# MIB Community BANKING MAGAZINE

JULY 2020

MIDWEST INDEPENDENT BANK YOUR BANKERS' BANK

SERVING COMMUNITY BANKS IN ILLINOIS, IOWA, MISSOURI AND NEBRASKA

## OUR COUNTRY IN CRISIS

### PROTECT YOUR BANK AND CUSTOMERS

One Source. One Call.

MIB Community BANKING MAGAZINE

VOLUME 4, NO. 1
JULY 2020



# FROM THE PRESIDENT

First, I want to say that I hope you and the communities you serve are staying healthy. These are unique and challenging times, requiring resiliency from us all. At MIB we have taken precautions to keep our staff safe, suspending most in-person visits and dividing our staff between our main location and our hot site across town; however, we have been able to be fully operational at our different sites. Community banking is a relationship business, and that has been the most challenging for us. We miss the face-to-face interactions with you, and your staff members.

COVID-19 has been full of unknowns and continues to be a new normal we must navigate together. With the Paycheck Protection Program, we know your staff has had to overcome obstacles to continue to be the backbone of your communities. You have been instrumental in helping businesses and employees stay afloat. We are proud of the work you have done. We ask that you continue to reach out to our team when you need assistance.

Like many other events across the country, we are sad to cancel our community banking conference this fall. At this time, we are still planning to host our annual golf tournaments since the CDC labeled golf as an acceptable outdoor activity. We will be following health guidelines, including social distancing and implementing extra precautions to keep everyone safe. We will be in Nebraska on Aug. 13, Missouri on Aug. 17, and in Iowa on Oct. 5. We are really looking forward to seeing everyone soon.

As business continues, we're excited to celebrate some major milestones. MIB Banc Services, our audit subsidiary, will celebrate its 16th anniversary on Aug. 13, and we're wishing three members of the MIB team a happy retirement this summer:

- Dan Ward, EVP/Relationship Manager, retired June 30 after 18 years of service
- Ruth Neuner, Operations Support Specialist I in Bank Operations, will retire July 17th after 26 years of service
- Bonnie Keller, Payments Systems Support Specialist II in Bank Operations, will retire July 24th, after 14 years of service

Congratulations for so many years of hard work and dedication—I am not alone when I say you all will be greatly missed.

Relationship banking is what we do—so we will be here, trying to stay as connected as possible. Thanks for all you are doing to keep your communities going, let us be your one source, one call.

**MATT SINNETT,**
President/Chief Executive Officer,
Midwest Independent Bancshares, Inc.
& Midwest Independent Bank

msinnett@mibanc.com

# Contents

## Cover Story

**Crisis in our country and the world:**
How to protect community banks and your customers

## Features



## Departments

# Despite Crisis, It's Been a Great Year

**ROGER MEALY,**
EVP/Chief Financial Officer,
Midwest Independent Bancshares, Inc.

rmealy@mibanc.com




We are out of the gate and looking for another great year at MIB. Despite the impacts of COVID-19 and the drop in the Prime Rate, we are performing well and having a great year.

Assets totaled $266 million at the end of the second quarter. This level is somewhat below our 2019 year-end number of $285 million primarily due to the Federal Reserve eliminating the deposit reserve requirement in March, which amounted to a decrease in our Fed required average balance by $42 million, causing shifts on our balance sheet.

MIB operates at a much higher level than our asset size would suggest. At the end of the quarter, we had about $7 billion in assets under management—well ahead of a year ago. This amount not only includes the book assets, but loans sold downstream to respondent banks, Fed Funds Pool, EBA Pool, and Safekeeping assets. Our Fed Funds and EBA pools really picked up in the last few months and averaged $2.5–$2.7 billion during the second quarter alone, well over historical levels.

MIB continues to be well capitalized with a Common Equity Tier 1 Capital Ratio (CET1) of about 22 percent, a Tier 1 Leverage Ratio over 15 percent, and Total Capital Ratio of about 23 percent.

Our loan portfolio totaled $144 million at the end of the quarter, an increase of $10 million since the beginning of the year. Following a historical soft first quarter, primarily due to pay downs and payoffs, we had a nice increase during the second quarter. We have a concentration in Bank Stock Loans which historically pay back faster than Commercial Loans, and when banks have "good" years they may pay down at an accelerated rate, which can create some volatility in the portfolio.

MIB has no OREO properties, Classified Assets, past dues, or delinquent loans at the end of the second quarter, so our asset quality is excellent. We have had very few requests for payment modifications due to COVID-19.

