MARCH 2020

CERTIFICATION NEWS

ICBA CERTIFICATION PROGRAM

QUARTERLY NEWSLETTER FOR ICBA CERTIFIED COMMUNITY BANKERS

DIGITAL PAYMENTS:
Defining Opportunities for Community Banks

The payments landscape continues to evolve. An estimated 2.1 billion consumers reportedly used a digital wallet by the end of 2019—up 30 percent from 2017. As such, community bankers should fully understand digital payments and the role they play in maintaining and growing your customers by continuing to meet and exceed their expectations.

WHAT ARE DIGITAL PAYMENTS?

"Digital payments" is an umbrella term to describe payments that are made using electronic instruments, such as mobile devices or laptops. Put simply, digital payments are transactions that are initiated without the use of a physical card or paper currency. Digital payments can include:

- online banking payments;
- ACH/Same-Day ACH;
- digital currency/cryptocurrency;
- payments made with a digital wallet, e.g. Apple Pay, Google Pay (wherein the funding mechanism may be a physical debit or credit card, but it's stored in a digital wallet environment);
- payments made through digital apps, e.g. Zelle, Venmo, PayPal, Cash App (by Square) (wherein the funding mechanism may be a physical debit or credit card, but it's stored in a digital app environment); and,
- real-time payments.

DIGITAL PAYMENTS USE CASES AND BENEFITS FOR COMMUNITY BANKS

Digital payments provide a host of opportunities for community banks to provide additional value to customers.

From personal to business clients, digital payments can provide convenience and efficiency while enhancing your overall position and value proposition. Following are a few examples of digital payments opportunities.

Digital Payments continued on page 2

GET TO KNOW

LORETTA PIERCE
An ICBA Certified Banker

Founded in 1939, Bank of Tennessee has a rich and storied history of serving the citizens of Kingsport and its surrounding communities, as does the bank's Internal Audit Officer and SVP, Loretta Pierce.

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Digital Payments continued from page 1

Retail Payments			Treasury Management	
Person-to-Person	Consumer-to-Business		Business-to-Business	Business-to-Consumer
Your Opportunity:				
Help customers quickly and safely pay family or friends using a mobile device by leveraging an existing digital app or your online banking channel.	Allow your customers to make bill payments on or near the due date through your online banking channel or app by leveraging Same-Day ACH or real-time payments.	Ensure your debit and credit cards are compatible with the latest technologies, so consumers can add your cards to their mobile wallets for easy and fast e-commerce and in-store transactions.	Offer your business customers a user-friendly, fully integrated way to ensure they can meet the payments needs of their diverse customer base by accepting multiple forms of digital payments, such as: - ACH, - real-time payments, - wire transfers, - credit cards, - debit cards, - mobile payments, and - more.	Ensure your business customers can pay their freelance employee base at the end of each shift with payment options, such as real-time payments and Same-Day ACH, and integrate with online payments platforms.
The Benefit:				
Meet the needs of customers who prefer to use financial solutions offered by their bank over nonbank providers and keep the bank account and your community bank at the center of the payments relationship.	Meet the needs of customers who prefer to use financial solutions offered by their bank over nonbank providers and keep the bank account and your community bank at the center of the payments relationship.	Earn the opportunity to be "top of wallet" with your consumer customers to garner a larger share of the $2 trillion in-store contactless payments projected for 2020.[2]	Position your community bank as the one-stop shop for all your business customers' needs, building customer confidence, loyalty and retention. Also, be able to build and offer value-added services.	Enhance your business client relationships by meeting the immediacy of the freelance economy and providing services that support your business customers in responding to worker requests.

GETTING STARTED IN GROWING YOUR DIGITAL PAYMENTS OFFERINGS

Businesses and consumers are interested in faster, safer, and more convenient payment methods. Through digital payments, your community bank can provide a means to achieve these desired outcomes and position your institution as a leader and innovator in the digital payments space.

ICBA's payments subsidiary ICBA Bancard partnered with Aite Group to create the ICBA Bancard Digital Payments Strategy Guide℠, a tool to help community banks develop or evolve their digital payments strategies. It offers an interactive exercise through a series of questions that tap into specifics around a bank's current consumer products, consumer market base, and existing digital payments offerings. The results reveal the bank's current digital payments maturity and offer insights for building on the bank's existing foundation. Learn more today by visiting www.strategy.icbabancard.com. For more on payments, readers can also refer to ICBA's Payments Executive Brief Series available at www.icba.org.

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Loretta, who was hired by Bank of Tennessee's sister bank in 1965, first earned her ICBA Certified Community Bank Internal Auditor Certification in 1997 and in 2001 followed it up by earning the ICBA Certified Community Bank Security Officer designation. For more than 20 years, Loretta has maintained her ICBA certifications and the Community Banker University team always looks forward to seeing her at annual events

What makes a community bank different from the larger banks? It is all about the way the bank's leadership and its employees interact with the local community. Community banks are a center of influence, providing essential leadership and making financial contributions that make their communities a great place to live and work.

What makes you most proud of your bank? So many things! To begin, Bank of Tennessee has been around for more than 80 years and today, thanks to our exceptional management, is a billion-dollar+ bank and growing. I am also very proud of the bank's generosity and how the sensibility of supporting local initiatives and endeavors permeates our entire culture. The bank makes sizeable investments of money and time supporting community efforts and bank staff are involved in the local chamber, United Way, and essentially every non-profit that serves our markets.

How did you find your way into banking? I knew a member of the board of directors at Carter County Bank (Bank of Tennessee's sister bank). After graduating from business college, I was introduced to the management of the bank by the director and was hired in 1965.

