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Introducing Minor Monitoring – Protecting Children from Identity Theft

By Kroll Identity Theft

Are Your Future Customers at Risk for Identity Theft?

More than one million children were victims of identity fraud or identity theft in 2018. For some, their personally identifiable information (PII) was acquired in much the same way as adults' – through a data breach. Others became victims when their Social Security number or other PII was accessed by someone they knew: a relative, a family friend, or possibly a caregiver.

Regardless of how a child becomes a victim of identity theft, the consequences can be devastating. Children's identities are often considered more valuable than adults' because young children have a clean slate – they don't have or apply for credit, and they aren't in the workforce. These factors also make child identity theft harder to detect; oftentimes, these young victims have no idea someone else is using their PII until they apply for a job or for financial assistance to help pay for college. By then, the identity theft may be a multi-year event, making resolution more complicated and possibly causing the victim to miss employment opportunities or credit filing deadlines.

Minor Monitoring continued pg 2

Bill Rosacker A Note from the President



Every New Year brings with it, new challenges and new opportunities. As 2019 begins, we are excited about the addition of several new products and services to UBB's offering. Some of the new solutions we've recently rolled out are UBB Marketing Solutions, enhancements to our online international wire services platform, Canadian image cash letter processing as well as online identity scanning and minor monitoring.

The identities of minors are extremely valuable to identity thieves because they offer a clean slate and enable the fraudulent use of their identities to go undetected for many years. We teamed up with Kroll, the global leader in risk mitigation and response, to launch Minor Monitoring as an extremely important addition to UBB's identity theft protection services. To learn more look no further than this issue's cover story.

As a follow up to an article from this past spring, about the possible impact of protectionism on global trade, our International Payments expert, John Beerling revisits this topic and further expands on the impact and progress made in the trade war between the U.S. and China. John is also featured in our employee spotlight. Turn to page 4 to learn more about John including which game show he was a contestant on last Fall.

Being stood up for an interview is becoming so common that it has been coined "ghosting." Bob Greening, Vice President, USource, explains ghosting and provides some tips to help you decrease the chances of it happening to your bank.

Are bank valuations declining to the values of 2016? UBB Vice President of BankValue, Ed Usalis, explains how challenges in U.S. economy negatively impact the values of community banks and how your bank can build value in 2019.

Whether it is providing students new opportunities for technology and school supplies or feeding bears at the Yellowstone Wildlife Sanctuary, Bank of Bridger demonstrates innovative community service at every one of their 10 locations. Find out how they are *Keeping the Community in Community Banking* on page 6.

UBB continuously looks for new ways to connect and engage with community bankers. Our latest endeavor is expanding our United Bankers' Bank Facebook page to provide not only UBB news and event information, but also a firsthand look at our community involvement initiatives and employee recognition events. We'd be honored if you and your bank's team members liked and followed our Facebook page. As a special promotion, we are offering a chance to win a Bose Bluetooth Speaker or a Facebook Portal just by liking our page! Turn to the back page of the newsletter for more details.

All of us here at UBB would like to wish you a happy New Year! As you prepare to take on the challenges and identify new opportunities in 2019, remember we here to help. As always, UBB is **First for Your Success**.

Minor Monitoring Matters

We think it's important to help protect the PII of your future customers and borrowers. That's why Minor Monitoring is now available for our credit monitoring members. An adult member may enroll up to four children under the age of 18. Once a child is enrolled, IDTheftSmart's Minor Monitoring feature continuously monitors any credit activity that involves the child's Social Security Number (SSN). If any activity is detected, an alert will be issued to the enrolled adult, prompting a call to a Kroll Licensed Private Investigator who will conduct additional research to determine if the alert indicates a legitimate credit event (such as opening a bank account), if there has been a reporting error, or if credit accounts have been fraudulently opened using all or some of the child's PII.



Without Minor Monitoring, a parent or guardian may first be alerted of a potential issue at tax time if someone has used their child's SSN to file a tax return; or they may become suspicious when they start receiving pre-approved credit card offers. However, if the child's SSN has been used to create a "synthetic" profile, combining pieces of PII from various sources to create a new identity, it makes suspicious activity that much harder to detect.

Active monitoring helps detect identity theft as soon as possible, reducing any long-term effects, while helping to speed up the

restoration process. Unfortunately, resolving a child's identity theft issues can be just as complicated, if not more so, than resolving an adult case. That's where the experience of the Kroll Investigators comes into play; these experts know how to resolve all types of identity theft, bringing peace of mind to your customers.



