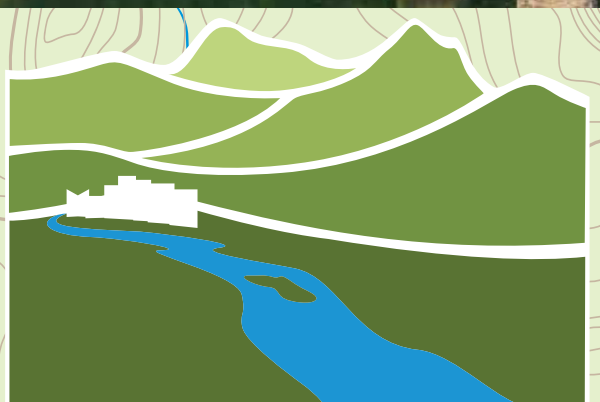
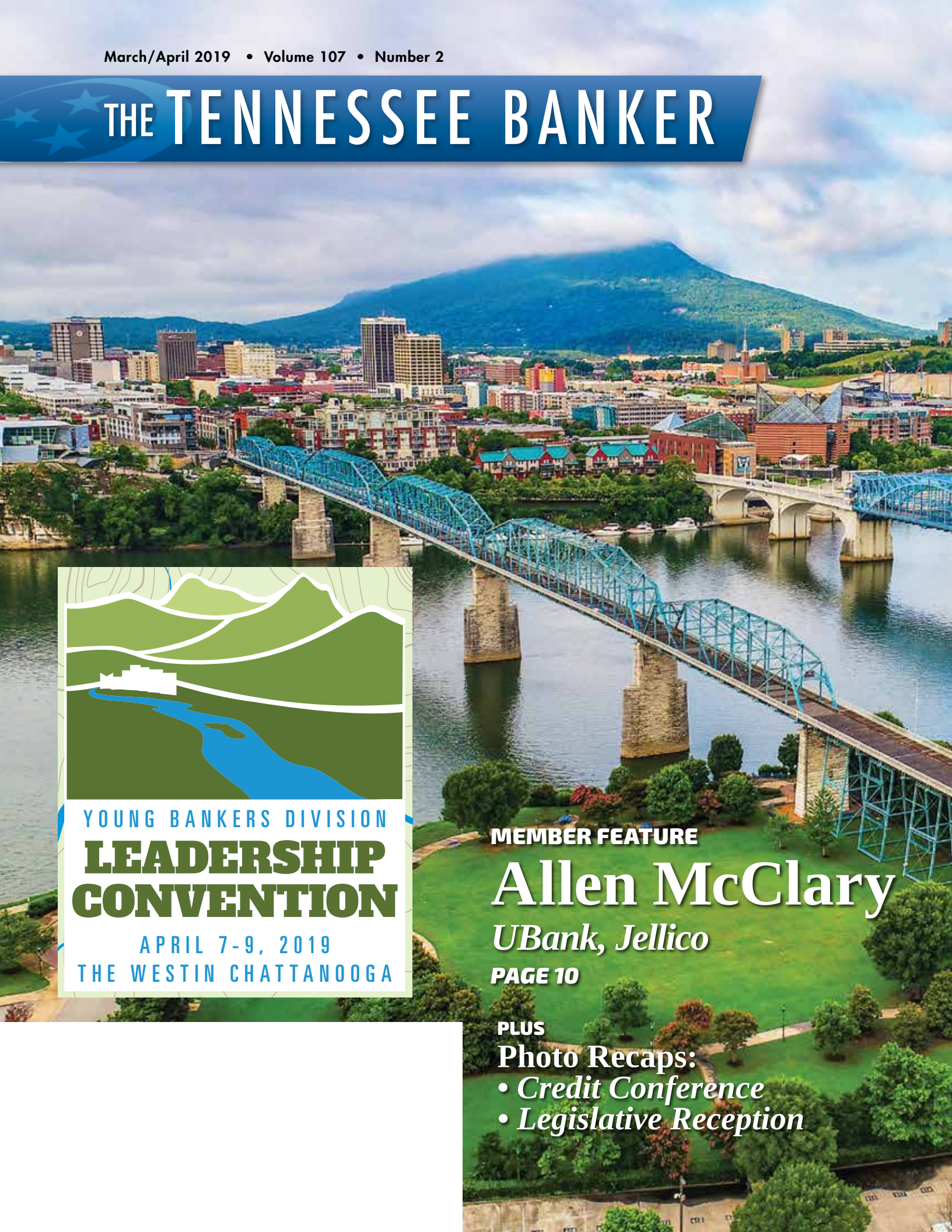


THE TENNESSEE BANKER



YOUNG BANKERS DIVISION
**LEADERSHIP
CONVENTION**

APRIL 7-9, 2019
THE WESTIN CHATTANOOGA

MEMBER FEATURE

Allen McClary

UBank, Jellico

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- *Credit Conference*
- *Legislative Reception*

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TBA travels to The Westin in
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COVER PHOTO: Ritzcarton.com



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COLIN BARRETT
President/CEO,
Tennessee Bankers
Association

Stakeholders create opportunities in 2019

THREE THINGS TO DO

- 1.** Register your bank to participate in *Tennessee Financial Literacy Week* by visiting www.TNBankers.org/finlitweek.
- 2.** Join us for our annual *Washington Conference* May 13-15. Email Penny Powlas at ppowlas@TNBankers.org for details.
- 3.** Consider engaging the students at high schools, community colleges, or universities in your community by establishing a Student Advisory Board.

“What are you most excited about?” The answer to this question tells a lot about each of us, mainly where our focus lies. For me, I am most excited about several new and continuing initiatives at TBA that are bringing together stakeholders from the banking industry. Here are just a few of the items we are focusing on in 2019.

Small Dollar Lending

A priority of FDIC Chairman Jelena McWilliams is providing access to small dollar loans in our communities. As bankers, you know the challenge that comes with the costs and regulatory liability of these loans. Yet, at the same time, you understand the negative impact that cash advance lenders have in your communities and on your borrowers. TDFI Commissioner Greg Gonzales and Rafael Valle, Tennessee Compliance Director for the FDIC, have established a working group of Tennessee bankers who are looking for ways to automate small dollar loans while establishing a “sandbox” that provides protection from any regulatory concerns. I commend Bank of Lincoln County’s Gay Dempsey who has spearheaded much of this effort from the banking side.

Appraisals

Last April, TriStar Bank, led by CEO Ted Williams, applied for an appraisal waiver from the Appraisal Subcommittee of the FFIEC. Ted’s concerns about a lack of appraisers in his bank’s footprint were echoed by many Tennessee bankers across the state. Unfortunately, TriStar Bank’s request was denied by the committee. In response, Ted, along with Commissioner Gonzales, brought a group of bankers and appraisers together to look at ways these two industries could address concerns and bridge communication gaps. Bankers and appraisers at a recent meeting decided to hold a joint education program and identify technology that could connect both industries. While there is much work to do, the progress and communication is encouraging.

Future Bankers

Over the past year, TBA has worked closely with four of our universities—MTSU, UT Martin, ETSU, and Tennessee Tech—to develop tools for bankers to connect with students interested in banking careers. Last month, Dr. Anne Anderson, the Weatherford Chair of Banking at MTSU, and TBA Vice President of Creative Services Matt Radford, presented an initial website to the TBA board designed to connect bankers with students throughout our state. Our objective is to launch it and then make it accessible to every student in Tennessee. The interest from our universities demonstrates their commitment not to just educate, but to see their students succeed.

Tennessee Financial Literacy Week

TBA’s Personal Economics Program (PEP) has been a tremendous resource for thousands of Tennessee students over the last several decades. However, financial literacy’s scope has broadened in recent years. In an effort to put a spotlight on banks’ financial literacy efforts, the TBA brought legislation to the Tennessee General Assembly declaring the first full week of April each year as *Tennessee Financial Literacy Week*. Our objective is for each bank to conduct an education program that week in their community. More information on *Tennessee Financial Literacy Week* can be found on page 27.

As an Association, our strength is determined by getting everyone involved and working together. And when we do, we can accomplish anything. I hope that you will be a part of these initiatives. 🇺🇸

-Colin

TBA Online

We're on social media. Follow us for the latest in all TBA news, events, and much more.



tnbankers, February 19

Congrats to Nashville's Citizens Savings Bank and Trust Company on celebrating their 115th anniversary. Today, TDFI Commissioner Greg Gonzales presented a proclamation from @govbilliee to acknowledge the honor. In 1904, the One Cent Savings Bank, now @cbntn1904, became the first minority-owned bank in Tennessee. Now it's the oldest, continuously operating, minority-owned bank in the U.S. #communitybanking #communitybank



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This simple and intuitive design allows you an interactive digital experience that works beautifully on desktops, tablets, and mobile devices.



TBA WEBINARS

Register for these webinars and more at
TNBankers.org/calendar

Board Reporting Series: Red Flags in Board Reports March 28

As a director, how do you review your board report packet and identify potential red flags in tandem with your fiduciary responsibility? Recognizing red flags starts with examining the list of reports and their contents, then extends to management's presentation and timeliness. Although not all red flags have a negative consequence, their appearance should alert you to ask questions that either resolve the issue or mitigate the situation before it turns into an exception item on your next examination report. Attend this webinar and enhance your ability to recognize potential red flags.

Mobile Device Risks, Records & Compliance Rules: Managing Your BYOD & COPE Policies & Procedures April 4

Bank employees and executives regularly use iPhones, tablets, and other mobile devices for business and personal communications. Some use personal, unsecured smartphones to conduct business; others use employer-owned phones to hold private, nonbusiness conversations. Either way, mobile device use increases your financial institution's legal, regulatory, security, and productivity risks. To help manage potentially costly risks, best practices dictate development of Bring Your Own Device (BYOD) and Company-Owned Personally Enabled (COPE) policies and procedures, supported by employee education and technology. This session will review mobile risks facing financial institutions, including how best-practices-based policies and procedures can reduce the likelihood of online disasters, increase legal compliance, and enhance communication.



AMY HEASLET
Executive
Vice President/
General Counsel,
Tennessee Bankers
Association

Make your voice heard

Let your legislator know about these two critical issues.

As a trade association, TBA's strength is in its membership—the stronger our member engagement, the stronger our association. And I believe TBA is one of the strongest trade associations in the country.

Strong member engagement can be measured by participation in our education and professional development opportunities, where attendance levels continue to reach all-time highs. It can also be measured by the involvement of banker advocates in our government relations efforts.

TBA's government relations team is well positioned to continue the government relations successes our association has enjoyed at the state capitol. However, lasting success comes from our team's ability to support and foster bankers' willingness to engage in the process as advocates for the industry.

Legislators rely on the bankers in their districts to keep them updated on banking issues and their communities in general. Having bankers serve in that advisor capacity is invaluable.

For bankers with established relationships with their legislators and for those who would like to become more engaged, there are two priority state-level issues I encourage you to discuss with your senator and representative.

First is TBA's legislation (SB 233 / HB 87) that would designate the first week in April each year as "Financial Literacy Week." Please take an opportunity to advocate for this and educate your lawmakers about the importance of having financially literate citizens. Let them know what you and other bankers are doing to ensure Tennesseans have the tools they need for financial success at every stage in life. For more information about how to participate in Financial Literacy Week, see Josh Lane's article on page 27.


Second is discussing the scope of elder financial exploitation and how it affects your custom-

ers. This issue has been a priority of TBA's for several years and, unfortunately, it is an issue that is not going away anytime soon. Despite passing comprehensive legislation in 2017 that allows banks to take new actions if elder financial exploitation is suspected, we continue to hear about elder exploitation on an increasing frequency.

We are engaged in legislative efforts this year to create a task force of all interested stakeholders to assess the current state of elder financial exploitation in Tennessee and make recommendations on how to address it. However, the report is not due to the General Assembly for at least another year, and we do not plan to sit back and wait for legislation based on the report's findings.

This is an immediate problem that needs immediate attention. Banks are already doing everything they can for their customers when they detect financial exploitation, but stopping this epidemic one transaction at a time is not a long-term solution. We must work to go after those who target the elderly if we want to see real results.

That is exactly what we plan to do. Advocating for increased funding for investigations by law enforcement and Adult Protective Services is the first step. To achieve this, the state legislature must approve the funding for it in the state's budget. The sooner we—TBA, bankers, and all stakeholders—begin educating lawmakers on the seriousness of elder financial exploitation and what it's costing their constituents, the more likely we are to see approval for the needed funding in the near future.

I encourage every banker to convey experiences of elder financial exploitation to their legislators and explain to them that investigating and prosecuting those who commit fraud against the elderly is the only solution. 

Washington Conference

May 13–15
Washington, D.C.

Meet with the federal bank regulators, national trade associations, and Tennessee congressional delegation to discuss current federal legislative and regulatory issues in a unified voice so that together our industry can be heard.

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Small Town Small Bank Big Ideas

UBank and President/CEO Allen McClary helping meet needs big and small

STORY BY ROGER SHIRLEY

PHOTOS BY KEITH MILES AND COURTESY OF ALLEN McCLARY

UBank's Allen McClary plays a prominent role in the economic and civic life of Jellico, a small town north of Knoxville that borders the Kentucky state line.

He knows the names of all of his employees, their spouses and children, the bank's shareholders, and most all of his customers—one of whom comes in every morning as soon as the bank opens just to get a cup of coffee and a bottle of water. He often gets involved in transactions and answers customer or employee questions that never reach most CEO's desks.

He's as likely to lend someone \$10 out of his pocket as he is to make a \$50,000 loan.