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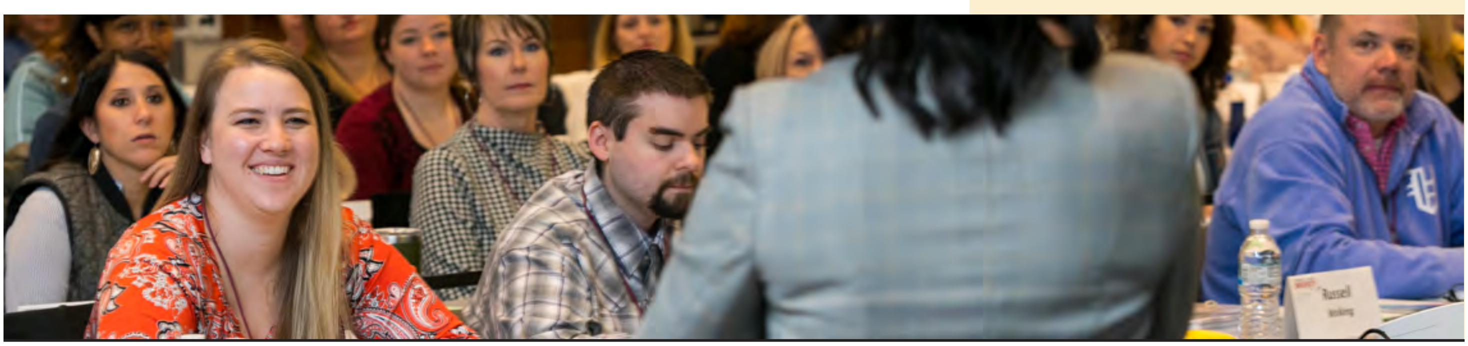

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HAVE YOU CLAIMED YOUR DIGITAL CREDENTIAL?

You worked hard to earn your credential. Receive the recognition you deserve.

If you're receiving this newsletter, you've successfully completed one (or more) of Community Banker University's nine certification programs and are eligible to receive a complimentary digital badge to proclaim your achievement to the world.

The badge can be displayed in your email signature, electronic copies of your résumé, and on social media sites such as LinkedIn, Facebook, and Twitter. It cannot be falsified and will protect the integrity of your accomplishment.

Simply follow these steps to access your digital credential:

- **Visit https://www.youracclaim.com and create an account.**
- **Be sure to use the same email that we use to reach you for your certification.**
- **After you confirm your email, accept the badge.**

We know that you will enjoy the credential and hope you act quickly to accept it and put it to good use!

Questions? Contact julie.woida@icba.org or call 800-422-7285 x7334

What's your biggest and best accomplishment? In 2004, I was named senior vice president for Carter County Bank. In 2013, I played a key role in facilitating the successful merger of Bank of Tennessee and Carter County Bank. After the merger, I was named senior vice president and internal audit officer for Bank of Tennessee.

What do you like best about your work? The interaction with management, bank directors, auditors, examiners, and bank employees. The owner of the bank is always available to the employees and cares about what is going on in their lives. One of my greatest pleasures is reporting to the Audit Committee and the board of directors about the successful manner employees perform their duties and follow policies and procedures.

What's your best advice to a new bank employee? Take advantage of learning from experienced and knowledgeable employees and take the initiative in every opportunity to further educate yourself. Most importantly, remember that to be an outstanding bank, we need to work together as a team with the same goals in mind.

How has earning your certification designation helped your career as a banker? The certification program has given me creditability with examiners, auditors, management and the Audit/Risk Committee. Community Banker University's annual certification program is always a part of my continuing education.

FACT CHECK

Headquarters: Kingsport, Tenn.

Retail Offices: 21

Bank Asset Size: $1.4 billion

Number of Employees: 282

Auditing/BSA/AML Staff: 1/2/4

Website: www.bankoftennessee.com/cartercountybank.com

Tagline/Mission Statement: To improve the financial health and wellbeing of our customers and our communities.

INDEPENDENT COMMUNITY
BANKERS of AMERICA®

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RETURN SERVICE REQUESTED

2020 CERTIFICATION CALENDAR

AUDIT INSTITUTE℠
» April 26-May 1; Virtual Institute
» Sept. 13-18; Minneapolis, MN

ANNUAL CURRENT ISSUES CERTIFICATION CONFERENCE
» Sept. 21-24; Minneapolis, MN
» Oct. 19-22; San Antonio, TX

BANK SECURITY INSTITUTE℠
» Sept. 27-30; Minneapolis, MN

BSA/AML INSTITUTE℠
» May 4-6; Virtual Institute
» Aug. 10-12; Denver, CO
» Nov. 4-6; Charlotte, NC

COMPLIANCE INSTITUTE℠
» June 14-19; Minneapolis, MN
» Oct. 4-9; Denver, CO

COMMERCIAL LENDING INSTITUTE℠
» Aug. 23-28; St. Louis, MO

CONSUMER LENDING INSTITUTE℠
» Sept. 13-16; Minneapolis, MN

CREDIT ANALYST INSTITUTE℠
» March 29-April 1; Virtual Institute
» Oct. 4-7; Minneapolis, MN

IT INSTITUTE℠
» Aug. 3-7; Minneapolis, MN

RISK MANAGEMENT INSTITUTE℠
» June 22-25; Minneapolis, MN

Disclaimer: With the current COVID-19 (coronavirus) environment in our country, it is important for ICBA and Community Banker University to take the appropriate steps to ensure the health and safety of all attendees, speakers, and staff. Institute dates and locations may therefore be subject to change. Please refer to www.icba.org/education/live-events for current event information.