

Issues & Answers



December 2024

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Looking Back And Looking Ahead



*By Glen Simecek,
President & CEO,
Washington Bankers
Association*

As we flip over the last page of our 2024 calendar and head into the holiday season, I want to take a break from making my lists and checking them twice and thank all of the WBA members for their involvement and support over the past twelve months.

Looking back, your contributions made 2024 an excellent year for our Association. We completed a smooth transition in our advocacy team following the retirement of Trent House, who had been serving as our lead contract lobbyist. We're fortunate that Carrie Tellefsen, an essential member of our lobbying team, was willing and able to assume the lead lobbyist role. Additionally, we have brought on Isaac Kastama, another experienced Olympia vet, to bring our lobbying team back to full strength. Carrie and Isaac will continue to count on experts

within WBA member banks to develop and present our advocacy agenda.

This same type of teamwork was also a common denominator in our professional development efforts this past year. We now offer our Understanding Bank Performance program in nearly 30 states across the country, in collaboration with other state banking associations. Similarly, we again partnered with our friends at the Idaho, Nevada, and Oregon Bankers Associations to present our annual Convention. Held at the beautiful Skamania Lodge, it was a highly informative and enjoyable event that delivered great value to attendees.

Delivering value remains the focus of all our professional development programs. The Covid pandemic forced us to find new and more convenient ways to provide timely educational content, and we continue to apply lessons learned in those darker days. As a result, throughout the year, we have offered a mix of online and in-person learning opportunities, working to identify the best way to maximize the value of the content. It's all

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The official publication of the Washington Bankers Association is sponsored by Vericast and WBA Professional Services.

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Umpqua Bank

Dave Swartley, SVP/Managing
Director State Government
Relations, U.S. Bank

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about delivering the right information at the right time and in the right manner.

Finally, we are all excited about our new partnership with CareerWork\$. The partnership is built upon the successful BankWork\$ program that offers financial education, mentoring, and career development support to individuals looking to begin work in the banking industry. With CareerWork\$ becoming a full affiliate of WBA, we expect it can grow to serve a much broader population in Washington and other states. It's a classic case of doing well by doing good: we'll create a more diverse pool of talented employees for the industry while simultaneously providing career opportunities to those who might not otherwise have them.

While looking back to see how far we've come, I've always felt it's more important to look forward. As the old saying goes, your eyes are on the front of your head so you can see where you're going.

With that in mind, our work will be cut out for us in 2025. The upcoming legislative session promises to be one of the most challenging in recent memory. Estimates are that lawmakers will be facing a \$5-10 billion budget gap in balancing the 2025-27 biennial budget. To be clear, it's not that state revenue collections are falling. It's just that they aren't projected to grow as fast as they have recently or to keep up with state spending obligations based on past budget decisions.

The Legislature confronting this challenge will include a lot of new faces, and the majority caucuses continue to grow more progressive. We can expect to see more momentum for tax increases than for spending cuts. There won't be many legislators who have lived through anything other than soaring budget surpluses, and it will take a strong effort on the part of WBA and the rest of the employer community to make the case for fiscal restraint.

Olympia isn't the only government arena that could present challenges for Washington banks. Things may change with a new administration in Washington, DC, but lately, federal regulators have become increasingly "creative" (read: aggressive) in their approach to industry oversight.

Mix these challenging government environments and then stir in a rapidly changing financial services marketplace, and it all adds up to an exciting year ahead. Fortunately, we have a talented and engaged WBA membership to help us.

Happy New Year!

Contact Us

Contact the Washington Bankers Association at 601 Union
Street, Suite 1720, Seattle, WA 98101

Call us at (206) 447-1700 and visit us on the
web at wabankers.com.

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On the Cover

Fog floats through a dense evergreen forest in the Northern Cascade
Mountains of Washington.

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It's Time to Stop Punting on Credit Union Accountability



By Rob Nichols, President & CEO,
American Bankers Association

Football season is in full swing, and here in the nation's capital, the home of the Washington Commanders has a new name: Northwest Stadium, the moniker of Virginia-based Northwest Federal Credit Union, which recently inked

a multi-year, multi-million-dollar stadium naming deal.

