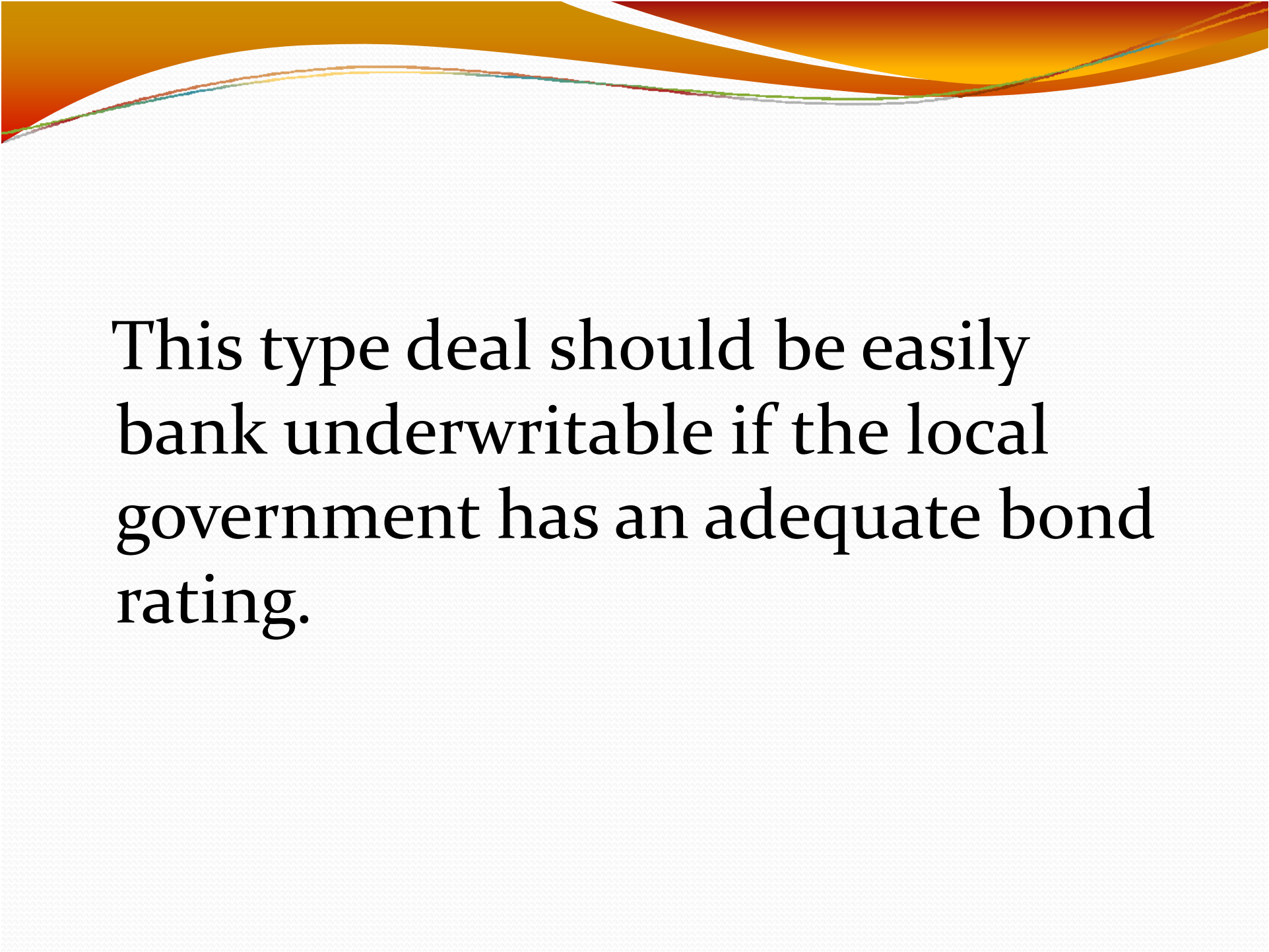
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- Although this is a tremendous program, \$4mm was allocated in the first year and it was gone in something like a day. Hopefully, other utilities will follow suit.