During the first half of the year we had a hard time keeping up with the calls in our securities portfolio—$15 million for the year (45 percent of our portfolio). The portfolio is $27 million at the end of the quarter. At a point in time this is somewhat lower than we would like it to be, but are trying to keep up with the calls and scheduled maturities. We continue to work diligently in conjunction with First Bankers' Banc Securities, Inc. to keep our investment portfolio conservative and sound.

Total deposits at quarter-end were $218 million, a decline from year-end due to losing $42 million of customer deposits for Fed reserves. Our DDA accounts, however, have increased $35 million from year-end to $195 million as our customer banks continue to have good liquidity. We have seen healthy balance levels all year long.

Net earnings of Midwest Independent Bank for the first half of 2020 total approximately $1.3 million, delivering an ROA of 0.94 percent. This compares very favorably to 2019 when we had total year earnings of $2.0 million. We have had good expense savings due to COVID-19 related to travel, entertainment, events, sports tickets, etc.

Midwest Independent Bancshares, Inc. made an annual cash dividend to shareholders of $3.50 per share in January 2020, the fifth consecutive year of increasing shareholder dividends. In addition to the cash dividend, shareholder banks receive the following benefits: interest earned in excess of overnight funds on loan participations purchased of; operational savings related to premium earnings on the DDA earnings credit rate, Fed Funds sold/purchased, and EBA balances; discounts on MIB Banc Services, LLC audits; and MIB conference/webinar attendance discounts. This all totaled over $2.8 million of shareholder benefits for the year of 2019.

# Panic Selling = Profitable Buying

If there's one thing I've learned on the trading desk over the years it is that things get oversold and things get overbought. Oversold happens quickly and in retrospect feels like a moment in time. Overbought tends to be more of a trend that plays out over a cycle of some sort (product or market). Every couple years a sector of the market is pummeled with negative headlines and the accompanying panic sale. It can happen within the equity, debt or commodity sphere. Remember back in December 2010 when a certain well known analyst predicted 50-100 large municipal defaults in the coming years? By and large the defaults predicted in the municipal market did not occur, but the sector became oversold quickly. After the 2016 election municipal bonds again rapidly sold off as the prospects for lower tax brackets decreased the intrinsic value of instruments providing tax free income.

In March we saw a massive dislocation in the municipal market, resulting in the largest bout of volatility in decades. One example of the volatility is a State of California Unlimited General Obligation (Rated Aa2/AA-) new issue that priced 3/9/2020. The bonds are unconditionally backed by the state of California and carried a 4.00% coupon, a 26 year (2046) maturity and a call date in 10 years (2030) and were priced initially at $117.568 to yield a 2.04% to the 10 year call date (2.58% Taxable Equivalent Yield to Call for 21% tax bracket). The bonds settled on 3/19/20 and the very next day traded at $98.5 which would represent an approximate $190,000 loss for a holder of $1,000,000 in face value. The bonds traded below their face value for about a week before beginning their steady climb back and are now priced around $118.75 to yield approximately 1.87% (2.36% Taxable Equivalent Yield to Call for 21% tax bracket). For those that had the ability and fortitude, the opportunity to pick up a 4.00% tax free coupon on a state general obligation did exist, if only for a moment in time.

One particular bond that was undervalued for a moment in time in the corporate sector bothered me for an entire decade. On 10/9/2008 IBM printed $1,600,000,000.00 ($1.6BN) of a 10 year maturity with a 7.625% coupon. You'll recall that Lehman Brothers filed for bankruptcy on 9/15/2008, a mere three weeks before these bonds were issued. Credit spreads were getting blown out and not even a "safe" credit like IBM could fully escape the carnage. The offer for the bonds was +387.5 basis points above the 10 year treasury yield. I knew that spread should have been around +100 and immediately began showing the offer to anyone that would listen. We never sold a single bond. It bothered me every time I would see them in the street for the next decade. That bond was indeed too cheap and it spent the better part of 2009 above $125.00 after pricing at $100.00 weeks before. It hit an all-time high of $137.01 before beginning to amortize back down to $100.00. For its entire existence it averaged a dollar price of almost $121.00. Too cheap indeed. IBM felt like they had to raise funds, the timing was awful for them and they were willing to pay almost 3.00% above historical averages on $1,600,000,000.00 in order to secure those funds. Uncertainty can cost a lot. It can also pay a lot for those with some courage and the ability to deploy capital.

I used an older example above because it's my favorite example on a personal level and also is a good reminder that this same self-fulfilling negative pricing spiral is not new and will occur again. If you can time it right and have the liquidity and the courage you can be handsomely rewarded.