If you're wondering how a credit union—a nonprofit, tax-exempt entity—can afford such a hefty marketing spend, you'd be asking the right question. When Congress passed the Federal Credit Union Act authorizing the creation of federal credit unions, its intention was for these institutions to serve people of modest means within clearly defined communities united by a common bond.

But times have changed. Today, many credit unions—in pursuit of endless growth—have dramatically expanded their fields of membership. Northwest—whose marketing budget ballooned by 88% from 2022 to 2023—was founded in 1947 to serve CIA employees. It now offers membership through multiple federal agencies, as well as “hundreds of businesses and community organizations.”

Northwest isn't the only credit union spending top-dollar on marketing to grow membership far beyond its original scope. In fact, several of the largest credit unions now purport their potential membership base to be upwards of 330 million Americans—effectively the entire population of the United States.

If credit unions are now empowered to cast a net this wide and compete aggressively for market share with taxpaying institutions, it's time for policymakers to stop punting the ball on ensuring that these institutions are accountable and transparent in their operations.

ABA expressed this view in a recent letter to NCUA Chairman Todd Harper—who has himself questioned whether credit unions should be spending so much on stadium naming deals, when those funds could be better spent supporting members. In addition, there have been several positive policy developments in recent days that suggest a growing appetite in Washington for greater accountability and transparency for the \$2.3 trillion credit union industry.

One example: In a recent policy statement, the FDIC signaled that it will begin requiring credit unions to provide additional information when applying to acquire an FDIC-insured bank. Credit unions have targeted a total of more than \$9 billion in bank assets so far this year, with 18 deals announced in 2024 alone. ABA remains deeply concerned about the increasing number of these types of transactions and the potential tax losses and effects on local communities that accompany them. Regulators should rightfully scrutinize these deals, given that credit unions are not subject to any federal Community Reinvestment Act requirements.

Greater accountability is also expected through an upcoming rulemaking on executive compensation transparency from the National Credit Union Administration that would require the disclosure of certain financial information by federal credit unions. Given that credit unions are democratically controlled financial cooperatives, it is essential that their member-owners have greater visibility into how top executives are incentivized relative to these transactions.

Regulators are not the only ones taking note—in fact, in just the past year, a total of 80 members of Congress have publicly questioned credit union activities.

Taking all these developments into consideration, it seems the time is right to move the chains on credit union accountability. You can count on ABA to continue playing offense on these issues in the months ahead.



2025

BANKERS DAY ON THE HILL

February 12 • 11 a.m.

Association of Washington Business Office

Register online: voterveice.net/WABANKERS/home

Enhance Your Career with 2025 Credit Analyst and Commercial Lending Development Program

Staying ahead requires continuous learning and skill enhancement as the financial industry evolves. The WBA is proud to offer two premier programs in 2025: the Virtual Credit Analyst Development Program (CADP) beginning in April and the Commercial Lending Development Program (CLDP) starting in February.

These programs equip banking professionals with the tools and knowledge to excel and advance their careers.

Why These Programs Matter

In today's banking environment, credit analysis and commercial lending roles are more critical than ever. Both programs provide comprehensive training that bridges the gap between foundational knowledge and practical application, ensuring attendees leave with actionable skills.

2025 Virtual Credit Analyst Development Program

The CADP is perfect for credit analysts, credit officers, and newer professionals looking to build a strong foundation in credit analysis. This program dives deep into the critical aspects of credit decision-making, financial analysis, and risk management.

Key Benefits:

- **Comprehensive Curriculum:** Learn about financial statement analysis, loan structuring, regulatory considerations, and more.
- **Flexible Learning Options:** Attend live sessions or access OnDemand recordings to fit your busy schedule.
- **Expert Instruction:** Gain insights from seasoned professionals with decades of experience in banking and training.
- **Hands-On Learning:** Gain a more robust understanding of concepts using case studies and homework.

By completing this program, participants will gain the tools to analyze credit risks confidently and communicate effectively with senior lenders—an essential step in advancing their careers.

2025 Commercial Lending Development Program

The CLDP is tailored for commercial lenders and those transitioning into this field. It focuses on understanding the complexities of commercial loans, from underwriting to loan monitoring, and explores how to navigate the challenges of today's lending environment.