Local Government Energy Retrofit Program

- Numerous states including Florida and the Federal Government have enacted legislation that authorizes public entities to use Energy Performance Contracting for implementing energy improvement projects.
- The state certifies an ESCO or Energy Service Company which provides an energy audit and conducts energy retrofitting. The ESCO has to be strong enough to be bonded and meet other certification requirements.
- Currently there are 10 ESCO's certified in the State of Florida.

- 
- The local government entity contracts with the ESCO to perform an energy audit and determine how to implement the improvements that will result in energy savings.
 - If the entity implements the improvements and the savings aren't realized then the consultant is on the hook for the difference.
 - The savings should be adequate to repay a loan with a reasonable amortization and have sufficient excess expense savings to actually embellish general revenue.



This type deal should be easily bank underwritable if the local government has an adequate bond rating.



A Business With a Lucrative Government Contract

- May be opportunities to lend to businesses who obtain a solid government contract or in some way bolsters their income statement or balance sheet through a government program.
- I saw this happen recently with a business that went from unbankable to bankable overnight with the receipt of a government grant.



Next bankable deal will be in the
eco arena.



How do you actually get a loan?

- Certain things can increase your chances.
- Find a bank with no toxic assets.
- Big banks out of the picture.



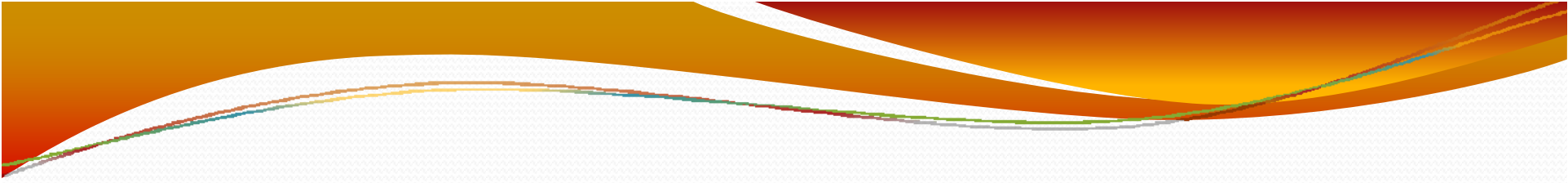
3 C's of Credit

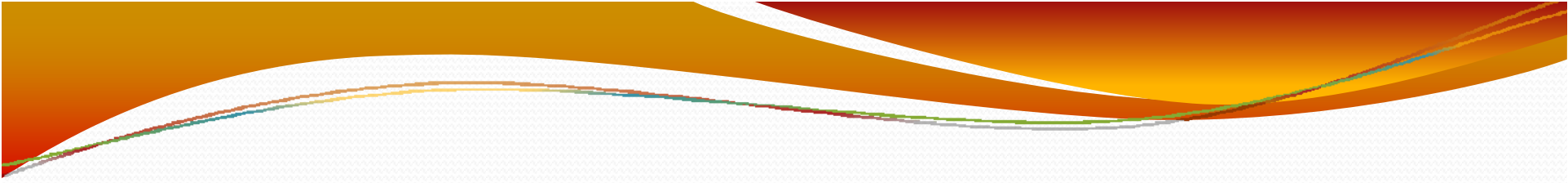
- Character
- Collateral
- Cash Flow

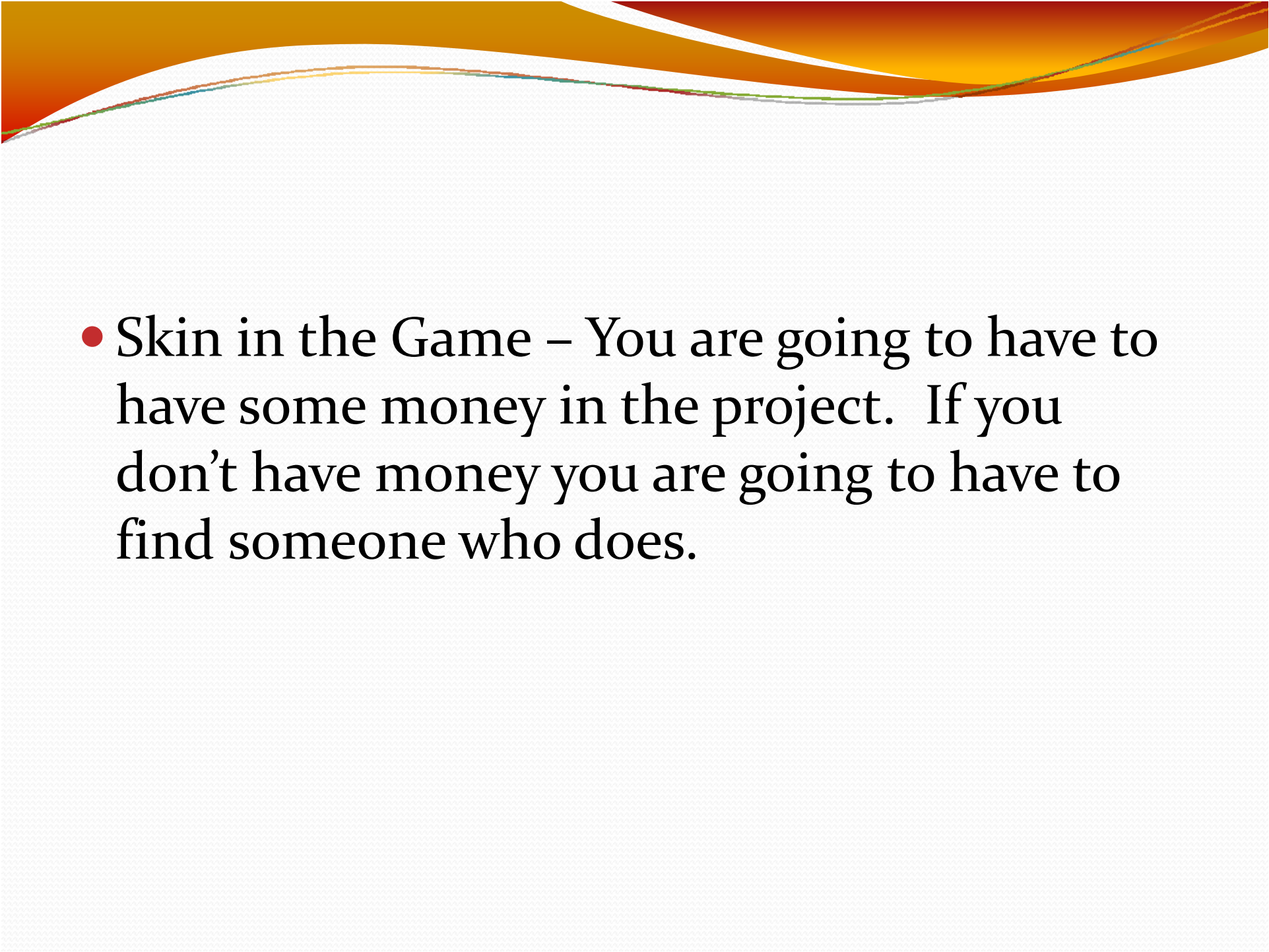


What You Need:

- Track Record - The first thing you need is a track record – If you've spent the last 10 years of your life as a CPA and you invent a revolutionary energy storage device and you want to take it to market your chances for a loan are slim. However, if you've spent the last 10 years of your life working as an engineer for an electronics firm and you invent the same revolutionary energy storage device then your chances are better.

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- Business Plan – Next you will need a business plan. If you don't know how to write one I suggest that you hire a professional to help you. This needs to be well thought out with a real, comprehensive and attainable budget.

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- Collateral – You are not going to borrow anything in this market without collateral. You may have to get creative. No one has equity in real estate any more. At least no one in Central Florida. What can you find that is saleable and lienable? It may need to be a combination of things.

- 
- Skin in the Game – You are going to have to have some money in the project. If you don't have money you are going to have to find someone who does.



Don't

Green

Wash



Where do we go From Here?

The economy will recover and financing projects will be easier at some point. However, banks can't ever loan venture capital and it is very difficult to do any type of start-up.



Questions