And he wouldn't have it any other way.

Continued on next page



As a third-generation banker in the small town of Jellico—population 2,500—Allen McClary enjoys the challenges and successes UBank provides.

With \$66 million in assets and 17 employees, UBank is one of the smallest banks in Tennessee. (In fact, it is the second smallest, just ahead of Citizens Bank & Trust in Atwood.) The bank, named Union Bank for most of its 100-year history, has been part of the community's lifeblood for all the decades, through thick and thin.

"The name UBank was first used in an advertising campaign about five years before we changed the name," McClary said. "We called it U Banking and the slogan was 'Everything we do begins with U.' We decided that kind of worked, so we changed our sign out front and said, 'OK, let's make it official,' and we did."

Proving a point

McClary is a third-generation banker who was determined not to be one.

His grandfather, Jake McClary, came to work at the Union Bank in 1934 after the Etowah, Tenn., bank he'd worked for closed during the Depression. He became president in 1952, and continued working until he was 88, the last 10 years as a teller. His father, Pat A. McClary, who still serves as UBank's chairman of the board, went to work for Hamilton National Bank in Chattanooga when he got out of the armed services in 1954 and later joined the elder McClary at Union Bank with a plan for him to assume leadership. McClary's mother also went to work at the bank in human resources and management.

When his parents moved from Chattanooga to Jellico, Allen McClary, then 15, remained behind to finish high school

at The McCallie School, living with his grandmother and making the drive to Jellico on weekends.

McClary went to the University of Tennessee, working at Union Bank in the summers, and he received his degree in civil engineering in 1982. After graduating, he landed a job at an engineering firm in Williamsburg, Ky., just north of Jellico. His wife, Diane, is a Jellico native, and they bought a house there and started a family.

Still, Pat McClary persisted in guiding his son to a destiny of joining the family tradition.

"Even when I was in college, my dad would say, 'You know you only need to finish college, and then just come back to the bank,'" McClary said. "Dad was always encouraging me to come to the bank, so I decided if I'm going to be in Jellico, that's probably where I need to be. I did everything I could to prove that I could be something besides a banker. And I proved that."

McClary was familiar with the bank from his work there as a student. He knew everybody and knew what was going on behind the scenes; but he still had a learning curve to go through.

"For the first five years, I learned to do everything, which almost hinders me to this day because I still know a little bit of everything, and people still come to me with their minor problems; but I let them. As I tell my staff, I'm not going to ask them to do anything I have not done or not willing to do myself."

Continued on next page

A Video Star Is Born



As UBank's 98th anniversary approached in late 2016, Allen McClary and his team decided to make a video to mark the occasion and share it on the bank's Facebook page. It was then that McClary became a video star of sorts in the small town of Jellico, using a self-deprecating sense of humor that plays well on social media.

"Here at the U, we are proud to announce we are celebrating Annie Versary's 98th birthday," McClary deadpans. "Cut," the director says off-screen. "We're not celebrating Annie Versary's birthday," he bellows. "Well, whose birthday is it?" McClary asks. "It's UBank's 98th an-ni-versary," says the director. And so on.

Then there's the one about celebrating Community Banking Month, which McClary garbles as community "baking" month as he stands wearing an apron and holding a mixing bowl and an egg beater.

Some feature customers, such as the couple George and Ethel, in which he assures her he can pay the bills through online banking even though she has no envelopes or stamps. Others are more serious in tone, such as his interview with one of the founders of the Jellico Rescue Squad in the 1950s. All of them have proven to be highly popular,



Allen and his wife, Diane

with hundreds of likes; a few of them had 4,000 views—an impressive amount for such a small town.

“I got the idea, I believe at an ICBA convention, during a panel on marketing,” McClary said. One banker showed some Facebook videos his bank had done that mixed comedy with messaging. That gave me the idea.”

UBank has posted about 25 videos in the past two years. “We haven’t been as active lately, but we’re going to kick it back up,” he said. “We’re also going to add Instagram and Twitter, because that’s where the young people are.”

For McClary, it’s a great way to reach people in a town that doesn’t have its own local newspaper or TV station. Instead it has just one radio station and one billboard.

“UBank is a great example for other banks to follow of how you can serve a small area but have a big reach using social media,” said Stacey Langford, TBA executive vice president and chief operations officer. “They are showing you don’t have to have a huge budget or an in-house marketing team to be effective and fun in engaging your community through social media.” 📺



With \$66 million in assets and 17 employees, UBank is the second smallest bank in the state. Here, McClary, his wife and the UBank staff, support Women's Heart Health Go Red Day.



Renewed optimism

In the 1950s and into the '60s, Jellico benefited from the once-booming coal industry that dominated the region, on both sides of the state line in Kentucky and Tennessee. The local economy was humming and jobs were relatively plentiful. At that time, Jellico had about 10,000 residents.

Today, the town has only about 2,500 residents, light manufacturing jobs in the area are sparse, and there's little residential construction. "Jellico has had its share of hard knocks," McClary said.

For McClary, part of the mission of the bank is to help spark the local economy, and he has been active in the business and civic fabric of the town. About two years ago, he helped organize a local group called Gem City Proud—"they used to call the local coal The Gem"—which came together to discuss ways to improve the community.

"We meet once a month at the bank to keep the conversation going as to things we all can do not only to promote our town, but to put our ideas and words into action," he said, "We figured out if you don't plan for something, it definitely won't get done. So we've done that and have some things rolling to spur things on."

An example is the announcement last year by a heavy-duty trailer manufacturing operation that it will open a new facility and create 100 new jobs after receiving a state grant to renovate an existing industrial building—a move that McClary says is a "huge deal" for Jellico.

"There really is a new optimism renewed sense of growth and spirit here in Jellico," he said.

There are other community needs that McClary and UBank have helped meet, which he finds particularly satisfying. "A fellow came to me for help to get a food pantry started, and he's been doing it now for about six years," he said. "We have a drug addiction facility here that's been open about four years. The bank was involved in helping them get started."

And then there are projects like Jellico's 23 new self-watering planters. The Gem City Proud group raised \$7,000 to buy the planters and brighten up the downtown atmosphere. McClary used UBank's locally popular Facebook page to help lead an "adoption" campaign to get them filled. "Our message was, we don't have any dirt, we don't have any flowers, so adopt a pot," he said with a smile. "And that's what we did."

McClary is also proud of the bank's college scholarship program for Jellico High School graduates, which has handed out 33 \$8,000 scholarships over the past 17 years.

"We did a count the other day, and roughly half of those recipients are still in Jellico," he said. "That was surprising to me in a good way. It's important for a town our size for good, well-educated young people to want to remain here."

'Always thinking'

One reason that's important, as McClary points out, is that almost all of his staff are from Jellico: Something that's virtually required for a small-town bank where customers expect to not only know their bankers' names, but to know them as people.

Another reason is that it is a part of the broader effort to reverse the town's economic fortunes—for the overall good of the community and for the future of the bank. Although UBank enjoys an 83 percent deposit market share, Jellico's negative growth over past few decades means commercial lending opportunities are virtually nonexistent.


While some banks are setting asset targets for cost efficiency in areas such as cybersecurity, IT, and compliance, he said, "we're so small we're not even in that position."

How to preserve the future of the bank, however, is something McClary thinks about "every day when I wake up."

"So we are always thinking. Do we need to branch? Do we need to look for a partner? We are always looking for the answer to the question, 'How long can you ride this?' You have to have growth to keep up with inflation, and in a small community, that becomes harder."

For Allen McClary, sustaining the future of the bank is important well beyond financial implications. It's important for his employees—most of whom are long-timers. It's important for his family—his wife, Diane, is a senior vice president and his son, Jake, is a lender, and his other son, Matt, is a successful local businessman.

Perhaps more than anything, it is important for the community.

"We make a lot of small loans that we make nothing off of, probably lose some money. We are literally open to any request of anyone who walks in the door. But in our community, that's the need, and that's what we have done all these years." 

Tennessee House recognizes TBA Chairman John Muse

On Feb. 4, 2019, Rep. Timothy Hill (R-Blountville) honored TBA Chairman John Muse with a resolution during session in the House chamber.

House Joint Resolution 57 recognizes Muse for his tireless dedication and integrity to the local banking and insurance communities in Northeast Tennessee and for his lasting contributions as a board member and as President & CEO of Farmers State Bank in Mountain City.


"We are fortunate to have effective local leaders like John Muse, who are incredibly dedicated to meeting the needs of our citizens," said Chairman Hill. "I know we are all proud of John, and we are grateful to him for his many contributions within our insurance and banking industries. This resolution is a small way we can thank him for all he has done for Johnson County and Tennessee." 



PHOTO: DAWN MAJORS

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Tennessee Bankers Association's 129th *Annual Meeting* gathers bankers from institutions of all sizes to explore trends and emerging issues in financial services—and how we can respond to ensure a strong future for our industry.

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Black Hawk Down



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Elliott Davis, LLC, Franklin, Tenn.—*WIFI in Business Session*
Federal Home Loan Bank of Cincinnati, Cincinnati, Ohio—*Banquet Reception*
Saltmarsh, Cleveland & Gund, Brentwood, Tenn.—*Lunch in Exhibit Hall,*
Tuesday

Silver

Alexander Thompson Arnold, PLLC, Milan, Tenn.—*Dessert Reception Music*
Bankers Healthcare Group, Syracuse, N.Y.—*June 18 Coffee Bar*
Bankpak Security, Morrison, Tenn.—*In Room deliveries*
CRS Data, Knoxville, Tenn.—*Agenda-at-a-Glance*
Dixon Hughes Goodman, LLP, Asheville, N.C.—*Post-Banquet Reception*
Entertainment
Earl R. Whaley and Company/Centerpoint Flood Services, Alcoa, Tenn.
—*Printing of Program*
Farmers State Bank, Mountain City, Tenn.—*Refreshments at Registration*
First National Bankers Bank, Birmingham, Ala.
—*Grand Prize Giveaway and Pens*
Harland Clarke, San Antonio, Texas —*June 17 Coffee Bar*
Helms Briscoe, Alpharetta, Ga.—*TBA Board Dinner*
ICBA Bancard and TCM Bank—*Continental breakfast in Exhibit Hall,*
Monday and Tuesday
KraftCPAs PLLC, Nashville, Tenn.—*Mobile App*
Mauldin & Jenkins CPA, LLC, Chattanooga, Tenn.—*Banquet Wine*
Pugh CPAs, Knoxville, Tenn.—*Banquet Centerpieces*

Bronze

Bone McAllester Norton PLLC, Nashville, Tenn.—*CEO Roundtable*
PYA, Knoxville, Tenn.—*Note Pads*
Travelers, Charlotte, N.C.—*Boxed Lunches for Golfers*
S&P Global, Charlottesville, Va.
Waller, Nashville, Tenn.

ANNUAL MEETING EXHIBITORS

Acumen Technology, LLC, Nashville, Tenn.
AmTrust North America, Cleveland, Ohio
Ascensus Inc., Brainerd, Minn.
Bankers Healthcare Group, LLC, Syracuse, N.Y.
Bankpak Security, Morrison, Tenn.
Brandpoint Design, Brookfield, Wisc.
Compliance Alliance, Austin, Texas
Eclipse Brand Builders, Suwanee, Ga.
Equias Alliance, an NFP Company, Memphis, Tenn.
Federal Home Loan Bank of Cincinnati, Cincinnati, Ohio
Financial PSI, Nashville, Tenn.
First Regents Banc Services, Franklin, Tenn.
Franklin Madison, Franklin, Tenn.
Haberfeld Associates, Lincoln, Neb.
Hamilton Mortgage, Birmingham, Ala.
Harland Clarke, San Antonio, Texas
Independent Community Bankers of America, Washington D.C.
Integrity Solutions, Nashville, Tenn.
Investors Title Ins Co, Chapel Hill, N.C.
Jack Henry Banking, Monett, MO Level 5, Atlanta, Ga.
Main Street, Inc, Birmingham, Ala.
Meyer Chatfield Group, Nashville, Tenn.
Ncontracts, Brentwood, Tenn.
NetGain Technologies, Chattanooga, Tenn.
NewGround, Chesterfield, Mo.
ProBank Austin, Brentwood, Tenn.
Promontory Interfinancial Network, LLC, Arlington, Va.
PYA, Knoxville, Tenn.
Quality Data Systems, Charlotte, N.C.
Retriever Payment Systems, Germantown, Tenn.
SBS CyberSecurity, Nashville, Tenn.
SHAZAM Network, Des Moines, Iowa
Strategic Resource Management, Inc., Memphis, Tenn.
TransFund, Tulsa, Okla.
Travelers, Charlotte, N.C.
UMS Banking, Glendale, Calif.
Visible Equity, Salt Lake City, Utah
Works24, Ridgetop, Tenn.