Key Benefits:

- **In-Depth Focus:** Explore topics like loan structuring, pricing, documentation, and risk management tailored to the unique challenges of commercial lending.
- **Real-World Applications:** Participants engage in case studies and discussions replicating real-world lending scenarios, allowing them to practice their skills in a safe learning environment.
- **Industry Expertise:** Learn from instructors with practical, hands-on experience in commercial lending and banking operations.

Graduates of this program leave with the confidence to manage complex lending portfolios and contribute meaningfully to their institution's bottom line.

Why You Should Attend

Both the CADP and CLDP are investments in your professional development. By participating, you'll gain:

- **Practical Skills:** Each program emphasizes real-world applications, ensuring that your learning can be immediately applied to your role.
- **Career Advancement:** These programs are designed to help you stand out, whether you're a newer professional building your career or an experienced banker looking to deepen your expertise.
- **Recognition:** Completing these programs demonstrates your commitment to excellence and positions you as a leader in your field.

How to Register

Credit Analyst Development Program (April 14): wabankeres.com/cadp

Commercial Lending Development Program (February 27): wabankers.com/cldp

Don't miss the chance to take your career to the next level. These programs fill quickly, so secure your spot today!

Invest in Your Future

Whether starting your career or seeking to refine your expertise, the CADP and CLDP offer unparalleled opportunities to grow professionally and personally. Equip yourself with the skills needed to navigate the challenges of today's banking industry and become a key player in your institution's success.

Q1 EVENTS

- Jan. 8** - Understanding Bank Performance
- Jan. 8** - CBA Bank President's Seminar, Laguna Beach, CA
- Jan. 21** - 2025 Executive Development Program
- Feb. 12** - Bankers Day on the Hill
- Feb. 24** - PSBJ Mentoring Monday
- Feb. 26** - WBA Night at Spokane Chiefs
- Feb. 27** - Commercial Lending Development Program
- March** - RMA Puget Sound Women in Banking Luncheon
- March 17-19** - ABA Washington Summit, Washington D.C.

Q2 EVENTS

- April** - WBA Networking Night, Seattle
- April 16** - Management Development Program
- April** - Understanding Bank Performance
- April 14** - Credit Analyst Development Program
- April 29** - Virtual Engage Conference
- May 7-9** - Agricultural Bankers Conference, Meridian, ID
- May 13** - CBA Annual Conference, La Quinta, CA
- May 22** - OBA Women in Banking Luncheon, Portland, OR
- May 30** - PSBJ Women Who Lead
- June 5** - WBA Night at Spokane Indians
- June** - Understanding Bank Performance



Q3 EVENTS

- July 28-30** - 2025 Annual Convention, Coeur d'Alene, ID
- August** - KBA Fraud Academy, Louisville, KY
- Aug. 21** - Commercial Lending Development Program
- September** - RMA Women in Banking Event
- Sept. 22** - Credit Analyst Development Program
- Sept. 24** - Credit, Lending & Compliance Conference

Q4 EVENTS

- Oct. 13-16** - PNW Capitol Hill Visit, Washington D.C.
- October** - UBA AI & Fintech Conference, Salt Lake City, UT
- Oct. 9** - Retail Branch Manager Development Program
- October** - Understanding Bank Performance
- November** - WBA Networking Event

LEGEND

- Purple = Development Program
- Red = Advcoacy event
- Green = Partner event
- Teal = WBA conference
- Blue = Networking event

Registration and pricing are available online at wabankers.com

34 Graduate from Executive Development Program

In early November, the WBA celebrated 34 new graduates from the Executive Development Program.

These students, honored during a ceremony attended by bank leaders, mentors, and family, completed a 12-session rigorous program covering all significant aspects of bank management.

One student described the program as offering “Great networking with others in banking, not only in your area of expertise but all areas. I enjoyed the classes, which challenged me outside my comfort zone and exposed me to many areas of banking I did not know or had any experience with. The instructions were engaging and knowledgeable, making the classes fun and insightful. Overall, it was just an awesome experience.”