**ARTHUR W. SPELLMEYER, IV**
President,
First Bankers' Banc Securities, Inc.

awspellmeyer@FBBSinc.com

# Marketers Can Have Big Influence

## ON BANK DIVERSITY

Chukwukere Ekeh, VP and retail marketing manager | Renasant Bank

As a dessert aficionado, last year I added a new ritual to my weekly grocery shopping trip. I now grab a new pint of a different ice cream flavor every single week. Some remarkable ones: bourbon brown sugar and truffles, cookie dough with fudge brownie core, and churro, just to name a few.

The same reason I enjoy trying those ice cream flavors is what led to my passion for marketing in the financial industry. There are so many diverse customers who are wandering the aisles looking for something in a brand or message that stands out and delights them, often in ways they didn't even know or could expect.

Banking is the economic structure that can empower a person financially to fulfill their basic needs, as well as achieve their wildest dreams and desires. As a marketing professional, my aim is to help my institution find the story that works. To be able to reach as many people as possible with a message that expresses how we can add value to them in a tangible way.

However, as I step back and look at our industry, I sadly see we're missing the mark. I've sat in bank boardrooms with executives who don't look like me, don't share a similar upbringing, nor have close confidants who share diverse experiences. I have watched countless agency pitches for campaigns aimed at metropolitan markets that were developed in a bland incubator of sameness crafted by individuals with certain opinions about "good marketing." I've seen partnerships with vendors whose staff makeup does not equip them to survey the landscape and serve the whole market their products are designated to help.

If too few tastemakers in bank marketing offer variety, how could we possibly expect them to satisfy and fulfill hunger from a diverse audience?

In *All Marketers Are Liars*, Seth Godin writes that marketing is about placing your story around the intended listener's worldview. All the opportunity lies in finding the undiscovered and neglected worldviews. Believe me: This is no easy task to undertake, but it all starts with who's in the room. We need different views, perspectives and levels of understanding coming together to reach every niche, until everyone has access to a message that resonates. As marketers, our ultimate goal is to tell a story that matters to people who need it, and to realize that sometimes for the message to truly resonate it needs to be coming authentically from the right people.

As I wander my frozen food aisle and peruse the ice cream section there's something intentionally different for everybody. So my hope for the financial industry is that we all intentionally make space for everybody. Especially when they're a little different.

Chukwukere Ekeh, based in Atlanta, Georgia, is VP and retail marketing manager at Renasant Bank and an ABA Bank Marketing editorial advisory board member. 

# Responding with Innovation

Bailey Hedrick, Marketing Coordinator | Bankers Security

Bankers Security (BSI) has a unique vantage point of the financial industry during times of crisis. In 39 years of business BSI has supported banks and credit unions in the Midwest through natural disasters, economic hardship and as of recent, a global pandemic. What moves a business forward in times of hardship is its commitment to people. BSI has seen an incredible amount of creativity and innovation stem from our partners and customers in response to COVID-19.

Bank lobbies have closed or are by appointment only in response to the COVID outbreak. This has created an increase in drive up traffic and presented new challenges for bankers and customers. Keeping an eye to the future, it is important to recognize the need for maintaining and improving drive up options to keep transactions efficient and convenient. At BSI we have experienced exponential increases in service to drive up equipment and the need to install new pneumatic lanes to keep up with demand. Mark Thatcher, BSI President, commented "Connecting with the community will not stop with lobbies limiting access. With today's technology the client experience in drive up lanes is better than ever. Bankers can build the foundation for an enduring client relationship while keeping themselves and the customers safe and healthy. That is something to be excited about."

With lobby hours being limited many banks are opting for Interactive Teller Machine (ITM) solutions, allowing them to extend their service hours. ITM technology empowers customers to handle a wide variety of transactions without ever having to set foot inside the bank. If assistance is needed, or necessary, a live teller appears on screen ready to help in just the push of a button. Bankers Security has also found that by remotely supporting ATMs / ITMs with diagnostics, windows patches, electronic journals, marketing screens and more, we are able to extend our service reach without having to send a technician to your location. Not only does this decrease the time your ATM/ ITM may be down, but it also keeps your capacity at a minimum while social distancing practices are in effect.

We have seen innovation at work with several of our partners answering the call to help. FENCO traditionally manufactures undercounter steel and teller lines. Their team has worked double time over the past several months sourcing materials to design and fabricate teller shields and get them into the hands of banks as quickly as they could. Matthew Lyons, VP of Marketing & Sales for FENO commented, "When the going gets tough, the tough get going!" In partnership with FENCO another dealer developed a UV Cabinet prototype, conducted testing and furnished a complete product in a matter of weeks. The cabinet sanitizes commonly handled teller items such as pneumatic carriers, pens, headsets etc. Local printers that normally handle ATM decals have designed, printed, and hand delivered branded social distancing floor and window decals to branches throughout the state. Technicians at BSI have conducted courtesy cleaning and sanitizing of all drive up equipment while on site at any location. And the list keeps growing…

We are continuously inspired by our partners and customers for lifting each other up through these uncertain times. When responding to crisis we find hope with the men and women in our industry that navigate the uncertainty by coming together to meet the challenges of today. We feel fortunate to be working though these difficult times with your support and hope to see everyone again soon.