CREDIT CONFERENCE

February 5 & 6
Omni Nashville Hotel

PHOTO RECAP

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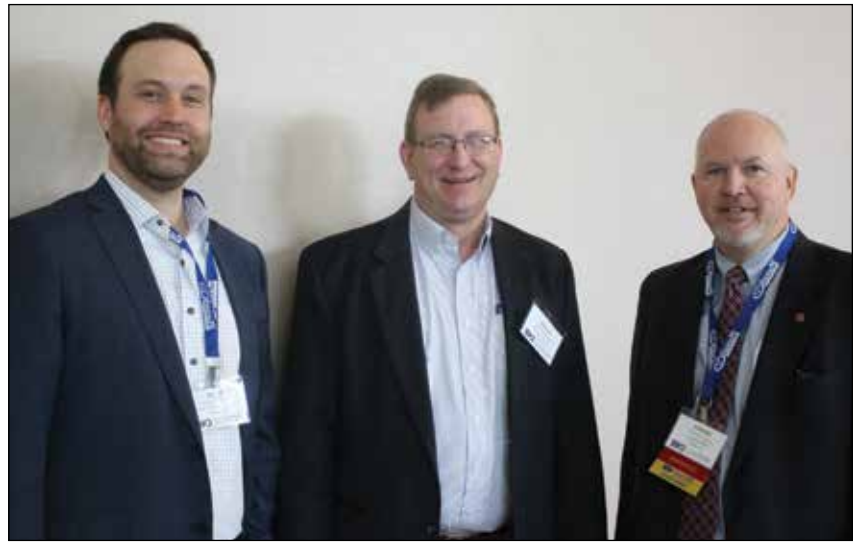


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1.



2.



3.



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5.



6.



UNIVERSITY STUDENTS ATTEND CREDIT CONFERENCE

As is a *Credit Conference* tradition, banking and finance students from the Tennessee State University, Middle Tennessee State University, University of Tennessee Martin, East Tennessee State University, Tennessee Tech University, and Austin Peay State University participated in the conference thanks to sponsorships from banks in the schools' area.

1. UTM: Nick Taylor, Bradley Hutchens, Ben Beard, Mickey Crump, UTM College of Business and Global Affairs, Dean Ross Dickens, Lance Roby and Dylan Simmons

2. MTSU: Joshua Kroeger, Christian Humphreys, Aidan Black, David Vernon-Gibb, and Kate Davis

3. TSU Students Joel Porter and Megan Huppee

4. TTU: Aaron Davis, Caden Fox, Joseph Rice, Dr. Mark Melichar, Ben Davis, Mike Porten, Kyle Goke, Blake Reynolds, Zach Grainger

5. ETSU: Connor Brown, Christopher Santana, Edith Nguessan, Chase Blackwell, Dr. Anca Traian

6. APSU: (front row) Jason Scott, Patrick Bush, Matthew O'Brien, Bryan Warren, Courtney Satterfield, Amanda Erdman, Kelsey Speed, (back row) Anthony Cooper, Joseph Streeter, Collin Thornton, John Rudolph



Q&A with State Treasurer David H. Lillard, Jr.

The Tennessee Banker spoke with State Treasurer David H. Lillard, Jr. to get an update on his effort to improve the financial literacy, financial wellness, and retirement readiness of Tennesseans. Treasurer Lillard has worked diligently to provide resources to help Tennessee families plan, save, and invest for their futures.

MORE ABOUT THE TENNESSEE FINANCIAL LITERACY COMMISSION

The Tennessee Financial Literacy Commission was created by the Financial Literacy Program Act of 2010. It is a 501 (c) (3) tax exempt nonprofit corporation operating primarily through donations from businesses and individuals dedicated to improving the financial culture of Tennessee.

How well is the Tennessee government and public managing finances?

First, thank you for the opportunity to connect with our bankers across the state. Tennessee enjoys high regards nationally for the financial management of the state government and many local governments. We are one of only 12 states with a triple AAA Bond rating. While many state pension plans are poorly funded and struggling, Tennessee's plan ranks third in the nation. But we also bear the sad distinction of being the state with one of the highest rate per capita of Chapter 13 wage earner personal bankruptcies anywhere in the nation. These high consumer debts and consumer bankruptcy rates prevent many Tennessee families from realizing their financial goals. As State Treasurer, it is my goal is to continue the financial success of the state while making available to all Tennesseans the financial literacy tools to help put them on a path to sound financial management in their own lives.

What can you tell us about the current efforts and focus of the TNFLC?

Since we created the Tennessee Financial Literacy Commission in 2010, we have worked to expand its scope, to increase access, and make a larger impact in Tennessee classrooms. We began by offering the na-

tionally recognized Financial Fitness for Life curriculum at no charge to teachers. We partnered with EverFi to offer free access to the *Vault—Understanding Money* online learning course to Tennessee K-8 schools. During the last school year alone, 7,046 students across the state completed Vault modules, and the online product has helped us reach a total of 25,847 students in 179 schools across the state.

Most recently, the TNFLC has been focused on introducing another resource for schools, *My Classroom Economy*. Developed by The Vanguard Group, *My Classroom Economy* is a behavioral management learning program that enables any classroom educator to teach children financial responsibility through experiential learning. The basic tenets of this program revolve around students having classroom jobs where they earn Classroom Economy Cash and pay expenses, such as rent on a desk or for borrowing a pencil. The teacher gives bonuses for positive behavior and issues fines for corrective action. Since *My Classroom Economy* is a classroom behavioral management system rather than a textbook or curriculum, it delivers motivation to students and empowers teachers without impeding instructional learning time. In August 2018, Tennessee became the first state in the country to formally launch this program statewide!

With the addition of *My Classroom Economy*, you can offer a variety of ways to get financial literacy curriculum into classrooms across the state?

The TNFLC can now provide financial literacy resources through curriculum, online, and through in-class behavior management, and the resources and the training to use them are free to Tennessee schools. We have worked to be more adaptable to the needs of specific communities. Our TNFLC Director, Bill Parker, has worked to create customized financial literacy initiatives in different school systems—from hosting in-service training in a specific school district to working with school systems to offer *My Classroom Economy* or the *Vault—Understanding Money* program district wide.

We focus on the classroom because many students don't get financial education in their own homes. As one teacher stated in a recent survey, getting financial literacy into Tennessee's classrooms "is a HUGE way to break the cycle of generational poverty in our area."

What tools or resources does the TNFLC make available for adults?


While working closely with Tennessee teachers, many have told us they did not feel confident teaching financial literacy when they do not personally feel strong in this area. As a teacher shared, "I was not taught personal finance in school or at home. This has followed me into adulthood. I do not save well, have been in financial trouble many times, and have no money sense. By teaching the students as they grow, they will be more confident in their decision-making skills concerning money."

In 2017, we launched the *Financial Empowerment Resource Library*, an online financial education tool for adults. The Resource Library contains 18 online modules covering topics such as budgeting, building emergency savings, credit scores and reports, homeownership, checking accounts, and retirement. With this addition, the Commission now provides financial education to Tennesseans of all ages.

How can Tennessee bankers help support the efforts to expand these resources in our communities?

Tennessee's bankers continue to be great partners of the Tennessee Financial Literacy Commission. Because we share an intrinsic responsibility to educate our communities on financial matters, we ask that you help us connect with your community by serving as a local advocate and partner to bring these programs to schools in your area. We aim to provide financial educa-



tion to students in every classroom, especially those in low-to-moderate income and rural areas across the state. I am committed to raising private funds for the Commission, so we can continue to offer these vital resources to Tennessee schools at no cost. If you have influence with the schools in your area and would like to partner with the Commission, please contact Bill Parker at 615-532-5892. 

**Treasurer Lillard with
TDFI Commissioner
Greg Gonzales at TBA's
Legislative Reception in
February**

**PHOTO: SCOOBIE'S
PHOTOGRAPHIC IMAGES**

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Take part in inaugural Financial Literacy Week



JOSH LANE

Vice President/
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The First National Bank
of Oneida,
Oneida

REGISTER FOR FINANCIAL LITERACY WEEK

Visit TNBankers.org/finlitweek to learn more about Tennessee Financial Literacy Week and register your bank's activities. Financial Literacy Week is April 8–12, 2019. Use hashtag #TNFinLit when posting your efforts on social media.

Banks work hard to ensure that our financial education programs are available and easy to understand so that consumers can get the tools needed to lay a strong financial foundation.

The Young Bankers Division has been the catalyst to promoting Tennessee banks' efforts in financial literacy since the 1980s.

The financial literacy efforts were concentrated in the Personal Economics Program (PEP), a consumer education program developed by the American Bankers Association in 1977. Over the decades, the ways that banks engage their communities in financial education have evolved, and this year the Tennessee Bankers Association is restructuring PEP into a new program—*Tennessee Financial Literacy Week*.

What is Tennessee Financial Literacy Week?

During the week of April 8–12, 2019, we encourage every bank across the state to host a financial literacy event for their community, which we will promote in the press and social media using #TNFinLit, and engage elected officials. Going forward, the first full week of April each year will be officially designated as *Tennessee Financial Literacy Week*.

What kinds of financial literacy events qualify?

Tennessee Financial Literacy Week events are not limited to any age group or setting; we just ask that the presentation or event is focused on financial literacy. Topics include: how school-aged children can save or use credit wisely; how seniors can safeguard funds or avoid scams; a Rotary Club presentation on banking; or a promotional event in-bank with customers to highlight a certain product or service.



TENNESSEE BANKERS ASSOCIATION

Financial Literacy Week APRIL 8–12 2019


How will I know what to talk about at a presentation?

At TNBankers.org/finlitweek, there are several tool-kit presentations, worksheets, promotional flyers, and resources that bankers can access regardless of how long the presentation is or the kind of audience. If you don't see something that fits your activity, please reach out to TBA, and they'll help develop or find a resource that works with your event.

Do I need to register my bank's participation?

Yes, TBA asks that every member bank register their plans by submitting a simple registration form at TNBankers.org/finlitweek. This way we can quantify the impact to promote the collective good by Tennessee's banks and know which counties and legislative districts have banks that are engaged in the week.

How do I promote my bank's activities?

Using the social media hashtag, #TNFinLit, banks across the state can promote their financial literacy efforts in the community during Tennessee Financial Literacy Week and throughout the year. The hashtag can also be used when banks promote financial literacy tips and tools for their customers and followers. If all banks use the same hashtag, the collective good and impact from all banks' efforts in Tennessee can be easily recognized. 

LEGISLATIVE RECEPTION

Photo Recap

Monday, February 4, 2019
War Memorial Auditorium

PHOTOS BY: SCOOBIE'S PHOTOGRAPHIC IMAGES











Forecasting call volume for a conversion event?

Try these 5 best practices



RON HASBROOKE
Business Development
Executive,
Harland Clarke

MORE FROM HARLAND CLARKE

To learn how Harland Clarke can ensure your card distribution strategy strikes the right balance to meet the needs of your account holders, contact Harland Clarke's Keith Potts at 615-295-4378 or keith.potts@harlandclarke.com.

Accurate forecasting is key to proper staffing and delivering a high-quality customer experience, so it is important to accurately predict how many representatives your institution will need during a conversion or change event.

Unsure of where to start? Below are a few of Harland Clarke's best practices, honed over many years of successful conversions.

1. Leverage Existing Data and Tools

Most financial institutions have estimates for their "normal" volume, but it's easy to underestimate just how many customers will rely on service channels during a change event.

For online and mobile banking conversions, anticipating customer needs and expectations is critical to ensuring success. The easiest way to estimate how customers and members will act during a change event is to study their current behavior or study the existing data.

Combining normal behavior with demographics allows you to predict what channels you will need to focus on during the conversion. Is your customer base older and more established with your institution? Then it makes sense to prepare for a spike of in-branch visits and phone calls.

Are they younger and more technically savvy? Then you may want to increase your social media and SMS capabilities.

By knowing your customers and their use of service channels during normal circumstances, your institution can anticipate how they are likely to respond during special circumstances—and prepare accordingly.

Call volumes can more than double during a conversion or major change event, so it's always best to over prepare and normally easier to quickly ramp down than up. Give some thought to how shrinkage and attrition will impact staffing—a common estimate is 30 percent above needed staffing levels.

2. Think of Impact on Days and Hours of Operation

Often, when institutions know a big event is coming, they make the mistake in thinking that simply expanding hours will solve the problem. The flaw in this strategy is that a good portion of customers are already accustomed to your institution's standard hours, so, extra hours may not produce expected volumes.

Further, if you expand hours, this will likely stretch the same number of people over more hours, which may lead to short staffing and/or many hours of overtime pay.

Some institutions may choose to increase staffing in their contact center with existing branch staff. While this may seem like an obvious approach, it has significant risks. Often, the first choice may not be the best, and with customer experience on the line, it may be best to utilize experienced contact center professionals.

3. Factor in Lengthier Call Handle Times

Customers are likely to turn to the contact center first to find answers, particularly during an inbound event when they are bound to have a greater number and more complicated questions.

This leads to not only an increase in overall call volume but also longer call duration.

During an online and mobile banking conversion, for example, calls average 2-3 times longer than normal, lasting an average of 6.5 minutes each (the higher end has calls lasting nearly an hour).

Consider that most institutions with general customer service calls will see average handle times in the 2- to 4-minute range. During a change event, these times can increase to 7-9 minutes—more than double!

Without enough people to handle the volume and increase in call time, institutions could find themselves woefully understaffed.



4. Consider Supervisory Needs

Most contact centers run with representative-to-supervisor ratios of somewhere from 12:1 to 18:1. When it comes to a big inbound event, both the additional representatives and existing staff will be much busier than usual, which means the supervisors will also be very busy.

When forecasting supervisory needs during an inbound event, lower the ratio of representatives-to-supervisors in the contact center. Having inexperienced or new representatives can make it even tougher on supervisors when they really need extra experience and expertise to deal with questions and escalations on calls.

5. Consider an Expert Solutions Provider

A good way to estimate likely changes in handle time is to reach out to third-party suppliers, such as Harland Clarke who offer extensive financial services expertise and have supported numerous inbound events such as acquisitions, card re-issues, and conversions. Consulting with a partner allows institutions to double-check early forecasting and gather relevant case study data instead of relying on guesses or “ball park” figures. Rely on their experience and expertise to help guide your institution to prepare for the event and provide an exceptional customer experience while doing it! 🇺🇸

Call volumes can more than double during a conversion or major change event. To avoid overwhelming your staff with customer service calls, try these five best practices presented by Harland Clarke.