Congratulations to the graduates:

Bank of the Pacific: Anna Martin, Carrie Vroman, Stephanie Mabry

Banner Bank: Matthew Fishman

Cashmere Valley Bank: Terri Howard

Commencement Bank: Megan Stone

First Fed Bank: Jodi Alexander, Nicole Pruden

First Financial Northwest Bank: Shannon Anderson

Heritage Bank: Alex Pace, Andrey Tiginyanu, Debbie Siguaw

Kitsap Bank: Angie Goodman, Erin Bick, Jackie Smith, Kelly Miller

Olympia Federal Savings: Amity Muntz Reed, Michal Ledesma

Peoples Bank: Jennifer Bowles, Marisa Ellis, Paul Latham, Stephanie Streitler

Umpqua Bank: Joseph Tufts, Kelly Sheehan

U.S. Bank: Claire Campos, Valjean Dotson

WaFd Bank: Christina Tervet, Geran Stoddard, John Kneller

Washington Trust Bank: Alex Gruber, Alex Terrien, Garret Campbell, Janell Brennan, Melissa Klitzke

The 2025 Executive Development Program will begin in January and is open for registration.



36 Graduate from Credit Analyst Development Program

The Washington Bankers Association is proud to celebrate the achievements of the 36 graduates of this fall's Credit Analyst Development Program (CADP)!

These dedicated professionals from 15 states invested in their careers by completing this intensive program, gaining invaluable skills to excel in the dynamic world of credit analysis.

This year's program, held virtually, offered participants flexibility with live sessions and OnDemand access. Under the guidance of industry-leading instructors, graduates tackled vital topics such as financial statement analysis, loan structuring, and risk assessment, preparing them to make informed and confident credit decisions.

The graduates include:

1st Security Bank of Washington: Ciaran O'Leary

American Federal Bank: Kris Schneider, Spencer Rehovsky

Bank of Oak Ridge: Lia Simmons

Bank of Prairie du Sac: Nolan Breuning

Bank of the Pacific: Timothy Jackson

Baraboo State Bank: Dane Hinz

BTC Bank: Carlee Quinn

Buffalo Federal Savings Bank: Cody Milmine

Cache Valley Bank: Todd Sorenson

Citizens Bank: Michelle Gonzalez

Citizens State Bank of Loyal: Alejandro Mendoza

East Wisconsin Savings Bank: Shannon Schmalz

FarmBank: Jason Dimmitt

Farmers Bank & Trust: Victoria Poe

Farmers State Bank: Maggie Lorenz

First Fed Bank: Megan Andersen



First National Bank – Pierre: Leland Brokaw

First State Bank of St. Charles: Andy Eckhard

First United Bank: Julia Koggang

FM Bank: Taylor Bakkelund

Forcht Bank: Michael Maloy

Integrity Bank & Trust: Anjellah Schaefer

M&F Bank: Takayla Lane

SaviBank: Agatha Picon Domingues, Michael Rodriguez

State Bank Financial: Ben Byom

Sugar River Bank: Manuela Lippincott

The Bank of New Glarus: Ericka Foreman

The Cecilian Bank: Jeremy Webb

Washington Trust Bank: Brayden Roberts, Jarrod Johnson

Waumandee State Bank: Nathan Bremer

Woori Bank: Youjung Lee

Registration is now open for the 2025 program starting on April 14. Learn more at wabankers.com/cadp.



SaviBank Donates \$120,000 to Children of the Valley Program

In partnership with the Federal Home Loan Bank of Des Moines, SaviBank recently announced a donation of \$120,000 to the Children of the Valley After School Program.

The FLHBDM Member Impact Fund matched the bank's original donation, bringing up the total. The bank has been a long-time supporter of Children of the Valley, which works to provide services to students after school.

Bank of America Donates \$50,000 to Habitat for Humanity Project

In Seattle, Bank of America announced a \$50,000 grant for the Habitat for Humanity affordable housing project in Burien.

The Habitat for Humanity Seattle-King and Kittitas Counties partnered with the bank to bring the project to Burien as part of the bank's Global Build initiative.

When completed, the project will provide sustainable homes for 40 families and will be finished in the fall of 2025.

"We are grateful for this partnership with Bank of America, which enables us to bring stable, affordable housing to families in need," said a representative from Habitat SKKC. "In a region where average home prices exceed \$850,000, these homes provide a critical opportunity for families to achieve long-term financial stability and independence."



JPMorgan Chase Hosts Community Conversation at Wing Luke Museum

JPMorgan Chase in Seattle recently hosted a Community Conversation, part of a larger series, at Wing Luke Museum.

The Museum also briefly introduced its history, focusing

on Asian Pacific American experiences.

The bank has also provided financial education programs for local students and worked with seniors.