For More Information on UBA's Identity Theft Protection Solutions or to enroll your bank in Minor Monitoring Contact:

Tim Henry, VP, UBA Managing Agent • 952.886.9524 • Tim.Henry@ubb.com

Announcements



Congratulations to Matt Landrum, Information Security Analyst, on his achievement of the globally recognized Certified Information Systems Security Professional (CISSP).

Matt joined UBB in 2018.



At the end of January, UBB employees collected food for the People Reaching Out for People (PROP) food shelf. With federal employees turning to food pantries during

the recent government shutdown, places like PROP started to see their supplies dwindle. PROP is a non-profit, social service agency offering programs and services for the basic needs to low income individuals and families. More information can be found at <https://propfood.org/>

Protectionism Revisited

By John Beerling, Vice President, International Business Development

In the 2018, Spring edition of the *Independent*, we discussed the potential impact of proposed protectionism. This has been a growing topic of concern for the U.S.'s international customers. Early in 2018, the U.S. had already imposed tariffs on solar panels, washing machines and, more recently, steel and aluminum. Currently under discussion are additional tariffs on a growing number of Chinese manufactured products. Taking this into consideration, we ultimately speculated that these tariffs could be a negotiating tactic to bring China to the table. Our government enacted two rounds of tariffs in July and August with predictable retaliatory responses from China. While it may be too early to tell what kind of impact these tariffs have caused, there is speculation of critical changes in the trade battle.

In July, the U.S. imposed tariffs on \$34 billion of Chinese imports. China retaliated with tariffs on \$34 billion of U.S. goods. Of particular interest to our agriculture based community banks, soybeans were a target of this round of protectionism. In August, the battle continued to elevate, with the two countries levelling additional tariffs on \$16 billion of each other's imports. More tariffs were proposed (or threatened) in September but were ultimately postponed in December as the countries began trade negotiations.

President Trump has threatened further tariffs if negotiations fail and the two world powers cannot come to agreement. Maintaining a view that more tariffs on China would boost activity in the U.S., Trump recently tweeted, "We are now taking in \$billions in Tariffs. MAKE AMERICA RICH AGAIN." This statement can be viewed as potentially shortsighted, as it overlooks the fact that American consumers and businesses pay for these tariffs in the form of higher priced goods, instead of the

targeted foreign exporters. These tariffs are effectively "a tax increase on American families," as stated by Nebraska Republican senator Ben Sasse.

Impact of Tariffs on the U.S.

On the other side of the coin, Chinese retaliatory tariffs have cost American producers dearly, with soybean farmers taking the brunt of the repercussions. Prior to December, U.S. exporters sold only 523,000 tons of soybeans to China in the 2018-2019 marketing year. At the same point in 2017-2018, U.S. exporters had sold 21.5 million tons. Total soybean exports for that year were 27.7 million, down from 36.2 million in 2016-2017 before the tariff wars. This does not even highlight that the bottom fell out of already low prices when tariffs were announced.



Potential Good News on the Horizon

Despite the continued bluster on both sides, some progress has been made on trade negotiations. In early December, the USDA announced a sale of 1.13 million tons of soybeans to China representing the ninth largest daily sale in the history of USDA record keeping, and China's first major U.S. soybean purchase since the

trade wars began. Later that week, China purchased another 300,000 tons of U.S. soybeans, suggesting that the U.S. - China trade agreement has the potential to return to normal standards. China also announced it was (temporarily) reducing its tariff on U.S. autos from 40 percent, back to the pre-trade war level of 15 percent.

Though I am sure both China and the U.S. will declare victory, both sides have suffered economic setbacks during this trade war, making it difficult to determine a true winner. It may be quite premature to declare it complete, but at least we are seeing signs of improvement, which should provide some much-needed relief to consumers, farmers, and other businesses adversely impacted by this trade war.

United Bankers' Bank
Call Report (unaudited)
12/31/2018

Balance Sheet (000's)

Assets:

Cash and Due from Banks	\$ 54,919
Investments	\$ 70,638
Fed Funds Sold & Securities Purchased Under Agreement to Resell	\$ 117,456
Loans	
Outstanding	\$ 649,140
Loss Reserve	\$ (7,905)
Other Assets	\$ 28,998
TOTAL ASSETS	\$ 913,246

Liabilities and Capital:

Deposits	\$ 713,112
Fed Funds Purchased	\$ 92,227
Other Liabilities	\$ 6,958
Equity Capital	\$ 100,949
TOTAL LIABILITIES & CAPITAL	\$913,246

INCOME STATEMENT (YTD)

Interest Income	\$ 33,002
Interest Expense	\$ 7,157
Net Interest Income	\$ 25,845
Loss Provision	\$ 2,132
Net Interest Income	\$ 23,713
(After Provision)	
Other Income	\$ 15,221
Total Income	\$ 38,934
Operating Expenses	\$ 32,047
Securities Gains (Losses)	\$ —
Net Income Before Taxes	\$ 6,887
Tax	\$ 1,790
NET INCOME	\$ 5,097

Employee Spotlight

John Beerling

Vice President, International Business Development
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Family Members: Mary (Wife), Christopher (Son), Lauren and Meg (Daughters), Scott (Meg's Husband).