PHOTO: SHUTTERSTOCK



BankDirector
Strong Board. Strong Bank.

Has digital banking changed how banks compete for customers?



JOHN J. MAXFIELD
Executive Editor,
Bank Director

MORE FROM BANK DIRECTOR

Bank Director focuses on the strategic issues most fundamental to a bank's CEO, senior leadership team, chairman and independent directors. Bank Director's board education program is an affordable membership program that combines Bank Director's conferences, their quarterly publication, director training videos and their online library of exclusive articles. For more information, please contact Amanda Wages at 615-777-8461 or awages@bankdirector.com.

To understand the seismic shifts underway in the banking industry today, it's helpful to look back at what a different industry went through in the 1980s—the industry for computer memory chips.

The story of Intel Corp. through that period is particularly insightful.

Intel was founded in 1968.

Within four years, it emerged as one of the leading manufacturers of semiconductor memory chips in the world.

Then something changed.

Heightened competition from Japanese chip manufacturers dramatically shrank the profits Intel earned from producing memory chips.

The competition was so intense that Intel effectively abandoned its bread-and-butter memory chip business in favor of the relatively new field of microprocessors.

It's like McDonald's switching from hamburgers to tacos.

In the words of Intel's CEO at the time, Andy Grove, the industry had reached a strategic inflection point.

"[A] strategic inflection point is a time in the life of a business when its fundamentals are about to change," Grove later wrote his book, *"Only the Paranoid Survive."*

"That change can mean an opportunity to rise to new heights," Grove continued. "But it may just as likely signal the beginning of the end."

The parallels to the banking industry today are obvious.

Over the past decade, as attention has been focused on the recovery from the financial crisis, there's been a fundamental shift in the way banks operate.

To make a deposit a decade ago, a customer had to visit an ATM or walk into a branch. Nowadays, three quarters of deposit transac-

tions at Bank of America, one of the biggest retail banks in the country, are completed digitally.

The implications of this are huge.

Convenience and service quality are no longer defined by the number and location of branches. Now, they're a function of the design and functionality of a bank's website and mobile app.

This shift is reflected in J.D. Power's 2019 Retail Banking Advice Study, a survey of customer satisfaction with advice and account-opening processes at regional and national banks.

Overall customer satisfaction with advice provided by banks increased in the survey compared to the prior year. Yet, advice delivered digitally (via website or mobile app) had the largest satisfaction point gain over the prior year, with the most profound improvement among consumers under 40 years old.

It's this change in customers' definition of convenience and service quality that has enabled the biggest banks over the past few years to begin growing deposits organically, as opposed to through acquisitions, for the first time since the consolidation cycle began in earnest nearly four decades ago.

The new definition of convenience has also altered the growth strategy of these same big banks.

If they want to expand into a new geographic market today, they don't do so by buying a bunch of branches. They do so, instead, by opening up a few de novo locations and then supplementing those branches with aggressive marketing campaigns tied to their digital banking offerings.

It's a massive shift. But is it a strategic inflection point along the same lines as that faced by Intel in the 1980s?

Put another way, has the debut and adop-



tion of digital banking changed the fundamental competitive dynamics of banking? Or is digital banking just another distribution channel, along the lines of phone banking, drive-through windows or ATMs?

There's no way to know for sure, says Don MacDonald, the former chief marketing officer of Intel, who currently holds the same position at MX, a fintech company helping banks and developers better leverage their customer data.

In MacDonald's estimation, true strategic inflection points are caused by changes on multiple fronts.

In the banking industry, for instance, the fronts would include regulation, technology, customer expectations and competition.


Viewed through this lens, it seems reasonable to think that banking has indeed passed such a threshold.

On the regulatory front, for the first time ever, a handful of banks don't have a choice but to focus on organic deposit growth—once the exclusive province of community and regional banks—as the three largest retail banks each hold more than 10 percent of domestic deposits and are thus prohibited from growing through acquisition.

Furthermore, regulators are making it easier for firms outside the industry—namely, fintechs—to compete directly against banks, with the Office of the Comptroller of the Currency's fintech charter being the most obvious example.

Technology has changed, too, with customers now using their computers and smartphones to complete deposits and apply for mortgages, negating the need to walk into a branch.

And customer expectations have been radically transformed, as evidenced by the latest J.D. Power survey revealing a preference toward digital banking advice over personal advice.

To be clear, whether a true strategic inflection point is here or not doesn't absolve banks of their traditional duty to make good loans and provide excellent customer service. But it does mean the rules of the game have changed. 

This article was originally published on BankDirector.com.

Seventy-five percent of Bank of America deposit transactions are completed digitally. This data implies that for some customers, convenience and service quality are no longer defined by the number and location of branches. Now, they're a function of the design and functionality of a bank's website and mobile app.

PHOTO: SHUTTERSTOCK

Preparing for your board's questions about CECL



DENNIS FALK
Senior Vice President,
Regional Manager,
PCBB

MORE ABOUT PCBB

Dedicated to serving the needs of community banks, PCBB's comprehensive and robust set of solutions includes: cash management, international services, lending solutions and risk management consulting services, including CECL. To learn more, contact Dennis Falk at dfalk@pcbb.com or 804-356-2048.

Bankers are preparing for the launch of new rules for calculating current expected credit losses (CECL). Community bank boards, accountants, regulators, and others will all be keeping an eye on CECL preparation by management. Any lapse could be costly, once the examiners show up.

So, what sorts of questions should the typical community bank board ask?

Timing: When does CECL take effect for your bank and when will you have your preparations complete?

CECL has staggered effective dates depending on the type of bank. Assuming a calendar year-end, public banks fall under the first adoption date of January 1, 2020. However, for Public Business Entities (PBE) non-SEC filers, your effective date is January 1, 2021. For all other entities including non-PBE institutions, the first adoption date will be January 1, 2022. Be clear on the effective date and the target date needed for completion of your bank's implementation. Further, be prepared to give periodic updates on progress toward your goal and when you expect to have results to review with your board of directors.

Responsibility: Who exactly is in charge of CECL at your bank; how did you construct your team; and who is on it?

Ideally, the full CECL team should include the CFO, CCO, CIO, and other critical staff. The new rule includes heavy use of data, credit, and the impact of rate movement over time, so make sure you have clearly designated responsibilities and lines of authority.

Data: Are you capturing the right data for CECL analysis, and is it clean and ready for use in calculations?

You should be prepared to discuss the rationale for loan groupings, the average loan life for each group, and how each was

derived and applied in the calculation. This also requires data capturing the charge-off/recovery history for each loan group.

Reserves: Which modeling method(s) do you plan to use for your reserve calculations? Will you use a method that requires more or fewer qualitative adjustments when economic and performance conditions change?

The board will want to know which reserve methods you contemplate using and your reasoning for those selections. Be prepared to discuss scenarios you have evaluated and how reserves might change under each one. Boards may want to see a range of reserve rates. Finally, be prepared to discuss how changing conditions and/or assumptions might also impact your capital position.

Cost: How much is this going to cost your bank in terms of personnel and/or software/vendor expenses?

Can your bank handle ongoing calculations in-house or will outside vendors be required? If external vendors are needed, be ready to discuss how the search and selection is being handled. You will also need to explain the vendor competency review process and possible risks. Make sure to ask whether the vendors under consideration have a working model to review.

Preparing for board questions on CECL and responding to them can be a time-consuming process. It's important. It will not only keep your board abreast of the progress, but also help your team better prepare when the auditors and regulators start asking questions about your CECL compliance. 📊

Updates in store for The Southeastern Schools



RONNIE L. BOLING
Director of Schools,
Tennessee Bankers
Association

ABOUT THE AUTHOR

Ronnie Boling, with a banking career spanning over 30 years, is a graduate of the Tennessee School of Banking (currently *The Southeastern School of Banking*), the Tennessee Commercial Lending School (*The Southeastern School of Commercial Lending*) and the Graduate School of Banking at Louisiana State University. Boling joined the TBA as Director of Schools in March 2018 to provide support in the primary areas of curriculum and faculty. For more information, you can reach Ronnie at rboling@TNBankers.org.

For decades, banks have trusted the Tennessee Bankers Association to help develop thousands of leaders through The Southeastern Schools.

The Southeastern School of Banking, held in July of each year, provides a broad overview of banking with modules related to every aspect of bank management. The two-year program also enables attendees to manage their own bank via a simulation program. *The Southeastern Schools of Commercial Lending, Advanced Commercial Lending, and Consumer Lending* focus specifically on the importance of sound lending principles. The faculty of The Southeastern Schools is composed of experienced bankers as well as instructors from academic institutions.

This legacy, combined with an exceptional curriculum, invaluable networking opportunities, and central location, makes The Southeastern Schools an ideal education partner for bankers today.


But we shouldn't rest on our laurels. The TBA education staff is committed to making sure that The Southeastern Schools provide relevant, useful programs conducted in the most efficient learning environment and scheduled to accommodate the changing demographic of the attendees. To this end, the following modifications are being implemented.

- The Board of Trustees of *The Southeastern School of Consumer Lending* and *The Southeastern Schools of Commercial Lending/Advanced Commercial Lending* have been combined into one board. The combined board will provide a solid foundation of support for the credit schools.
- *The Southeastern School of Banking I & II* is now governed by the Independent Bankers Division Board of Trustees of the TBA. Given that many of the schools' attendees come from independent community banks, the support of this board should help with recruitment of attendees in the coming years.



- *The Southeastern Schools of Commercial Lending and Advanced Commercial Lending*, which have been conducted at different times during the year, will be conducted concurrently in May of each year beginning in 2020. *The Southeastern School of Commercial Lending* will function as a two-year program and attendees will be encouraged to make a two-year commitment when enrolling in the first year of the school.

- In response to feedback from attendees, *The Southeastern School of Consumer Lending* will move from a Sunday-Friday schedule to a Monday-Thursday format. Modules presented in the school have been modified to eliminate duplications and concentrate on each important aspect of the consumer lending process.

The Southeastern Schools provide a solid foundation so that attendees may build their banking career. Graduates will develop the skills that will bring them success in upper-level management positions and forge the networks that will serve them well throughout their career. The TBA education staff remains committed to relevance, effectiveness and efficiency in every aspect of planning, organizing, and implementing each of The Southeastern Schools. 

The Southeastern School of Advanced Commercial Lending

Students learned advanced cash flow and loan structure, commercial real estate lending, and more.

The Tennessee Bankers Association conducted the 2019 session of *The Southeastern School of Advanced Commercial Lending (TSSACL)* on February 18-20 with 29 bankers, 25 from Tennessee and four from two other states, completing requirements for graduation.

TSSACL focused on advanced cash flow and loan structure, commercial real estate lending, and showed students new approaches to predicting portfolio credit performance and managing portfolio risk.

TSSACL was founded in 1994 and is co-sponsored with the Georgia, Louisiana, and Mississippi bankers associations.

For additional information about TSSACL, or any of the four other Southeastern Schools, please visit our website, www.TNBankers.org.

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J.B. OWENS (2019) – EVP/Director of Commercial Banking, First Freedom Bank, Lebanon
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LAURA BLACKBURN (2021) – SVP/Chief Credit Officer, Volunteer State Bank (Middle)



2019 TSSACL students

2019 TSSACL GRADUATES

TYLER ANDERSON, Mississippi Land Bank, Starkville, Miss.
CURT BAKER, Wilson Bank & Trust, Lebanon
BRAD BRANSCUM, First Community Bank, Dresden
ALESHA BROWN, Community Bank, Jackson
AARON COOPER, Simmons Bank, Franklin
GREG DOZIER, Commercial Bank & Trust, Union City
WILL FOLEY, Mississippi Land Bank, Saultillo, Miss.
KIRK GARRETT, Volunteer State Bank, Murfreesboro
JAMES HAHN, Peoples Bank of East Tennessee, Madisonville
CHACE HAMNER, Renasant Bank, Memphis
RALEIGH HAYTER, The First Bank and Trust, Abingdon, Va.
KELLY JOHNSON, Volunteer State Bank, Portland
BOND JONES, First Tennessee Bank, N.A., Knoxville
DANIEL KING, Centennial Bank, Medina
JASON LIVINGSTON, Decatur County Bank, Parsons
CHRIS MCGILL, First National Bank, Pulaski
TYLER MEYERRIECKS, JB&B Capital, LLC, Franklin
DAVID MOORE, Citizens National Bank, Sevierville
CHRIS PRICE, FirstBank, Knoxville
KENNETH RAYBORN, Peoples Bank of East Tennessee, Madisonville

OWEN SHIRK, Tennessee Bank & Trust, Nashville
SHELLY SPURGEON, Tennessee State Bank, Pigeon Forge
ANDREA SUBLETT, First Community Bank of Tennessee, Shelbyville
DANIEL TANNER, Home Federal Bank, Knoxville
ROB TAYLOR, Mississippi Land Bank, Cleveland, Miss.
JEFFREY WELLINGTON, Legends Bank, Clarksville
SHAUN WILLIAMS, FirstBank, Huntingdon
LOGAN YOUNG, Athens Federal Community Bank, N.A., Cleveland
JEFF YOUNG, Tennessee Bank & Trust, Franklin

2019 TSSACL STUDENT PROFILE

EDUCATION

(Highest Level Achieved)

Some College	2
Bachelors	22
Graduate	5

YEARS OF BANK EXPERIENCE

Less than 1 Year	1
1 to 5 Years	9
6 to 10 Years	9
11 to 20 Years	9
20+ Years	1

SIZE OF BANK'S LOAN PORTFOLIO

51 to 100 Million	3
Over 100 Million	26

SIZE OF BANK'S ASSETS

Under 50 million	1
51 to 100 million	2
101 to 500 million	11
501 million to 1 billion	6
Over 1 billion	9

GENERAL PROFILE DATA

Female Students	3
Male Students	26

Tennessee Students	25
Out of State Students	4
Mississippi	3
Virginia	1

Top trends impacting bank technology for 2019



JIMMY SAWYERS
Chairman,
Sawyers & Jacobs LLC

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Hear Sawyers and other experts speak at the upcoming *Strategic Technology, Risk & Security Conference*, April 25 & 26 in Murfreesboro. Register at TNBankers.org.