Kitsap Bank Donates to Gig Harbor Peninsula Fish Food Bank

Kitsap Bank hosted its annual shredding event for Gig Harbor's Peninsula Fish Food Bank this fall.

The event raised \$2,780 to help those in need this holiday season.



U.S. Bank Hosts Workshop With Urban Impact Seattle

U.S. Bank recently hosted a workshop with Urban Impact Seattle, providing information about business banking and building healthy habits.

This was the final session in a workshop series, which included creating business roadmaps, understanding credit, and how to find resources.



Umpqua Bank Supports Kid Vantage Annual Lunch

The Umpqua Bank team in Puget Sound recently attended the annual Kid Vantage Thrive luncheon.

The event raises money for the organization that works with kids and families to ensure they have the supplies to succeed.

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Yakima Federal Savings Donates to Historic Prosser Downtown Association

Yakima Federal Savings donated \$10,000 to the Historic Prosser Downtown Association at the end of October.

The donation was possible thanks to the Main Street Tax Credit provided by the State of Washington to promote and preserve downtowns throughout the state.

First Fed Welcomes Club 100 Member

This fall, Sara Myers, with First Fed Bank, joined Club 100, having volunteered more than 100 hours this year.

Myers spent most of her volunteer time with Cake4Kids, which works with local organizations like the Boys & Girls Club and First Step Family Support Center to ensure that local children can access birthday cakes on their special days.



olds, and special guest Arnie connected with the community throughout the event.



WaFd Bank Donates to Tumwater Rotary Socktober

The Lacey and Olympia WaFd Bank branches recently participated in the Tumwater Rotary's annual Socktober event.

The bank encouraged customers and the community to donate socks to the organization, which are provided to those in need during the colder months.

The bank, between both branches, donate just under 100 pairs of socks.

1st Security Bank of Washington Hosts Cyber Security and Fraud Event

In honor of Cybersecurity Awareness Month, the 1st

Liberty Bank Volunteers at Poulsbo Farmers Market

The Liberty Bank team recently volunteered at the Poulsbo Farmers Market.

The team of Kelly Garcia, Chelsie Calara, Lynette Reyn-

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Industry News

New Hires

Nicholas Bley
Executive Vice President and Chief Operating Officer at Heritage Bank

Seth Kinsey
Vice President and Relationship Manager at Washington Trust Bank

Madison Rountree
Small Business Relationship Manager at Washington Trust Bank

David Ragan
Vice President and Senior Commercial Payments Advisor at Kitsap Bank

Sarah VanZuyt
Assistant Branch Manager at Olympia Federal Saving

Kristin Roberts-Van Horn
Customer Service Representative at Olympia Federal Savings

Bry Roseen
Customer Service Representative at Olympia Federal Savings

Lorraine Pelkey
Branch Customer Service Representative at Olympia Federal Savings

Andrew Boyd
Branch Customer Service Representative at Olympia Federal Savings

Charlie Baker
Vice President and Commercial Banking Officer at Bank of the Pacific

Nam Mai
Deposit and Treasury Executive at Seattle Bank

Kevin Daniels
Vice President and Branch Manager at Banner Bank

Promotions

Drew Davies
Senior Vice President and Commercial Market Leader at Peoples Bank

Jorge Ribbeck
Vice President and Area Retail Leader at KeyBank

Travis Wittnebel
Vice President and Senior Business Advisor at Baker Boyer Bank

Have Industry News to share with WBA? Email megan@wabankers.com or call (206) 344-3472.

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Security Bank of Washington recently hosted a seminar on security and fraud at Sequim.

The bank had a full house for the event, which shared ways to stay safe from the latest scams and what to look out for.



Cashmere Valley Bank Participates in Ellensburg Downtown Cleanup

The Ellensburg Cashmere Valley Bank team recently participated in a downtown cleanup event.

The group spent several hours on a Saturday picking up trash and cleaning sidewalks throughout the downtown core.



Washington Trust Bank Donates to Care Moses Lake

Washington Trust Bank recently donated \$1,000 to Care Moses Lake, which helps families in need across Grant County.

The organization provides food, clothing, hygiene products, and supportive services to homeless and low-income families in the county.

Baker Boyer Bank Hosts Health and Wellness Fair

Baker Boyer Bank hosted a Health and Wellness Fair for employees this autumn, bringing in local organizations to share program information.