"Coming together is a beginning, staying together is progress, and working together is success."
– Henry Ford

# Risks Within the Community

## THAT COMMUNITY BANKS NEED TO ADDRESS

Bert Purdy , CPA, CTFA, Partner | BKD

States and counties are starting to open back up after a prolonged period of sheltering in place due to the COVID-19 pandemic. As of today, community banks, which are the primary lenders to small businesses in the rural Midwest, haven't yet seen a significant negative financial impact because of the shutdown.

In fact, many community banks will be receiving significant loan origination fees from the U.S. Small Business Administration for participating in the Paycheck Protection Program (PPP). They're also flush with cash, as many borrowers haven't used their PPP loan funds and consumers have been holding their stimulus payments in their checking accounts.

Just because things look good from a financial perspective right now doesn't mean there isn't risk in your community and to your bank. Let's take a brief look at some of the issues community banks should be monitoring today (see sidebar).

Community banks, to this point, haven't seen dramatic increases in past dues or downgrades in loan ratings due to the above factors. However, it's likely too early to see a borrower's financial stress. The time it takes for that stress to show (called "loss emergence period" in accounting terms) is longer than many think.

Several community banks are adding additional reserves to the allowance for loan losses earmarked in each loan category as "COVID-related." That practice may be acceptable as the future effect of COVID is unknown. However, community banks should carefully evaluate loans that were "on the bubble" prior to the shutdown, loans that were granted some form of deferral by the bank or certain industries like hospitality. Interagency guidelines permit banks to not account for these loans as troubled debt restructures (TDR) if they meet certain criteria, but banks also are still responsible for maintaining a proper allowance. Therefore, a loan in deferral may need an increased reserve even if it isn't accounted for as a TDR.

Just because things look good from a financial perspective right now doesn't mean there isn't risk in your community and to your bank.

Two other significant financial impacts to banks relate to overdraft fees and interchange fees. As the economy shut down and people stopped moving around freely, consumer spending decreased. As spending decreased, so did overdrafts. Thus, banks' fee income on overdrafts declined. Likewise, without the discretionary swipes of debit cards, interchange fees fell significantly as well.

How much of the above information will you use as you prepare the 2021 budgets this fall? What will your baseline be? Will you start with 2019 results to plan for 2021, or will you use 2020? Regardless, assess the risks to the bank and plan accordingly.



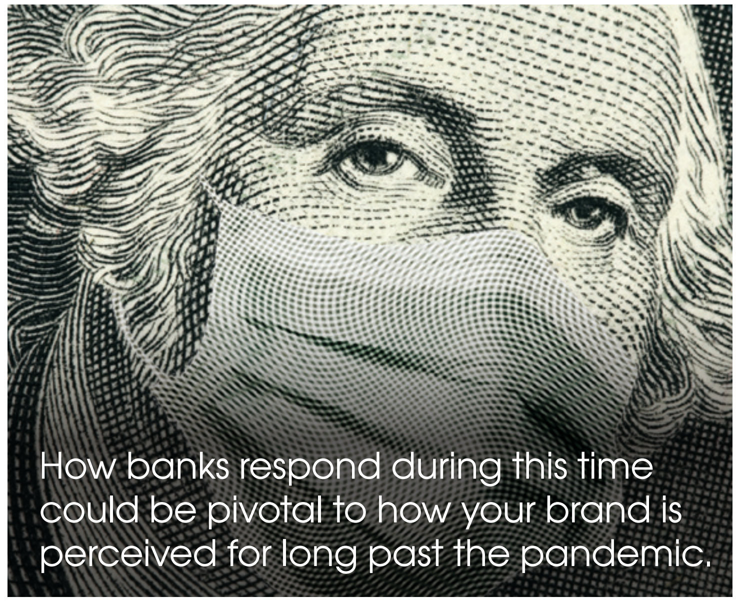
## Issues community banks should be monitoring today:

1. **Increasing personal debt caused by prolonged unemployment –** Unemployed Americans are receiving an unprecedented amount of unemployment benefits. But the increased benefit amount is set to end on July 31, 2020. When that ends, what will Americans do? Some furloughed employees are being brought back, but others aren't. When income is scarce, the use of credit cards, overdrafts, and personal loans will increase. What will your bank do to monitor the increasing financial pressure of your individual borrowers and account holders?
2. **Delayed business closures –** Small businesses without a significant online presence are finding it difficult to survive. Throughout the economic shutdown, "nonessential" small businesses survived by using government funds, furloughing employees, drawing on credit lines, or using personal savings. The lost sales, in many cases, weren't deferred to a later date. Instead, they were truly lost and won't be recaptured. Without a fast and heavy recovery for small businesses, they may be forced to close and may not be able to support their current debt load. How are you monitoring the performance of your small business customers?
3. **Reduced need for office and retail space –** With the increase in employees working from home, especially in businesses that typically use commercial office space, the perceived need for office space is declining. Once a lease term expires, community banks should expect their commercial borrowers to experience reduced rental income as tenants negotiate for less square footage or overall lower rates. Are you tracking the going rate for rent per square foot in your market?
4. **Increased fraud risk –** When people succumb to all three sides of the fraud triangle (rationalization, opportunity, and pressure), they're more likely to commit fraud. The identification of fraud, however, is usually significantly delayed. A bookkeeping employee whose spouse has been laid off can rationalize the need for the company's money, has the opportunity to take it, and feels the financial pressure to use that money for personal needs. This person will likely do a solid job of covering the fraud for a short time, but as it grows and more funds are misappropriated, covering it becomes more difficult. That can happen within your community bank or at any of your commercial borrowers.

# Protecting the Banking Workforce

## IN THE AGE OF COVID-19

Kelly Muensterman and Sara Robertson | Posinelli labor and employment attorneys




The COVID-19 pandemic has touched every aspect of life for billions around the globe, so it's only natural that its impact extends to the banking industry. Though not unique, the banking industry is impacted by several aspects of the pandemic due to the varied nature of its operations. Banks, especially community banks, rely on the interpersonal—and often in-person—relationships that are formed between a customer and his or her banker. So, while many aspects of the industry are being reconfigured on the fly, others still remain bedrock principles. As employees begin slowly returning to work (in whatever form that may take), it's worth contemplating a few pieces of advice that may ease the strain on business operations while holding true to the banking industry's core values.

First, when it comes to employees, be flexible but consistent. This is the time to get creative with how you service customers and deploy your workforce. If you have positions that can efficiently complete work remotely, then consider whether it's worth the risk to require physical presence at the office. Other options include having a rolling schedule where full coverage is ensured by a rotating cast of in-office and remote workers. Perhaps half of the office works remotely Monday-Wednesday-Friday and the remaining works remotely Tuesday-Thursday-Saturday. Limiting the amount of people physically present on the premises reduces the opportunity for so-called "community spread," while still ensuring that customers have their banking needs met with top-notch service. Additional consideration for scheduling should be given to individuals who are immunocompromised or at heightened risk of coronavirus complications, but employers cannot involuntarily exclude older workers from the workplace, even if for benevolent reasons. With flexibility, however, comes risk. It is imperative that employers recognize the lurking danger that precedes scores of unlawful discrimination lawsuits – actual or perceived differential treatment based on a protected classification. When fashioning practices or policies to address the new landscape created by the pandemic, stop to consider whether the impact is being borne disproportionately by employees of a certain age, race, religion, sex, disability, or another other classification protected by applicable law. While employers may be "only trying to help," the road to costly litigation is frequently paved with good intentions.

Second, keep an eye on governmental guidance and its impact on your bank's operations. There's no denying that the pandemic has made amateur epidemiologists of us all, and it's impossible to keep up with the boomerang headlines proclaiming surges, spikes, drops, and waves. But one information source that must be heeded is local, state, and federal elected officials. Throughout the pandemic, many states and localities have issued orders either recommending or mandating certain behaviors, ranging from the closure of non-essential businesses, to the wearing of masks and installation of clear barriers, to the implementation of certain sanitary procedures. These orders have come fast and heavy. For example, as of now, the City of Saint Louis has issued 10 new, amended or supplemental orders as a result of the pandemic. The federal government also continues to issue and reissue guidance, which is occasionally contradictory with prior guidance, on topics ranging from health practices to implementation of statutes passed by Congress. And be sure to read the fine print – many of these orders are industry-specific and, as noted before, while some are merely advisory, others carry the force of law and noncompliance could result in costly fines, investigations, litigation, or other headaches.