For the past 15 years, Jimmy Sawyers has written an annual article predicting the top ten technology trends impacting bankers. An excerpt of his 2019 predictions follows. For the full list, visit www.sawyersjacobs.com.

In their book, *The End-Of-Decade Effect*, Hal Hershfield and Adam Alter noted that when people face the end of a personal decade, “they feel older, search for more meaning, and act out in productive or counter-productive ways.” As we reach the close of our second decade of this century, many technologies and tech companies, regardless of age, face the same milestone we do as 19-year olds... they are maturing to the point where they must stand on their own as self-funding and independent entities, high performers in a meritocracy where there is true demand for their products and services, and success is earned and not given.

We often forget that innovation and consumer adoption of new technology can take time. Rare is the overnight success. Even rarer is the technology that lives more than one decade. Businesses must have staying power... more eternal flame than a Roman candle. Reflecting on the past two decades and looking ahead to 2019, I offer the following predictions for bankers looking to blaze new trails.

PREDICTION

Network Infrastructures Get Redesigned for 2020

Many banks have networks designed in the 1990s that are not taking advantage of recent developments in technology. Advances in network administration tools, lower cost computers, cheaper bandwidth, and inexpensive disk space have awakened bankers to the fact that an outsourced network is not necessarily a higher-performing or less costly network.

The lie of the thin-client environment benefits disguised as the promise of better security and less administration will be exposed. Frustrated bank employees, especially power users, will demand full PCs and the local processing power they bring. Many bankers, sold on outsourcing the bank’s network to a Managed Services Provider (MSP), have now learned that this model is typically better for the MSP than the bank. Employee productivity, customer service responsiveness, and network performance have suffered at banks that were sold on ceding their most valuable computing tools to the mother ship of an outside organization that is often working with more nonbanks than banks.

Facing Windows 7 End-of-Life, demands from mobile users, and the quest for self-sufficiency in disaster recovery, bankers will call for a fresh look at aging network infrastructures and will require more hustle from their IT staff.

The productivity of the bank’s entire workforce and the customer experience will trump a few less steps by the bank’s network administrator.

CHALLENGE QUESTION

Is your network performing at optimal levels or does it need a serious overhaul and redesign?

PREDICTION

Cybersecurity Preparedness Gets Re-Booted as Lessons Are Learned and Window Dressing Falls

In the past decade, cybersecurity threats have come on fast, leaving bankers scrambling to shore up their defenses and mitigate the risk of a cybersecurity incident. In their haste, many bankers have created large but flimsy barricades that give the appearance of fortifications but are not effective when tested.

Further fueling the façade, executive management often deputizes IT staff to become overnight cybersecurity experts, an unrealistic expectation resulting in bank IT employees redirected from helping employees and customers and instead are paid to stare at screens with little education or experience on how to assimilate the flood of data and turn it into actionable, useful information to mitigate cybersecurity risk and to identify incidents-in-progress. This illusion of security comes crashing down when a sophisticated hack at 3:00 a.m. goes undetected and intruders remain on the network for months gathering intelligence that results in a major financial loss to the bank.

Smart bankers will remove this impossible task from their people and engage cybersecurity experts to assess their current state of cybersecurity preparedness and remodel the defenses to provide true security on a 24/7 basis, not just window dressing.

CHALLENGE QUESTION

Is your bank's cybersecurity preparedness an illusion of voluminous policies, excessive phishing testing, and flashy screens or a reality that is tested frequently by independent experts?

PREDICTION

Bankers Serve Up All-One-Can Eat Digital Services Buffets

Because of the evolution of digital services and the archaic pricing structures by many providers, some bankers ration digital services and spoon out the applications on an a la carte basis to customers. It's time for an all-one-can-eat digital buffet. Bankers should push for one price for all services (e.g., mobile banking, P2P, PC banking, telephone banking, mobile deposit, bill pay) and finally let customers have a truly digital experience on the channel of their choice, anytime.

Digital marketing ramps up as bankers tell their stories and establish their brand, positioning the bank in the mind of the consumer using a multi-channel approach, while realizing the new channels do not necessarily supplant but instead complement existing channels.

CHALLENGE QUESTION

What is your digital services strategy and is it realistic given your technology, people, and processes? 

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ANDREW RUSSELL
President,
Sound Payments

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The era in which banking and other sectors of industry required the physical presence of users to be able to execute transactions has gradually changed.

Today, the means offered by fintech and innovators have interrupted the traditional way in which financial products and services are used.

Digital technologies are driving change in the financial services industry. Today's demographics, sophisticated and global customers, are in search of banking services through omni-channel platforms. Today's businesses are also in search of an omni-channel banking platform that constantly evolves and interconnects new capabilities such as facial recognition, online/mobile banking, payments, e-commerce, full service remote capabilities, applications development, bill pay, payroll, credit, etc.

The importance of streamlining processes in the financial industry has warranted the need for innovation in technology and how we communicate.

Affirmation of the shift from traditional banking to fintech solutions is based on information reported in the EY Fintech Adoption Index 2017. This study, which considers 22,000 users in 20 developed and developing markets, reports that approximately 33 percent of the sample under study uses two fintech services (EY Global, 2017).

The areas in which a higher demand of use was reported list banking payments and transfers (50 percent), followed by insurance (24 percent), savings and investment (10 percent), loans (10 percent) and financial

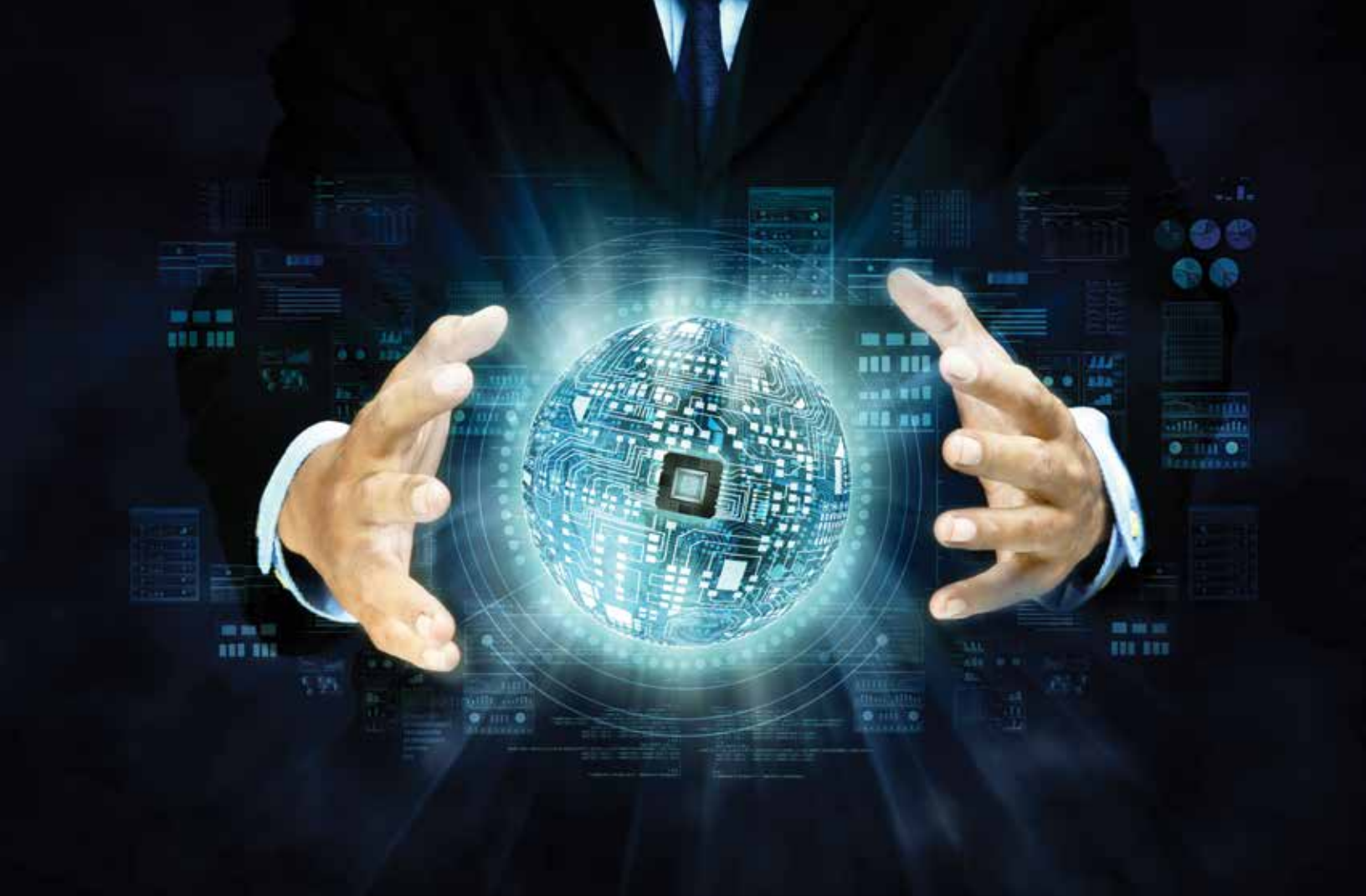
planning (10 percent). The overwhelming amount of applications offered to a targeted client base provides evidence of the demand in the market.

Fintech reports an accelerated and sustainable growth in the last four years due to an increase in demand and the advantage and the ease of use technology provides consumers and financial institutions alike.

On the other hand, bank networks became conspicuously overgrown during the expansion years and having a large branch distribution network was seen as a winning strategy. Today's reality is that foot traffic is substantially down. The question becomes, how can banks reduce branch distribution network expenses without harming the brand and client acquisition rates?

First, the leadership needs to change the past and traditional banking format to a flexible and agile model that includes reduced traditional branch banking, small satellite access, kiosks, and online/mobile access. Second, the leadership needs to make the tough calls to eliminate the least profitable branches and offer alternate access to the client base. Third, create a corporate culture of continuous improvement that focuses on developing efficiencies, improving processes, reducing costs, and achieving growth.

Today's evolving demographics show that customers are willing to switch—and even pay a premium—to move to a financial institution capable of offering high-value, digitally enabled services. Many financial institutions are not set up to offer the services that customers expect and that an innovative consum-



er banking platform offers. The disruption is happening with a large number of small to mid-size financial institutions, paying huge amounts of premium for online and banking platforms with very few features.

Put simply—many small to medium sized community and regional banks have been taken advantage of in regards to online and mobile banking. They are often pressured to sign restrictive contracts with terms more than five years. Customers feel limitations of those services that still require them to come to a physical branch location for cash or check transactions. Financial institutions are beginning to realize the need for branch automation, which includes personal teller machines and self-service kiosks. Even though self-service kiosks have been around for quite some time, they are becoming adapted by more and more financial institutions recently.

Finding the best way to implement these kiosks in a cost-effective manner that actually provides all available options will require a great deal of due diligence and selection of

the right technology partner.

Community and regional banks must position themselves for the future ahead with capabilities to better serve multi-generations of diverse cultures with different expectations on accessing banking services, languages, and lifestyles.

Sharp cost cuts are needed in today's highly competitive, regulated, and overcrowded financial industry. Along with entrepreneurship and leadership, the right technology investments are required in order to remain relevant and competitive. The challenge is for leadership to make the best decisions that will capture meaningful savings with minimum damage to current revenues and maximum advantage for long-term performance. Only the banks with the proper corporate culture, appetite to innovate, growth strategies, and leadership team will experience success through the economic boom and downturn. The winners will seize efficiencies and capture opportunities! 🚀

Investing in FinTech innovations such as kiosks and improved online/mobile access, banks can help reduce branch distribution network expenses without harming the brand and client acquisition rates.

PHOTO: SHUTTERSTOCK

Shattered myths of banking



ACHIM GRIESEL
President,
Haberfeld

ABOUT THE AUTHOR

Achim Griesel is president at Haberfeld, a data-driven consulting firm specializing in core relationships, customer, and profitability growth for community-based financial institutions. Achim can be reached at agriesel@haberfeld.com or 402-323-3793.

Banking has more customer data than about any other industry. We know financial and personal information and how customers spend money. With data, we can understand behavior patterns for millions of people.

As bankers, we love buzz words, and talk about Big Data, machine learning, and AI, but we base our conclusions on personal opinions or small surveys while we have access to data, actual transactions, and behavior patterns for millions.

To disregard this verifiable data in favor of notions we think we understand eventually allows myths a place in decision-making. That can be detrimental to a community financial institution. How do you spot these myths and what should you do?