Pets: We have a boxer dog named Laila Ali and a cat named Mistinguett (Missy).

What do you listen to on your drive to work: Sirius XM 70s/80s.

Interests: Baseball and trivia.

If I could live anywhere in the world, I would live in: Las Vegas, NV.

If I could have one super power (besides flying) it would be: X-ray vision.

Many people don't know that I: I appeared on *Who Wants to be a Millionaire* last fall.

If I was not working in banking I would: work in in the front office of a professional sports team.

I started working at UBB in: October 2017.

My favorite part of working in banking is: My fantastic co-workers!

The best advice I ever got was: It's better to keep your mouth shut and appear stupid than to open it and remove all doubt.

First For Your Success means: Customer success is always the #1 priority.



John on *Who Wants to be a Millionaire* last fall.



Laila, Mary and John.



John's family at his daughter's wedding.

Job Candidate “Ghosting” – The Latest HR Hiring Headache

Have you ever waited for a job candidate to appear for an interview, who didn't show? You likely confirmed via phone or email. When your candidate had yet to arrive at the interview time, you called to make sure everything was alright. Much to your relief, the candidate indicated being just a couple minutes away. Those minutes ticked away, and still no candidate! Your next call goes right to voicemail as you realize the candidate is a no show. A bit peeved, you proclaim, “that candidate won't ever work for my bank,” ...likely a true statement.

The fact of the matter is you were “ghosted,” a term more commonly used in dating but making itself more frequent in the employment arena. Ghosting refers to when a person abruptly cuts off all communication with a potential “suitor” with no previous warning or notice. Since recruiting is like dating in many ways, it is not surprising that HR and hiring managers face it more and more.

The Driving Force Behind Ghosting

The increased presence of the ghosting phenomenon can be directly attributed to the current competitive job market, fueled by a national unemployment rate of 3.9 percent at the time of this publication.

Candidates having multiple choices in today's job market feeds into this newer trend of professional ghosting. More than 60 percent of candidates have job offers even before interviewing with you. At one time, companies received 100 plus applications for an opening, chose 15 to interview, and could proceed at their own pace. Now, you're happy with five decent resumes and hope 1-2 candidates agree to an interview. It's definitely a job-seekers' market with candidates usually holding most of the good cards.

Social media use can also be linked to the increase in ghosting, because it makes reaching out to people easier and more convenient for candidates to just not reply back. Due to the uncomfortable feeling of delivering rejection personally, many times candidates avoid formally declining a job offer because they don't know what to say.

Trying to reach out to a candidate who had previously expressed interest, but never hearing back from them despite many attempts, frustrates those responsible for hiring. Do you long for the days of handwritten thank you notes and treating people with respect? It also begs the reverse question – have you ever ghosted a job candidate by showing lots of interest, then cut off communications when a more qualified candidate comes through the bank doors? Ghosting happens on both sides of the employment process. It is a professional courtesy to

respond to a job candidate that someone else was selected, just as it is for a candidate to contact a potential employer to decline an interview or position.

There is also the existence of potential counteroffers. Many of the candidates may already have job offers in-hand and approach their current employer in hopes of receiving a counteroffer. According to a Robert Half survey, 50 percent of managers have countered an offer to retain staff.

The “Checking Around” Phenomenon

The tight labor market has also increased the “checking around” (to see what else is out there) phenomenon. Candidates continue to retain the upper hand and call most of the shots. The reasons why a person will look for another job still include higher income and professional growth opportunities, better benefits, shorter commutes, more flexibility and better managers.

Now that “ghosting” has made its way into the employment arena, what can employers do to reduce its occurrence?

How to Combat Ghosting

Ghosting and other no-show incidences can be reduced by shortening the hiring process, outlining the steps at the start, and catering to what the candidate really wants.

Be ready to move! Candidates have a relatively short shelf life, sometimes even less than 24 hours, so employers should react

quicker and expedite their job offers to shorten the recruiting process and reduce the candidate's waiting time.