Third, remain knowledgeable about your employees' rights, as the pandemic has resulted in the both expansion of existing rights and the creation of new rights. In March, President Trump signed into law the Families First Coronavirus Response Act, granting eligible employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19. The Coronavirus Aid, Relief, and Economic Security Act, among other stimulus initiatives, permits distributions from retirement plans and IRAs up to $100,000, free of penalties, and increases the limit and repayment period on new loans from eligible retirement plans for certain participants. The EEOC has issued guidance providing that while employers can test employees' temperatures and require a viral test for an active case of COVID-19, employers cannot require antibody tests before permitting employees to return to the workplace.

The COVID-19 pandemic presents a serious challenge to us all—but financial institutions are particularly impacted. Aside from managing the economic impact of the pandemic, there are several concrete steps that banks can take to best position themselves to serve and support their employees, customers, and communities with minimal disruption. How banks respond during this time could be pivotal to how your brand is perceived for long past the pandemic.

# Sunshine, Coffee and Interest Rate Risk

Steve Thompson, CFA, Senior Vice President/Strategies | First Bankers' Banc Securities, Inc.

The clock reads 1:46 in the afternoon as I pour a second cup of coffee since lunch, and catch myself gazing out of my office window wondering if the breezy, cloudless day outside feels as beautiful as it looks, and it hits me. If I even have trouble focusing on how non-interest expenses have affected what appears to be a bad net income forecast in the Asset Liability Management (ALM) analysis I'm working on, how much focus does an average banker give to an ALM analysis? After all, a forecast is just that—a forecast. A forecast won't predict the future. There is no asset/liability crystal ball on Amazon—believe me, I would've found it if there was. All I've found are a bunch of coffee mugs with quippy sayings on them like, "10 out of 9 CFOs can't count."

When it comes down to it, I can tell you, the coffee only helps so much.

What I try to focus on in ALM analysis is the interplay between numbers in ALM. As is the case with any financial analysis, but especially with ALM, one number doesn't tell you much. How one number behaves relative to another, or to a series of other numbers…well, that has value. None of the numbers may play out in the future reality, but that's not what the analysis is trying to tell you.

ALM analysis is trying to gauge how compensated you are relative to the risks lurking around in changing interest rates. If a banker is worried about rates going down, the results of the down 50 scenario won't tell you anything without judging them relative to the base forecast. If net income drops by 10% in the down 50 scenario relative to the base forecast, even that's only part of the story. What's the probability that rates move down another 50 basis points? If your probability is only a 1 in 20 chance, maybe you're comfortable with the risk to net income. If you're thinking there's a one in two chance rates go down as such, then it's time to think about insulating the bank from that risk.

That still only tells you part of the story. "De-risking," especially in a rate environment like we currently have, isn't always a cheap proposition. That sunny afternoon is looking more and more enticing, isn't it? But we have to stay focused. So we've taken the ALM analysis, identified a risk deemed likely enough and severe enough that we are thinking about how best to hedge such an event. What's the cost incurred? How effective will the hedge be? This is always a balancing act, because you can never remove all risk, certainly not cost-effectively. We all know that "riskless" is synonymous with "profitless," unless we think holding treasuries at these rates will keep the lights on. I don't need to tell you, it won't.

Let's not forget that down 50 is only one scenario, and while we were so busy protecting the balance sheet from down 50, we left the risk to income overly exposed in the up rate scenarios. The picture gets clearer (or murkier depending on perspective) of how this interplay between numbers becomes the focus in an ALM analysis. An individual number is a quick gaze out the window on a beautiful day, but the full understanding of the relationship between net income forecasts, scenarios, earnings at risk, economic values…this takes real focus.

The question always being asked is: what risk are you willing to take for what level of returns? If this sounds like the decision loan officers under your roof wrestle with on a daily basis, it is exactly that. The same question asked at an institutional, macro level unfortunately is asked at a far less controllable level. None of us are deciding what the yield curve does. We can only prepare, forecast, analyze, and respond to it.

Let the Strategies group at FBBS be a resource to your institution in this never-ending balancing act. We're here with our suite of ALM and risk management tools to help identify balance sheet risks in changing interest rate environments and how to keep your balance. Together let's make sure the lights stay on for your next generation of bankers. And let me know if anyone finds that asset/liability crystal ball on Amazon. If we're lucky, it ships Prime with free returns.

# Communicating in a Crisis

Tisha Spencer, President & Creative Director | Firehouse Design Studio, Inc.

I've had a re-occurring dream for 30 years now. I walk into high school and somehow have forgotten my books, my homework, and the major test in first hour. Maybe you're like me and the feeling of being unequipped and completely unprepared makes you lose sleep. Here are a few steps to help you rest easier when a crisis hits:

## Be prepared to communicate internally.

The first step is to gather your staff and communicate your plan quickly and efficiently.