Myth No. 1: For Millennials and Gen Z, digital is the only thing that matters

A Celent study, recently posted to *The Financial Brand*, showed that Millennials and Generation Z adopted online and mobile banking at a higher rate than older customers, but had a clear preference for visiting branches for some transactions—just as much as the older segment. That seems to explain in part a recent analysis showing that in the last five years, Google searches for physical bank locations doubled. To all generations, it seems, the branch is still essential.

To attract younger customers, you need a balanced acquisition strategy and good solutions in-branch and online. It's true for delivery as well as marketing channels.

Data from more than 2,500 branches of community-based financial institutions shows a multichannel approach could attract about 10 percent more of the younger market segment than represented in a footprint.

Myth No. 2: The Branch is Dead

The branch isn't dead, nor have digital channels failed to meet customers' expectations; customers simply want choices. Accord-

ing to the Celent study, customers prefer the branch for more complex relationship-based activities but handle simple, more transaction based activities online. Overall, fewer than 10 percent of customers prefer only digital.

This is right in line with what we've discovered at Haberfeld. For 73 percent of customers, the first product is the checking account. Over the last few years, we have tracked online and in-branch opening stats at more than 300 community FI branches. In this sample of more than 500,000 core relationships, at institutions allowing account openings online, 95 percent of new relationships were started in branch.

Myth No. 3: To gain core deposits, you need to offer a higher rate

Higher rates get more deposits, but is that the best way to grow? Attracting rate-sensitive customers is a risky approach in today's rising-rate environment. Data from community-based financial institutions representing more than 2,500 branches in the U.S. shows you can grow core deposits even without a rate. Few of these 2,500 branches offered an above market rate, yet grew core deposits at twice the industry pace.

The key to sustainable core deposit growth, for core relationships as well as time deposit money, is a balanced strategy with a good sales process.

Myth No. 4: Increasing fees does increase fee income

There are several ways to increase your noninterest income, but raising or implementing fees is the least sustainable. It leads to higher attrition, fewer customers and less fee income.

Value-added accounts that offer services for a fee may be a good solution for the 10-20 percent of customers willing to pay. If you push customers into this type of product, attrition increases and long-term fee revenue suffers. Attrition with these products can be as much

as 3 times the average. You can offer services with associated fees, but it provides limited growth. For sustained growth, a better option is to expand your customer base.

Myth No. 5: We can focus on the Business Segment only

There are quite a few mid- to large sized banks focusing only on business customers. The reason: a business relationship is four times more profitable than a consumer. But, when we analyzed about 500,000 business relationships, we found some interesting correlations:

For 55 percent of businesses, the checking account is the product initiating the relationship

For 31 percent of business customers, the consumer account was the first relationship with the FI.

That means one third of all business accounts come from a consumer relationship. So, if a community FI only chases business customers, it's limiting profitability. This may work for large FIs, with thousands of customers per branch, but not community FIs with branch capacity to spare.

Today, customer experience and convenience is defined differently. As an industry, we need to earn trust and build relationships. The branch is one channel, but we need to serve customers well in all channels. An omni-channel approach in delivery as well as our marketing is key to our long-term growth and success. 📺

HOW CONSUMERS PREFER TO INTERACT AND COMMUNICATE WITH A BANKER

AGES 60 AND OVER



AGES 45 TO 60



AGES 30 TO 44



AGES 18 TO 29



- I prefer digital interactions. Branches should be unnecessary.
- I bank digitally, but prefer some matters be handled in-person.
- I prefer in-person interactions with my bank.

SOURCE: Celent© June 2018 The Financial Brand

RETAIL CHECKING OPENINGS TO COUNTY AVERAGES

AGE RANGE	PERCENTAGE OF OPENINGS	PERCENTAGE OF POPULATION
20-24	19.02%	15.43%
25-34	26.68%	20.06%
35-44	20.99%	16.51%
45-54	16.50%	16.17%
55-59	5.81%	8.31%
60-64	4.73%	7.47%
65-74	4.69%	8.88%
75-84	1.16%	4.79%
85 AND OVER	.43%	2.39%

Data privacy class actions



MATTHEW S. MULQUEEN
Baker Donelson,
Bearman, Caldwell &
Berkowitz, PC

Over the last several years, corporate counsel have consistently identified data privacy class actions as a top concern.¹

The worry stems from the steadily increasing manner that commerce is conducted through the internet and the apparently endless ingenuity of individuals intent on stealing customer data for financial gain. Financial institutions are at particular risk because of the multiple ways that a data breach can impact their bottom line.



MATTHEW G. WHITE
Baker Donelson,
Bearman, Caldwell &
Berkowitz, PC

Financial Institutions as Defendants

Like any other entity that stores customer financial information electronically, a bank can find itself named in a putative class action following a breach of its computer systems. Plaintiffs in such cases typically assert state law claims, including negligence, based on the breached entity's alleged failure to implement adequate measures to protect customers' data.

In many early data breach cases, defendants challenged plaintiffs' claims—sometimes with success—on the grounds that the plaintiffs had only alleged speculative future injuries from the release of their personal information. As a result, plaintiffs have increasingly sought to identify tangible damage resulting from the theft of their data, including actual fraudulent use of the stolen information, costs associated with ongoing monitoring, and damages from the time and effort spent addressing the breach. Plaintiffs have also asserted claims based on defendants' alleged delays in notifying customers of breaches.²

Financial Institutions as Claimants

The risks to banks are not limited to breaches of their own systems. When a breach occurs at a nonbanking commercial entity, and customers of the bank and the entity

suffer losses, those customers often look to the bank to make them whole. Banks may be obligated to indemnify customers for unauthorized transfers pursuant to statute³ or contract. After incurring financial liability to their customers, banks may have a cause of action against the entity that suffered the breach.

In 2013, for example, Target announced that hackers had gained access to the credit and debit card data of approximately 40 million customers. The financial institutions that had issued the cards were forced to replace them, reimburse fraud losses, and take other remedial steps to address their customers' injuries. The banks asserted claims of negligence against Target and successfully moved to certify the case as a class action.⁴

Because the losses that financial institutions experience in such circumstances are tangible and immediate, they have sometimes been more successful than consumers in striking settlements with breached entities. In the Target litigation, for example, the banks ultimately settled their claims for \$39.4 million—almost four times the amount that Target's customers settled for.⁵

Potential Hurdles to Recovery

Other banks, however, have not been so lucky. After a massive data breach at the retailer Schnucks, several card-issuing banks that suffered resulting losses brought suit. The U.S. Court of Appeals for the Seventh Circuit affirmed the district court's dismissal of the banks' complaint, holding that the economic loss doctrine barred their state law tort claims. That doctrine limits tort liabilities for purely economic losses inflicted by one business on another where those businesses have already ordered their duties, rights, and remedies by contract. The court concluded that the banks' claims effectively sought


MORE FROM BAKER DONELSON

Baker Donelson represents many community and regional financial institutions in connection with organization, governance, capital raising, mergers, acquisitions, branching, regulatory and governmental compliance, and more. For more information, contact Steven Eisen at sjeisen@bakerdonelson.com.

remedies above and beyond those set out in the network of contracts that linked Schnucks, card-processors, the banks, and card brands.⁶

The banks argued that the economic loss doctrine did not apply because the banks did not directly contract with Schnucks. That did not matter, said the court. It was enough that the network of contracts set out standards and remedies for data breaches and that the multiple contracts tied together all the parties participating in the card payment system.

On the Horizon

Data breaches, and resulting lawsuits, are unlikely to slow down in the coming years. With potential interests as both defendants and plaintiffs in data breach litigation, banks should stay tuned for further developments as the courts work through the complicated legal issues at stake in these cases. 

Endnotes

- 1 See The 2018 Carlton Fields Class Action Survey: Best Practices in Reducing Cost and Managing Risk in Class Action Litigation.
- 2 See, e.g., Complaint, LeRoy, et al. v. SunTrust Bank Inc., No. 1:18-cv-02200-MHC (N.D. Georgia, May 16, 2018).
- 3 See, e.g., 12 C.F.R. § 205.6.
- 4 In re Target Corp. Customer Data Sec. Breach Litig., 309 F.R.D. 482 (D. Minn. 2015).
- 5 See Decl., ECF No. 653-1, In re Target Customer Data Sec. Breach Litig., MDL No. 14-2522 (PAM) (D. Minn. Dec. 2, 2015); Order, ECF No. 364, In re Target Consumer Data Sec. Breach Litig., MDL No. 14-2522 (PAM) (D. Minn. March 19, 2015).
- 6 Cmty. Bank of Trenton v. Schnuck Markets, Inc., 887 F.3d 803, 807 (7th Cir. 2018).

The TBA Bankers Directory Needs Your Help!



Visit TNBankers.org to order, or contact T'Lanie Luu at tluu@tnbankers.org or 800-964-5525.

*Order deadline: July 19
Directories will ship in August.*

Update Your Bank's Info.

The Tennessee Bankers Association along with M. Lee Smith Publishers, a division of BLR, sent a form for you to update your bank's information. Return the form(s), with any revisions noted, to M. Lee Smith Publishers by May 6, 2019. Return revisions by email to RRankin@blr.com or if you did not receive a form for updating, contact Rhonda Rankin 1-800-274-6774 ext. 8081.

Order the 2019/2020 Edition.

The Bankers Directory, published by the Tennessee Bankers Association, contains a listing of all Tennessee commercial banks, thrifts, and savings banks along with their officers, directors, mailing addresses, telephone numbers, and highlights of their "Statement of Condition." You can also find routing numbers and info on TBA associate members and endorsed products—including contact person and product descriptions.

New Associate Members

The following companies have joined the Tennessee Bankers Association as associate members. TBA's associate members deliver valuable products and services that help Tennessee's financial institutions serve their customers. In addition, they provide considerable support to TBA efforts and programs. You will find a complete list of TBA associate members on the TBA website at TNBankers.org. If you have questions about TBA's associate members, please contact Stacey Langford at slangford@TNBankers.org.

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Sanger

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Price

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People on the Move

Have information from your bank about promotions or branch news?
Send it to Lila Griffin at lgriffin@TNBankers.org.

Bank of Bartlett, Bartlett, has promoted **Jay Robinson** to assistant vice president and business banking relationship officer.



ROBINSON



BROWN



REESE

Bank of Frankewing, Frankewing, has promoted **Kim Brown** and **Jennifer Reese** each to loan officer.

Bank of Lincoln County, Fayetteville, has promoted **Stephanie Coble** to loan officer.



COBLE



FITZHUGH

Bank of Ripley Chairman Emeritus James (Jim) Fitzhugh is pictured celebrating his 96th birthday with his son **Craig Fitzhugh**, bank chairman and CEO.



WIEBER



CAMPBELL



LOONEY



INGRAM



NESBITT



HAMBY



LILES

BankTennessee, Collierville, has promoted **Jimmy Wieber** to vice president at the Ripley office; **Jessica Campbell** to vice president for the mortgage department; **Charlene Looney** to assistant vice president in the loan processing department; and **Karen Ingram** to assistant controller. The bank has named **Michael Nesbitt** as senior vice president and commercial and retail lending officer in Lebanon; **Heath Hamby** as a commercial credit analyst; and **Steven Liles** as manager of the downtown Memphis office.

Butler Snow LLP, Nashville, has named **Benjamin Whitehouse** as member.



WHITEHOUSE

CapStar Bank, Nashville, has named **Chris Morrison** as CIO.



MORRISON

CBBC, Maryville, has promoted **Heidi Carriero** to senior management.



CARRIERO



HOLLIMAN



RAY

Citizens National Bank, Sevierville, has promoted **Jason Holliman** to president; and **Anthony Ray** to CFO and senior vice president. **David C. Verble** will continue as chief executive officer.



Manchester's Coffee County Bank celebrated **Sue Ridner**, former EVP, with a retirement reception.



MILLER SATYSHUR DRETLE

Diversified Trust, Memphis, has promoted **Hadley Miller** to principal. The firm named **Robin Satyshur** and **Adam Dretler** each as principals in the **Nashville** office.



HARRIS RISSLER



BRIGGS BUNDSHUH

Fifth Third Bank, Nashville, has named **Caroline Harris** as vice president, treasury management area manager for Tennessee and Georgia; **Austin Rissler** as vice president, commercial relationship manager; **David Briggs** as senior commercial banker; and **Buffy Bundshuh** as business banking relationship manager.

First Alliance Bank, Memphis, has named **Hollie Holland** as branch manager of the **Oakland** office.



HOLLAND



CRADIC POTTS LAWSON



TRENT OXFORD

First Community Bank of East Tennessee, Rogersville, has promoted these staff members: **Matt Cradic** was promoted to vice president; **Stephanie Potts** to vice president; **Ashley Lawson** to assistant vice president and branch manager; and **Cathy Trent** to banking officer. The bank has named **Beverly Oxford** as vice president and loan operations manager.

First Freedom Bank, Mount Juliet, has promoted **Kim Cowan** to financial services representative manager at the **Providence** office.



COWAN

First Horizon National Corp.'s general counsel **Charles Tuggle** was named to the Governor's Council for Judicial Appointments, which is charged with recommending candidates to the governor to fill vacancies on Tennessee's appellate courts.

First State Bank of the Southeast Inc., Middlesboro, Ky., has promoted **Ken Jones** to president. Jones will continue to serve as chief operating officer as well.