Washington Trust Bank Donates to Treats 2 Troops

Washington Trust Bank partners with KREM 2 News in Spokane each fall for the annual Treats 2 Troops donation drive.

The campaign encourages donations of snacks and other goodies for soldiers serving overseas.

WaFd Bank Participates in Financial Education Workshop

WaFd Bank recently participated in a financial education workshop for students participating in the Your Money Matters Mentoring and Latino Civic Alliance programs.

Both programs work with youth in the South Sound, focusing on building relationships and sharing information.



First Financial Northwest Bank Participates in Cork & Keg Auction

First Financial Northwest Bank team members recently volunteered during Lake Stevens's Cork & Keg Auction.

The annual event raises money for the Rotary Club of Lake Stevens and features local beers and wines.

American Banker Magazine Announces Best Banks to Work For List

Every year, American Banker magazine publishes a list of the 100 best banks to work for in the U.S.

The list is created via nominations from employees and the community.

1st Security Bank of Washington and Washington Trust Bank make the list in Washington, while WBA member PCBB, based in California, also earned a spot.

Yakima Federal Savings Donates to Triumph Treatment Services

Yakima Federal Savings and Loan announced this fall that it made a \$10,000 donation to Triumph Treatment Services

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thanks to a matching donation from the Federal Home Loan Bank of Des Moines' Member Impact Fund.

The donation will help build a Yakima women's in-patient drug treatment center.



YWCA Welcomes New Group of BankWork\$ Graduates

The YWCA Seattle King Snohomish recently celebrated the latest group of students who completed the Bank-Work\$ program successfully.

The students completed an 8-week training program covering various banking and professional skills, preparing them for careers in the banking industry.

KeyBank Supports Highline Schools Foundation Dinner & Auction

Members of the KeyBank team in the South Sound attended the Highline Schools Foundation Winter Warm-Up Dinner & Auction.

The annual event helps the district's basic needs program, which works to provide equitable learning environments for students.



Bank of America Volunteers with Tacoma/Pierce County Habitat for Humanity

Bank of America team members recently volunteered with Tacoma/Pierce County Habitat for Humanity.



The group participated in a build, which is building affordable housing for families in Tacoma.

State Bank Northwest Donates to Union Gospel Mission

State Bank Northwest recently announced a \$20,000 donation to the Union Gospel Mission, thanks to a matching donation from the Federal Home Loan Bank of Des Moines Member Impact Fund.

The UGM will use the funds to continue providing food, shelter, and recovery programs to homeless men, women, and children in the Inland Northwest.



WaFd Bank Donates To Pierce County Community Land Trust

WaFd Bank recently announced a \$20,000 donation thanks to the Federal Home Loan Bank of Des Moines Member Impact Fund.

The money will help the land trust increase affordable housing in the area.



Bank of America Donates to WSU Everett

Bank of America recently announced a \$10,000 donation to Washington State University Everett, which will help sup-

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port programs impacting native and urban communities.

The donation supported Dr. Joe Gladstone's work in tribal economic development through business management science.



Portage Bank Donates to Recovery Café

Thanks to a matching donation from the Federal Home Loan Bank of Des Moines Member Impact Fund, Portage Bank recently donated \$10,000 to Recovery Café.

The café supports those recovering from addiction, and the donation will allow the organization to expand and further its work in the area.

Sound Community Bank Volunteers at Concern for Neighbors Food Bank

The Sound Community Bank team members recently volunteered at Concern for Neighbors Food Bank in Mountlake Terrace.

The group helped bag fresh fruits and vegetables for distribution to community members.



Community First Bank Donates to B5

Community First Bank, in partnership with the Federal Home Loan Bank of Des Moines, recently donated \$40,000 to B5.

The donation was part of the FHLBDM Member Impact Fund and will help B5 support its mission of providing education and community to new arrivals in the U.S.



U.S. Bank Volunteers at Central Washington Food Bank

The U.S. Bank Central Washington District team recently volunteered at the Opportunities Industrialization Center of

Washington Food Bank.

During their visit, the group filled 500 boxes of food to help families in need.



Yakima Federal Donates to Mirror Ministries

Yakima Federal Savings & Loan recently announced a \$40,000 donation to Mirror Ministries of Richland.