- Are IT and Marketing staff informed, equipped, and prepared to administer the crisis communications plan? Do you have a designated spokesperson?
- Do you know your staff members' home email and cell phone?
- Can you add a password protected page to your website for internal updates?

## Be authentic with your external messages.

As a nervous first-time mom, I was given the book "What to Expect When You're Expecting". I soaked up every chapter as it explained my baby's development step-by-step. Crises come in all shapes and sizes and unfortunately never come with a "what to expect" guide. Step back from the crisis, and communicate thru the lens of your mission and vision statements. Remember, these statements should always be true of your company in the good days and the not so good ones.

- Who do you serve? Create messages targeted to your primary audience.
- What services define your company? If you can still offer those services, communicate that to customers.
- Do you have the bandwidth to expand services to meet the emerging needs of your customers? Go for it.
- Are your services more important than ever due to a crisis? If so, let the public know. It's okay to serve your community AND grow business.

## Fill your crisis toolbox.

Today we have a host of tools at our fingertips. However, it takes time to research tools and get up and running. Start the process now. Remember that most customers need the message seven times before they take action, so use a variety of tools and repeat the messages throughout the crisis.

### Press Releases

Don't be intimidated by press releases. These simple statements should include: when should the information should be released, who should be contacted, the facts and figures, and brief background information. Keep a list on file of your local media contact information to submit the release.

### Social Media

Facebook, Twitter, LinkedIn, and Instagram are powerful and accessible tools. Pick at least one and do it well. Build your social media now and you can literally pull the tool out of your hip pocket during a crisis to communicate with customers. Use Facebook Publishing Tools to schedule posts in advance or signup with a scheduling tool like SproutSocial, Hootsuite, or Later.

### Website

Businesses sometimes "set it and forget it" with their websites. In non-crisis times, your site should be updated at least once a month so customers know it is an active source of information. Know in advance who has access to make changes, and be sure your site can be updated within 24 hours. It's also a good time to check on-site backups and security updates so your site doesn't CAUSE a crisis in the future.

### eNewsletters

Are you currently collecting your customers' email addresses with their permission? If not, start now. Signup with a service such as MailChimp or Constant Contact for a quick, easy, and extremely affordable way to communicate.

### Texting Services

Ask customers their preferred method of communication. Texting is preferred by many Millennials, but a surprising number of GenX and Boomers also prefer texting. Research mass texting services like BulkSMS, Twillio, and ClickSend to find a plan that's right for you.

In business, it's easy to get wrapped up in "normal" operations and forget to plan for crisis communications and marketing. Start your plan today and be prepared for whatever the rest of 2020 brings.

Firehouse Design Studio, Inc specializes in graphic design and creative services including corporate identity development, ad campaigns, design of collateral materials, digital media graphics and web design.

# Managing a Team During a Crisis

McKenzie Cordell, Communications Manager | New Directions

The days, weeks and even months following a workplace crisis, a local or national trauma, or any event that threatens employees' sense of safety and well-being, can be a difficult time for those who supervise others. Employees may have a wide range of reactions that require your response in a timely and professional manner. Managers are not expected to function as counselors, but it is important for every supervisor and manager to be aware of potential reactions and have a clear sense of how to respond.

## What to expect

In response to any traumatic or stressful event, employees might exhibit fear, difficulty concentrating, irritability, generalized fatigue or apathy, anger, sleep issues, physical complaints, anxiety, nervousness or suspiciousness. You may notice employees are talking to each other more at work.

Employees will not necessarily show all (or any) of these symptoms. However, all of these reactions are normal responses to an abnormal event. Depending on personal life experiences, some people may report or show more vulnerability than others.

## Be prepared to respond and intervene

If you recognize any of these reactions, you may ask yourself when, if ever, is the right time to step in. While everyone copes with stress and trauma a little bit differently, here are some things you can do to support your employees during difficult times:

- Listen and be supportive. Be patient and respond with empathy and compassion.
- Understand common reactions. Let your team know that it is okay to experience certain feelings in the face of these events.
- Build a sense of control at work. What can employees control within the workplace to help them feel a little safer?
- Allow employees to talk about the events but be prepared to set limits on how often this is done. Keeping a normal routine is important.
- Allow employees to check in by phone with family members.
- Circulate among the team and check in often. Allow time for group interaction.
- Be patient and tolerant of a temporary reduction in productivity.

During hard times—and good times—you should always have resources available to support your employees. An Employee Assistance Program (EAP) though your company's employee benefits can provide things like counseling, supervisor consultations, organizational training and crisis response.