JONES

Jim Schmitz, who retired recently after having led **Regions Bank** in **Middle Tennessee** for 10 years, has joined the board of **Nashville's Citizens Savings Bank and Trust Co.**



SCHMITZ

FirstBank, Nashville, has named **Mary-Grace Robb** as financial center manager at their **Brentwood** office (5029 Harpeth Dr.). In addition, the bank welcomed **Scott Cepicky**, **North Cool Springs Mortgage**; **Allison Kornich** and **Brian Smith**, **Nashville Commerce**; **Kassidi Rhodes**, **Jackson Channing Way**; and **Rosalee Auerbach**, **Lexington**.



ROBB

First Freedom Bank, Mount Juliet, has named **Natalie Stark** as the **Providence** office manager.



STARK

First National Bank of Middle Tennessee, McMinnville, has named **Doug Nall** as senior vice president/commercial lender at its new **Nashville** office.



NALL

First National Bankers Bankshares Inc., Birmingham, has named **Jeff Sands** as senior vice president to serve correspondent lending efforts, serving community banks in **Alabama** and **Georgia** as well as **Eastern Tennessee**. Most recently, Sands served as correspondent lender and director of loan syndications for an **Atlanta**-based bank.

First Tennessee Bank, Chattanooga, has named **Lebron Womack** as senior commercial relationship manager of the bank's commercial group in **Chattanooga**.



WOMACK



People on the Move *continued*

Have information from your bank about promotions or branch news?

Send it to Lila Griffin at lgriffin@TNBankers.org.



DOBBS



DOYLE



HYDE



DANIELS

First Tennessee Bank, Nashville, has promoted **Derek Dobbs** to financial center manager at the St. Bethlehem office; **Brittney Doyle** to financial center manager at Clarksville's main location; and **Chastity Hyde** to financial center manager at the Hilldale office. **LaShonda Daniels** was named vice president, small business relationship manager, and based in Lebanon office.



BRIDGMAN



DEAN



PARIS

First Volunteer Bank, Chattanooga, has promoted **Jeffrey A. Bridgman** to executive vice president and head of the commercial banking team; **Jeremy S. Dean** was promoted to executive vice president and head of the business banking team; and **J. Dylan Paris** was promoted to senior vice president in his role as commercial banking advisor.



BLACK



BURRISS



HUGGINS



KILBURN

Franklin Synergy Bank, Franklin, has promoted **Chris Black** to chief financial officer. Black succeeded Sarah Meyerrose who has retired. **Justin Burriess** was promoted to vice president, commercial banking officer. In addition, **Brian Huggins** was named as senior vice president, internal loan review manager. In addition, **Garth Kilburn** was named as director of treasury management sales.

Gullett Sanford Robinson & Martin PLLC, Nashville, has named **William C. Scales, Jr.**, as an associate attorney.



SCALES

Macon Bank & Trust Company, Lafayette, former Senior Vice President **Keith Ballou** retired after 45 years of service.



BALLOU



WEAVER



WELTMAN



BARNES



ELLIS



HONEYCUTT



HAINES



WIDENER

Mountain Commerce Bank, Knoxville, has promoted **Vicki S. Weaver** to senior vice president and director of human resources; **Terry Weltman** to senior vice president and senior controller; **Steph-anie Barnes** to first vice president and relationship manager; **Regenia B. Ellis** to first vice president and corporate secretary; **Kara Honeycutt** to first vice president and senior credit analyst; **Melissa K. Haines** to vice president, security officer, and senior branch operations; and **Cindy Widener** to vice president and registered assistant.

Newport Federal Bank, Newport, has welcomed **Julie Crabtree** as a loan processor.



CRABTREE



BROWN

CHURCH

Pendleton Square Trust Company, Nashville, Chattanooga, has promoted **Betsy Brown** to CEO; and **Derek Church** to president and COO.



MORRIS

O'BANNON

Pinnacle Financial Partners, Memphis, has named **Terry Morris, CPA, CFP** as senior vice president and financial consultant; and **Amy O'Bannon** as senior manager.

Reliant Bank, Brentwood, has named **Bryan Fryar** as senior vice president, commercial lender in Chattanooga.

Renasant Bank, Nashville, has named **John Bennett** as president of community and business banking in Middle Tennessee.



BENNETT

Republic Bank & Trust Company, Nashville, has named **Rick Carrick** as senior business banking officer for Tennessee.



CARRICK



HENDERSON

HAMDI

STOGNER

SmartBank, Knoxville, has promoted **Barry Henderson** to vice president, relationship manager at the branch on Dolly Parton Parkway, Sevierville. The bank has named **Joseph "Joe" Hamdi** as Knox County market executive; and **Bobby Stogner** as senior vice president, relationship manager in the Knoxville market.

Smithville's FirstBank former branch manager **Brenda Cantrell** has retired after 46 years of service.

Stites & Harbison, PLLC, Nashville, has welcomed attorney **Michael Schwegler** to the Nashville office.



SCHWEGLER

Studio Bank, Nashville, has added **Phil Shmerling** as a commercial relationship manager; **David Perkins** as senior relationship manager and community lending specialist; and **Zach Durham** as a credit underwriter.



POHLMAN

CURTIS

SunTrust Bank has named **Scott Pohlman** as the **Nashville** chief; and the firm has added **Tom Curtis** to their wealth management team.

Sumner Bank & Trust, Gallatin, has named **Stephen Dorris** as a business development officer.



DORRIS

The Trust Company of Tennessee, Knoxville, has named **Miranda Carr** as a wealth strategist.



CARR

Truxton Trust, Nashville, has named **Shannon Buckner** as senior vice president and senior wealth advisor.



BUCKNER



PAGE

PRICE



QUINN

WATSON

Waller, Nashville, has promoted to partners: **Caitlyn W. Page**; **Jonah L. Price**; **Stephen Quinn**; and **Joseph L. Watson**.



Bank Notes

BB&T Corporation and SunTrust Banks Inc., Atlanta, Ga., have agreed to merge as equals in an all-stock deal valued at \$66 billion. The combined company will create the sixth largest bank in the U.S. based on assets and deposits. The combined company will operate under a new name with headquarters in Charlotte, N.C., while maintaining operations and investment in Winston-Salem, N.C. and Atlanta, Ga.



Nashville's CapStar Bank's President and CEO **Claire Tucker** was elected to the board of directors of Federal Reserve Bank of Atlanta for a term through the end of 2021, joining Kessell Stelling, chairman and CEO of Synovus Financial Corp., as one of two TBA members on the FRB Atlanta board.



CapStar Bank, Nashville, celebrated the opening of a new financial center in Maryland Farms Brentwood January 31.



Citizens National Bank, Sevierville, has opened a branch office in **Morristown** at 4320 Evan Greene Plaza.

James W. Ayers, executive chairman of **FirstBank, Nashville,** was named a 2019 member of the prestigious Horatio Alger Association of Distinguished Americans for his dedication to the promotion of higher education.



AYERS



Employees of **Evolve Bank & Trust** in **Memphis** honored the memory of their former senior vice president of payment processing, Elizabeth "Betsy" Bohlen, by wearing their most colorful laced sneakers.



F&M Bank, Clarksville, celebrated its newest location in White Bluff.

Federal Home Loan Bank of Cincinnati, has re-elected **James A. England** of Decatur County Bank, Decaturville, and **William S. "Sammy" Stuard** of **F&M Bank, Clarksville**, each to a third four-year term on the FHLB board of directors. England currently serves as vice chairman of the board.

First Farmers and Merchants Bank, Columbia, celebrated the grand opening of their new branch office at 2306 21 st Ave. S., Nashville.

Franklin Synergy Bank, Franklin, celebrated their new branch office at 5040 Carothers Parkway with a ribbon-cutting ceremony in February.

HopFed Bancorp Inc, holding company for **Heritage Bank USA Inc, Clarksville**, has merged into First Financial Corp of Terre Haute, Ind.

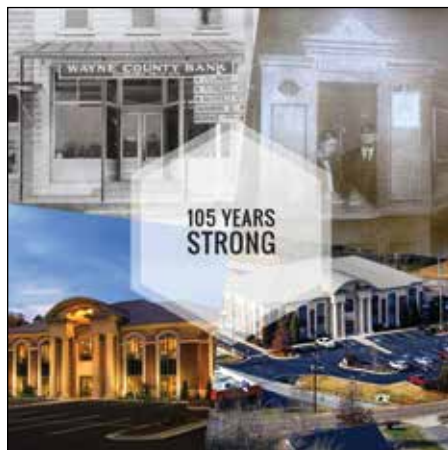
Macon Bank & Trust Company, Lafayette, is celebrating 100 years in banking in 2019.

SouthEast Bank, Chattanooga, opened a new branch office in Liberty Tower Lobby, 605 Chestnut St.

SmartBank, Sevierville, opened their new location on Dolly Parton Parkway in January.


Knoxville's SmartFinancial Inc and **Entegra Financial Corp, Bank, Franklin, N.C.**, will combine in a merger of equals where **Entegra Bank** will merge with and into **SmartBank**. The \$4 billion-asset bank holding company formed will be headquartered in Knoxville and will have 47 branches across Tennessee, North Carolina, Alabama, Georgia, South Carolina, and Florida.

Volunteer State Bank, Gallatin, has relocated its Nashville Pike office to 554 West Main St.



Wayne County Bank, Waynesboro, celebrated 105 years in business Feb. 14.



Wilson Bank & Trust, Lebanon, welcomed the community to their new Cool Springs Franklin (9200 Carothers Parkway) office in early 2019. 

Community Building

If your bank's Facebook page has highlights from community involvement, tag @TNBankers in the post to possibly get published in *The Tennessee Banker* magazine.

In **Athens**, the **AFCB** representatives announced that the **Athens Federal Foundation** distributed more than \$171,000 in funding to 47 local charitable and nonprofit organizations in 2018.



As part of **Athens Federal Community Bank's** partnership with **CapStar Bank**, Marketing and Communications Manager Beth Alexander announced a \$1.5 million commitment to the Athens Federal Foundation, and presented the first \$500,000 installment of the gift during the luncheon.



Athens Federal Community Bank, Athens, (L-R) **Chris Adams, Shane Sewell, Hunter Starr** and **Mike Hutsell** helped build a handicap ramp for a local family during Helping Hands Ministry work day.



Pictured are FTB **Teona Chapman**; TNFP Dev. Dir. **Teri Forsythe Sloan**; FTB **David Jones**; FTB **Carol Yochem**; TNFP Executive Dir. **Tallu Schuyler Quinn**; FTB **Tracy Oakley**

First Tennessee Foundation has contributed \$100,000 to The Nashville Food Project in Nashville. The contribution will support the construction of TNFP's newly-opened expanded facility, its operational and maintenance reserves, and the purchase of a new food truck.

Planters Bank Inc., has donated \$6,500 from their 2018 Season of Giving to four **Clarksville-Montgomery County** nonprofits—Montgomery County Imagination Library, the Angel Fund, the Center for Family Development, and Camp Rainbow.



Pinnacle Financial Partners, Memphis, First Tennessee Bank, Memphis and **Baker Donelson, Memphis**, joined Volunteer Memphis as MLK Days of Service sponsors to celebrate and honor Dr. Martin Luther King Jr.'s legacy with a weekend of community service projects in Memphis.



Tower Community Bank, South Pittsburg, celebrated National Law Enforcement Day by thanking the South Pittsburg Police Department for their service to the community; **FirstBank's Dickson** branch staff showed their appreciation by delivering lunch to the local police and sheriff departments. **The Farmers & Merchants Bank, Dyer,** delivered lunch to the Dyer, Trenton, and Humboldt police officers and the Gibson County sheriff's department.



TriStar Bank, Dickson, has donated \$10,000 to the building fund of the Humane Society of Dickson County.



Pictured are **Jim Dickson** of East Tennessee YMCA, **Trust Co.** president **Daniel Carter**, **Trust Co.** CEO **Sharon Pryse** and **Joe Pryse**, all who helped open Knoxville's The Trust Company Pryse Family Spin Studio at the West Side Family YMCA. 🇺🇸



Employment Opportunities

POSITIONS AVAILABLE

1901-4 (M) RETAIL BRANCH BANKING ADMINISTRATOR

Citizens Bank, Elizabethton, Tenn. is accepting resumes for a Retail Branch Banking Administrator. The desired candidate will provide leadership, direction and guidance for all branch locations. This position requires a broad knowledge of retail banking administration including operations, regulatory requirements, policy, and product knowledge. ESSENTIAL DUTIES: Manages 7 subordinate supervisors who in turn supervise branch personnel; also manages 2 Branch Administration Assistants. Responsibilities include coaching subordinate managers; prepares performance appraisals of direct reports; makes recommendations for compensation of employees; involved in all disciplinary actions; addresses complaints and resolves problems; interviewing, hiring and direction of training new employees. Ensures development and maintenance of branch/dept policy and procedure. Responsible for communication and implementation of regulatory changes that affect deposits. Researches and solves problems related to consumer products and services. Provides leadership in community functions and promotes the bank's image. Must possess ability to work with and lead others in a team environment. REQUIREMENTS: A bachelor's degree in business or finance is preferred. A minimum of 5 years' experience in branch banking required and management experience preferred. Must possess excellent oral and written communication skills. EEO/AA/M/F/Vets/Disability. Interested candidates may submit a resume to Sharon.jones@citizensbank24.com