Speak openly with the candidates at the beginning of the interviews. It is important to lay out the process and expectations. Proclaim your intent to be transparent about the process and maintain open channels of communication. Ask the candidate to do the same.

Make a concerted effort to learn about what drives the candidate. Sometimes it is about money or benefits, but it can also be commute time or flexible work arrangements. Don't attempt to only hear what you want to hear, instead really listen to the candidate's needs.

Don't focus on just one candidate at a time. Overbooking interviews can ensure you won't have to go back and review resumes or schedule more interviews. The more candidates you can interview, the better your odds are of making a good hire.

In reality, ghosting is likely here to stay as long as the job market remains.





Keeping the *Community* in Community Banking

Bank of Bridger • Bridger, MT

Just a half hour from the Wyoming border, sits the town of Bridger, Montana. Founded in 1898, Bridger is a scenic area of mountainous landscape and colorful canyon cliffs. Bank of Bridger has been a pillar of the community since they were incorporated in 1906, originally called First National Bank of Bridger. Since its founding, Bank of Bridger has expanded into the communities of Joliet, Red Lodge, Harlem, Butte and Plentywood in Montana, as well as, Lovell, Greybull, Powell and Thermopolis in Wyoming. All of the locations provide vital support to their communities with the products and services they offer in addition to sponsorships, partnerships and volunteer opportunities.

We spoke to the bank president, Bart Langemeier, to find out more about how Bank of Bridger is *Keeping the Community in Community Banking*.



Bank of Bridger employees 2019



Bank of Bridger, N.A. 2011

Bank Name:

Bank of Bridger, N. A.

Bank Charter

Location:

Bridger, Montana

Bank Representative:

Bart Langemeier, President

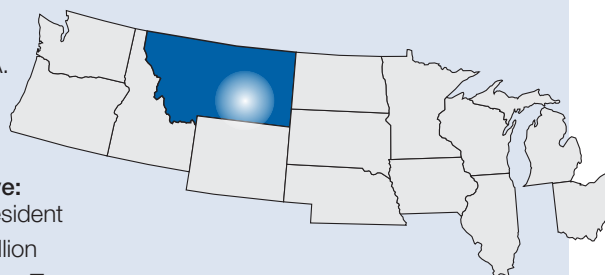
Asset Size: \$512 million

Number of Locations: Ten

Number of Employees: 101

Year Bank was Incorporated: 1906

City Population: 700



Below: Bank of Bridger, Red Lodge, MT

What is your community most known for?

Named for the scout, Jim Bridger, Bridger Montana is an agricultural community with historical ties to the railroad and mining. The infamous Bridger Trail passes through the town.

How is your bank involved in the community?

We are invested in all the communities where we live, work and serve. Our bank philosophy is to be present in the community. We volunteer through various means (i.e. coaching, local charities, church, organizations, school activities, etc.). We have scholarship programs available to graduating seniors. Recently, we started working in conjunction with a local organization to refurbish our old computers to donate to kids in need. In addition, we really enjoy hosting community gatherings like our annual picnic. It is a great time to get the community together, enjoy good food, music and camaraderie.

Do you have any goals or programs in place to encourage bank employees to be active in the community?

As mentioned previously, it is our philosophy to be involved in the community. Our communities need to thrive and survive. We encourage our employees to become involved and provide them with necessary time to do so.

What makes community involvement important to you and your bank?

Community involvement is important because it helps us, as a bank and as individuals, be connected to our communities, friends and neighbors. It gives us insight into what is going on in the community, people's opinions and points of view. It allows us to build relationships, provide assistance and share our expertise. Not to mention, it feels good to be involved.

What do you like best about your community?

Neighbors helping neighbors. Whether it is helping harvest, branding cattle, or helping an elderly person move, our community members look out for one another.

What do you like best about being a community banker?

The best part of being a community banker is community involvement. Watching dreams come to fruition, seeing our communities grow and prosper and playing a part in that is immensely gratifying.



Bank Valuations – Back to 2016?

By Ed Usalis, Vice President, BankValue

The start of the new year presented the U.S. economy with a host of challenges ranging from recent stock market volatility and a burgeoning trade war with China, to an uncertain interest rate policy and protracted government shutdown.