New Directions Behavioral Health offers these services and more. Whether you're noticing performance issues, personal stressors or simply want to want to be more present and productive at work, you can lean on the EAP. Visit ndbh.com to learn more.

During hard times—and good times—you should always have resources available to support your employees.

# Retirees 2020

## THANK YOU FOR YOUR YEARS OF SERVICE TO MIB

"During the summer months we have had three long term employees retire from MIB. All three of them have been very beneficial to our bank. They each have brought unique skills to their respective departments. We wish them well in their retirement years."

– President Matt Sinnett

### DAN WARD,

**EVP/Relationship Manager**

18 years of employment

Dan Ward joined Midwest Independent Bank (MIB) in January 2002 as relationship manager/ business development officer. In November 2008, Ward was promoted to executive vice president. Ward was responsible for representing MIB in the field supporting current clients and searching for opportunities that fit our business model. Dan's calling efforts consist of community banks in the Eastern side of the state of Missouri, as well as assisting the other relationship managers in their respective areas. He helped to train several of our other BD personnel to his way of handling a bank visit or relationship.

Dan has over 20 years of experience in Correspondent Banking, and close to 45 years of banking experience.

### RUTH NEUNER,

**Operations Support Specialist I in Bank Operations**

26 years of employment

Ruth Neuner began employment with Missouri Independent Bank (now Midwest Independent Bank) in February 1994 in the loan department. She worked in the safekeeping area of the department until 2000. Ruth transferred to the bank operations department where her responsibilities included international wires, currency orders, federal funds, as well as foreign cash letters. Ruth transitioned from full-time to part-time in March of 2018. Today, she is an operations support specialist I where her primary responsibilities include serving as a back-up to operations staff, assisting with administrative tasks, and assisting staff/supervisors in achieving departmental projects.

### BONNIE KELLER,

**Payments Systems Support Specialist II in Bank Operations**

14 years of employment

Bonnie Keller began employment with Midwest Independent Bank in October 1995 in mortgage loans where she worked until July 1997. In March of 1999, Bonnie returned to the bank as a loan administrator in the loan department until August 2001. Bonnie missed MIB so she returned again in January 2006 to the loan department as a loan document specialist. In 2013 she transferred to the bank operations department as payment systems support specialist I and was then promoted to payment systems support specialist II. Her responsibilities include the daily balancing of the MIE. net check image clearing network. This includes all duties associated with cash letter processing/clearing for respondent banks and the accurate posting of entries and adjustments to the respondent accounts.

# Larry Nesbitt

Larry Nesbitt grew up with the investment business, as his father had been in the institutional investment area of Mercantile's Bond Department since 1955, the year Larry was born. Larry's service-oriented approach to the business, combined with a solid knowledge of various products available to investors, allows him to assist a wide range of clients. He has specialized in municipal and mortgage backed securities.

**VICE PRESIDENT/SALES**
**FIRST BANKERS' BANC SECURITIES, INC.**

**25 YEARS WITH FBBS**

**What was your first car?**
1959 Ford F150

**What is still on your bucket list?**
Attend a classic car auction

**What advice do you have for today's college graduates?**
Max out your 401K and IRA every year

# Amy Green

Amy Green began employment with MIB February 1998. Her primary responsibilities include the day-to-day administration of all domestic wire transfer and international services for respondent banks which include the processing of wire and currency requests for the benefit of customer banks, monitoring international cash letter transactions and SWIFT confirmations.

**DOMESTIC WIRE/INTERNATIONAL SERVICES SPECIALIST II**
**MIDWEST INDEPENDENT BANK**

**22 YEARS WITH MIB**

**What was your very first job?**
I did some babysitting and then I worked at a gas station in Meta while I was still in high school

**Where are you going on your next vacation?**
My family and I are going to Yellowstone National Park before my son heads off to his first year of college

**What is your guilty pleasure food?**
Dark Chocolate

# Dianne McDonald

Dianne McDonald began employment with First St. Louis Securities (now First Bankers' Banc Securities, Inc.) January 2000. As an Operations Specialist she is responsible for the processing of financial transactions of all types—from required minimum distributions to daily trade tickets, stock and mutual fund trade redemptions and everything in between. Dianne opens new accounts, handles wires and incoming and outgoing account transfers.

**OPERATIONS SPECIALIST**
**FIRST BANKERS' BANC SECURITIES, INC.**

**20 YEARS WITH MIB**

**What is your favorite vacation spot?**
Little Cayman Islands

**What is something you are really good at?**
Gardening

**What advice do you have for today's college graduates?**
Follow your dreams and start savings for the future early