1810-6 (M) HEALTHCARE BANKING PORTFOLIO MANAGER

Employer: Renasant Bank
Position: Healthcare Banking Portfolio Manager
Location: Nashville, TN
Position Summary: This position is responsible for providing direct support to Relationship Managers, Group Manager and Senior Credit Officer with respect to portfolio management of new and existing customer relationships with an emphasis on financial analysis and modeling, loan and covenant compliance, due diligence, loan booking/ monitoring and ongoing documentation of credit needs within the Healthcare Loan Division. Responsibilities: Collect and analyze financial data, collateral, industry trends and credit worthiness of customers and prospects. Assist Relationship Manager in the Preparation of Loan Submission Package, Renewals and/or Modification requests for credit approval. Attend client/prospect calls when

necessary. Monitor Loan Portfolio for document and collateral exceptions, Loan Policy compliance, covenant and loan agreement compliance and ensure risk mitigation to avoid any losses. Follow trends in Healthcare industry including loan structures, pricing, terms, regulatory requirements and changes. Support Relationship Manager in related Portfolio Management activities whether related to credit, depository or other banking services. Negotiation of Loan documentation and loan closing coordination and booking. Perform other related duties and special projects as requested. Provide exceptional customer service to clients and internal partners. All other responsibilities as assigned. Qualifications: Bachelor's degree in Finance or Accounting or related work experience, At least 5 years of Credit/Financial Analysis and Portfolio Management experience with a demonstrated ability to proficiently underwrite and structure complex or unique commercial loans, Formal Credit Training with financial modeling experience, Legal documentation and financial covenant structuring experience, Understand loan documentation and loan structure needs including construction lending. Demonstrated strong written and verbal skills, Proficient computer skills including knowledge of Word, Excel, Power Point and other internal Bank program and systems, and Customer service orientation. For more information and to apply, visit <https://careers-renasant.icims.com/jobs/5099/healthcare-banking-portfolio-manager/job?mobile=false&width=1240&height=500&bg=true&needsRedirect=false&janloffset=-360&junloffset=-300>. Renasant Bank is an Equal Opportunity Employer

1809-9 (M) BRANCH SALES LEADER

Job: Branch Sales Leader
Company: CB&S Bank
Job Type: Full-time
Location: Murfreesboro, TN
GENERAL FUNCTION: Plans, directs and organizes the sales activities of the branch following established procedures in order to meet or exceed our customer's expectations with regards to their banking needs. Oversees the operation of the branch and ensures profitability and compliance with all bank policies and procedures. MAJOR DUTIES AND RESPONSIBILITIES: Generates new business by conducting business development calls on existing customers and prospective customers in order to meet or exceed established sales goals. Directly supervises all branch sales personnel. Responsible for supervising, training, directing and coaching branch personnel with regards to all sales activities. Conducts annual and quarterly reviews for all branch sales staff. Works with the Branch Operations Specialist to supervise

branch operations personnel. Maintains an active role in community and civic affairs. Maintains control and usage of the medallion stamp. Serves as chairperson for local board meetings; responsible for outlining the agenda along with various other board reports. Establishes and manages the branch loan portfolio. Interviews loan applicants, analyzes financial information and makes appropriate loan decisions. Identifies non-conforming credits which need additional approval or assistance. Presents loan requests above lending authority to loan committee for approval. Prepares loan documents, clearing any exceptions and construction inspections. Resolves customer complaints. Abides by specified lending authority as dictated by the loan policy and procedures. Manages the branch budget while maximizing profits and minimizing expenses. Performs all other duties assigned by supervisor. JOB QUALIFICATIONS: Bachelor degree from an accredited college with a concentration in accounting /finance preferred, or equivalent related experience. Two to three years of retail banking, consumer and commercial lending experience. Minimum of one to two years supervisory experience. Strong personal leadership skills, organizational skills and excellent verbal and written communication skills. Ability to analyze and summarize complex financial information and present recommendations for appropriate courses of action. Interested applicants may apply using the following link: <https://cbsbank.applicantpro.com>

1809-3 (M) MORTGAGE LOAN ORIGINATOR


Job: Mortgage Loan Originator
Company: CB&S Bank
Job Type: Full-time
Location: Murfreesboro, TN
GENERAL FUNCTION: Originates and manages a pipeline of secondary market mortgage loan applications and closes an acceptable volume of quality loans. MAJOR DUTIES AND RESPONSIBILITIES: Attracts new mortgage loan applications and retains existing business by developing relationships within builder and/or realtor communities. Advises borrowers on loan products by examining application and supporting documentation, and pre-qualifying for credit-worthiness. Provides guidance and information relevant to the risks and benefits of each program the borrower is qualified for; effectively communicate the terms of each product. Meets mortgage loan operational standards by implementing and maintaining productivity, quality, customer-service standards and problem resolution. Evaluates loan requests, analyzes financial data and determines qualification of collateral and customer credit history. Structures loan to comply with acceptable lending practices and Federal regulations. Collects documenta-

tion from borrower(s) and submits to the Loan Processor. Cross-sells other bank products and services. Maintains knowledge and follows all bank policies and procedures related to processing, underwriting, and closing of loans. Executes consultative sales strategies to drive exceptional service and create trusted relationships. Contacts Borrower, Lender, Realtor, etc., on a weekly basis with loan status. Documents conversations and other notes pertinent to the loan file in Point under the conversation log. **JOB QUALIFICATIONS:** Minimum 3 years of experience in mortgage origination or equivalent. Hold applicable licenses, as required. An advanced understanding of mortgage products and the ability to comprehend and implement complex financial concepts related to residential mortgage lending. Thorough knowledge of mortgage products and services offered as well as market trends. Knowledgeable on agency and investor regulations and guidelines. Excellent verbal/written communication skills. Good organizational skills. Ability to learn and adapt to market

changes quickly. Ability to build strong relationships with production, underwriting, closing and other internal and external partners. Interested applicants may apply using the following link: <https://cbsbank.applicantpro.com>

1808-3 (M) COMMERCIAL LOAN OFFICER

Tennessee State Bank has an immediate opening for a Commercial Loan Officer in Knoxville. TSB is a locally owned and operated community bank, founded in 1972 and headquartered in Pigeon Forge. It is committed to meeting the needs and requirements of the customers and communities it serves. The preferred candidate will have a 4-year degree in a business-related field and 10 years' experience in CRE/C&I lending. Additional qualifications include a successful business development background; excellent credit underwriting knowledge; above average communication skills; sales and computer skills; and a strong desire to be involved in community events and activities.

The Commercial Loan Officer will be responsible for developing new business, underwriting, structuring and closing commercial loans; and maintaining and servicing an existing portfolio. TSB has an excellent benefits package; with 100% paid medical, dental and vision for the employee; 401(k) and more! Tennessee State Bank is an Equal Opportunity Employer; all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, national origin or disability. Qualified candidates send resumes to cgoff@tnstatebank.com. 

Tennessee banks and associate members may list positions free-of-charge as a benefit of their membership in the Tennessee Bankers Association. Those interested in placing an ad or replying to position openings (refer to position number) should direct their inquiries to Penny Powlas at ppowlas@TNBankers.org, or 800-964-5525 or 615-244-4871. View more positions at TNBankers.org/jobbank.



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www.banccard.com

Featured Events

APRIL 7-9

YOUNG BANKERS DIVISION LEADERSHIP CONVENTION

The Westin, Chattanooga

Early Registration Deadline: March 25

Hotel Deadline: March 15

TBA Member/Associate Member Early Registration: \$345

Multiple registrations from same institution get \$45 discount

TBA Contact: Stacey Langford, slangford@TNBankers.org

Speakers Include



BRITTANY WAGNER

Nationally respected athletic academic counselor and life coach from Netflix's Last Chance U



ROBERT DOZIER

Chief Business Officer for Federal Home Loan Bank of Atlanta



LINDA MURRAY BULLARD

Owner of LSMB Business Solutions, LLC

Special Events

- Opening Night Networking Reception
- Election of Young Bankers Division Officers and Directors
- Evening Reception at Big River Grille & Brewing Works

Presentation Highlights

- Integrity Selling for Bankers
- M&A Trends Valuations
- AI—What's in It for Banking Leadership Panel of Bank Executives
- Peer Speed-Networking Roundtable Discussions

Hotel Information

Discover luxury in the heart of downtown Chattanooga. The Westin Chattanooga takes in stunning views of Lookout Mountain and Downtown Chattanooga from a chic urban retreat setting. Contact The Westin Chattanooga at 1-423-531-4653 or visit <https://bit.ly/2BLXi1g>

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**APRIL
25 & 26**

STRATEGIC TECHNOLOGY, RISK & SECURITY CONFERENCE

Embassy Suites Hotel & Conference Center, Murfreesboro

Early Registration Deadline: April 11

Hotel Deadline: April 2

TBA Member/Associate Member Early Registration: \$495

TBA Contact: Monique White, mwhite@TNBankers.org

Our industry is in constant change. This makes our jobs more challenging when we must keep individuals safe and sound and our assets secure. Schemes and scams are more sophisticated today, which make banks more vulnerable. Attend this conference so you learn how to increase safety, secure your data, reduce your overall risk, and save time and money by learning how to prevent disruptions or respond swiftly when they occur. Team discounts are available for multiple registrations from the same institution. Please see the program brochure for complete pricing information.

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**MAY
7 & 8**

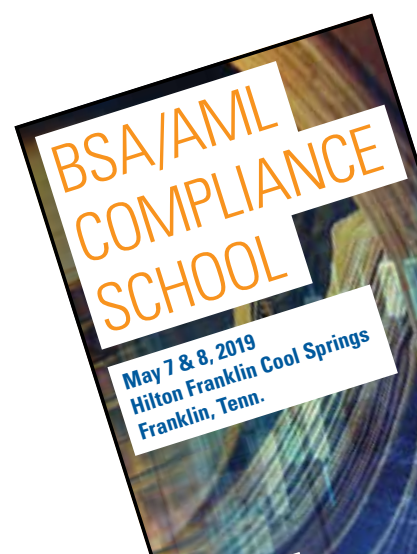
BSA/AML COMPLIANCE SCHOOL

Hilton Franklin Cool Springs, Franklin

TBA Member/Associate Member Early Registration: \$530

TBA Contact: Sheena Frech, sfrech@TNBankers.org

Maintaining or auditing a Bank Secrecy Act (BSA) compliance effort and an anti-money laundering (AML) program, led by Laura Wilson, Pegasus Educational Services, LLC, requires a solid foundation in current regulations and regulatory philosophies. This two-day program addresses the BSA/AML issues of the day. The curriculum is updated annually to include current BSA/AML compliance management issues, in addition to a review of technical compliance requirements. The program is supported by comprehensive materials that serve as a detailed reference for your BSA/AML compliance efforts.




“At the tone the time will be...”



For those who make up Generation Z—and some Millennials—it’s hard to believe there was once an age where you could dial a phone number and a pre-recorded voice would tell you the time.

The service offered a quick, precise solution—and since it could be dialed thousands of times a week in a local community, it was a great sponsorship opportunity too.

In April 1957, the National Bank of Commerce, Jackson, installed the Southern Bell Telephone System’s Audichron, which gave callers the time of the day by dialing 2-5511. The machine, which was on display in the bank’s lobby, was synchronized with Greenwich time for constant accuracy.

To promote the service, the National Bank of Commerce mailed out more than 16,000 letters, giving the time-phone number on a sticker to place on the recipient’s telephone directory. 

Originally published in The Tennessee Banker in May 1957.

Professional Development Calendar

March 18 & 19, 20 & 21
Basic and Advanced IRA
Nashville, Jackson

March 20
Senior Retail Banking Officer Forums, Session 1 of 3
TBA Barrett Training Center, Nashville

March 21
The Southeastern School of Banking Branch ManagementSM, Session 1 of 4
TBA Barrett Training Center, Nashville

March 25-28
The Southeastern School of Consumer LendingSM
TBA Barrett Training Center, Nashville

April 2 & 3
Human Resources Conference
Embassy Suites Hotel & Conference Center, Murfreesboro

April 5
IT/Operations/Information Security Officer Forums, Session 1 of 3
TBA Barrett Training Center, Nashville

April 7-9
Leadership Convention
The Westin, Chattanooga

April 9 & 10, 11 & 12
Tennessee Deposit Account Administration
Knoxville, Nashville

April 10
Introduction to Banking
TBA Barrett Training Center, Nashville

April 23
Bridging the Gap Between Service and Selling
TBA Barrett Training Center, Nashville

April 25 & 26
Strategic Technology, Risk & Security Conference
Embassy Suites Hotel & Conference Center, Murfreesboro

May 7 & 8
BSA/AML Compliance School
TBA Barrett Training Center, Nashville

May 12-17
The Southeastern School of Commercial LendingSM
TBA Barrett Training Center, Nashville

May 13-15
Government Relations Committee Washington Conference
Marriott Marquis, Washington, DC

May 15, 16, 17
2018-2019 Senior Lender Forums, Session 3 of 3
TBA Gilliam Board Room, Nashville

NOTE: All programs and dates listed are subject to change. Occasionally other timely programs are added to the calendar throughout the year. We encourage you to visit www.TNBankers.org/calendar for the most current information about TBA events.



**Need help navigating
TAX REFORM?**

Our tax advisors can guide you through the complex changes and help you determine your best path to success.

View tax reform resources:
kraftcpas.com/tax-reform

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Contact:

Charles Kown, *Relationship Manager*

Reaves Crabtree, *Capital Markets*

Jonathan Simon, *Central & Western Tennessee Correspondent Lending Officer*

Jeff Sands, *East Tennessee Correspondent Lending Officer*

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| • Compliance Audit Services | • International Services | • Sales/Trading | • Officer and Director Loans |
| • Internal Audit Services | • Bank-Owned Life Insurance | • Bond Accounting | • Holding Company Loans |
| • Insurance Products & Services | • Retirement Plan Services | • Safekeeping | • Loan Participations |