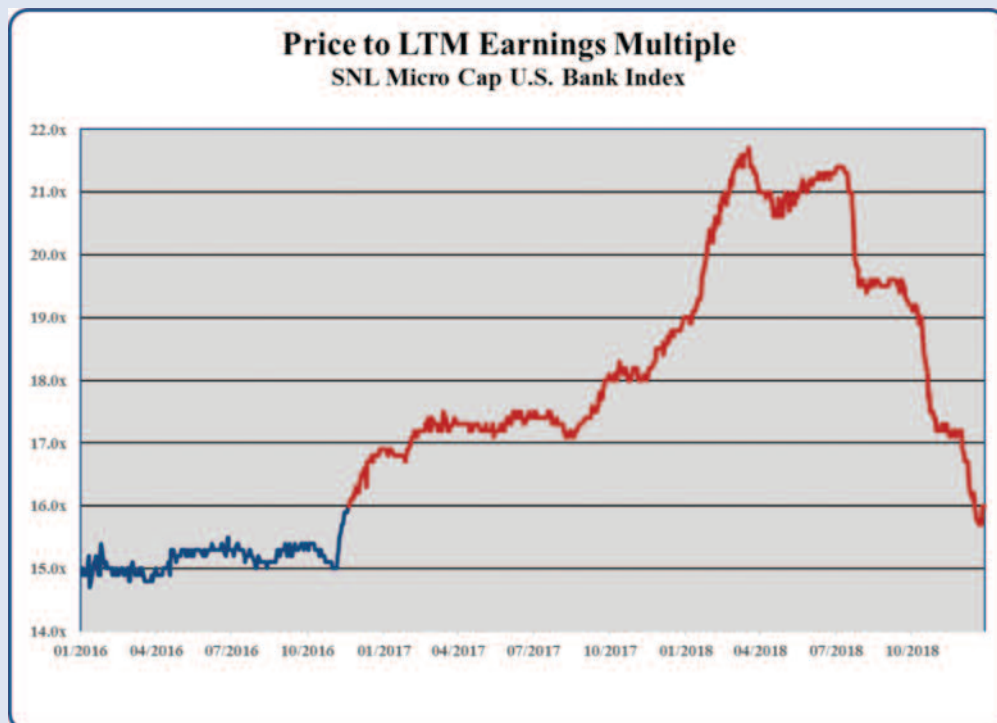
Unfortunately, these challenges have negatively impacted community bank valuations, reflected in the following chart, presenting the price to last 12-months earnings multiple for the SNL Micro Cap U.S. Bank Index. While the price to last 12-months earnings multiple peaked at 21.7 times on March 21, 2018, it ended 2018 at 16.0 times. The last time the SNL Micro Cap Index was valued at 16.0 times last 12-months earnings was on November 23, 2016.

The late 2018 decline in the price to last 12-months earnings multiple erased nearly all of the gains

associated with the 2016 presidential election and the 2018 Tax Cuts and Jobs Act (red line). Given this decline in the valuation multiple, community banks are left to wonder what 2019 will bring.

How Community Banks Can Preserve Wealth and Build Value in 2019

First, community bankers need to focus on retaining and expanding stable, well-priced deposit bases. This will be especially tricky as customers are looking for higher deposit rates. Second, community bankers will need to focus on efficiency to enhance operating results. Managing noninterest expenses should be a management imperative. Finally, as the turmoil in the U.S. economy continues, community bankers will need to remain vigilant with respect to credit quality and underwriting standards.



For more information on BankValue Advisory Services, contact Ed Usalis, Vice President, BankValue at **952-886-9525** or **Ed.Usalis@ubb.com**.



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If you have questions about our
products and services, please
call us at 1-800-752-8140.
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WIN

UBB's
Like and Win Promotion!

WIN

Win a Facebook Portal

Win a Bose Bluetooth Speaker

Stay current with all things UBB and Community Banking

The graphic features a woman with blonde hair and glasses, wearing a white shirt, sitting at a desk with a laptop. She has her arms raised in a celebratory gesture. The background is a bright, modern office space with large windows. The text 'UBB's Like and Win Promotion!' is prominently displayed in the center. To the left, a starburst graphic says 'WIN' above a Facebook Portal device. To the right, another starburst graphic says 'WIN' above a Bose Bluetooth Speaker. At the bottom, a blue thumbs-up icon is next to the text 'Stay current with all things UBB and Community Banking'.

How to Enter: Just like & follow the United Bankers' Bank Facebook page by April 5th, 2019 - It's that simple!

Already Following Us? You're in luck! You are already entered.**

@UnitedBankersBank

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** Winner will be drawn on April 8, 2019 and posted to our Facebook Page: www.facebook.com/UnitedBankersBank/.
UBB Employees and their family members are not eligible to win.