The organization works to help those impacted by sex trafficking by providing education, intervention, restoration, and aftercare.

Banner Bank Donates \$66,000 During United Way Campaign

Banner Bank employees recently donated \$66,000 to the annual United Way giving campaign.

The annual event encourages employees to donate to their local United Way, which helps communities throughout the bank's footprint.

Thanks to employees' generosity, bank leadership made a 50 percent match after the bank hit its fundraising goal.

Olympia Federal Savings Partners with Olympia High School

This fall, Olympia Federal Savings partnered with Olympia High School to support students and share about finances.

Students at the school and partners attended a workshop to learn about savings accounts and help them take a first step toward building solid financial foundations.



Sound Community Bank Volunteers at Tacoma Children's Business Fair

The South Sound team from Sound Community Bank recently volunteered at the Tacoma Children's Business Fair.

The group provided information and helped children understand more about business and banking.

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AI is Transforming Contact Centers: The Future of Customer Support

By Steve Hasmanis, VP, Contact Center Strategy & Operations, Vericast

It's no surprise that AI has become a hot topic across industries. Whether it's generating content, fueling underwriting decisions, or analyzing datasets, AI is here to stay. The efficiency AI offers shouldn't be overlooked—it has a place in nearly every area of your organization, including your contact center.

The value and role of contact centers are being reimagined thanks to AI. According to Genesys, 62% of bank customers say they use phone calls as their primary method of contacting their bank. With this in mind, how can AI enhance the support contact center staff provides? Let's dive into five key areas:

1. Predictive Routing

AI-driven systems analyze incoming calls using Natural Language Processing (NLP) to understand the nature of inquiries and route them to the most appropriate agent or department. This routing is based on skill set, availability, and historical data, ensuring customers get the help they need faster. AI can also prioritize high-value customers or urgent issues, guaranteeing critical matters are addressed promptly. By analyzing past interactions and patterns, AI can even predict which agent is best suited to handle a particular customer or issue, improving both efficiency and customer satisfaction.

2. Emotional Intelligence Monitoring

Through real-time analysis of voice tone, word choice, and speech patterns using NLP, AI can gauge a customer's emotional state—whether they're frustrated, satisfied, or confused. These tools can alert agents when a caller's emotional state is declining, enabling them to adjust their tone or approach to defuse tension and enhance the customer experience. With some software, an agent can tag a supervisor to monitor, join or take control of a call. Emotional intelligence monitoring helps humanize customer interaction, even when AI is involved.

3. Suggested Best Actions

AI can provide agents with real-time suggestions based on live conversation analysis. By recognizing intent, context, and keywords, AI recommends the best course of action. This might mean suggesting a pre-built response, directing the call to additional support, or offering relevant troubleshooting steps. This not only empowers agents to resolve issues faster but also improves the customer experience by ensuring a more tailored and informed response.

4. After-Call Task Automation

AI tools can automatically generate detailed summaries of conversations, capturing key points, next steps, and customer sentiment. This reduces after-call work (ACW) for agents, giving them more time to focus on the next customer. Additional automation features, such as scheduling callbacks, sending follow-up emails, or initiating post-call surveys, further free up agents to concentrate on more

complex, value-driven tasks.

5. Improving Employee Satisfaction

Empowering employees leads to better customer service. AI can enhance job satisfaction by giving employees the tools they need to make smarter, faster decisions. With ongoing feedback from AI tools, agents can receive personalized coaching that highlights their strengths and areas for improvement. AI can also monitor agent burnout by analyzing voice fatigue or stress markers.

What to Consider When Choosing a Contact Center Partner

When outsourcing your contact center, it's essential to ensure that potential partners prioritize safety, security, and support. Look for providers who have clear strategies around the following areas:

1. Compliance

Your contact center provider should help you harness AI to create better customer experiences while staying compliant. This includes adhering to regulatory standards, as well as safeguards for data security and privacy. Additionally, ensure that the provider offers auditability and reporting capabilities to demonstrate compliance. After all, 53% of banks report concerns that using AI could diminish trust in their brand (FT Longitude).

2. Incorporating the Human Touch

While AI enhances efficiency, human interaction remains essential for complex or emotionally sensitive issues. Your contact center provider should offer a balance of automation for routine tasks and skilled human agents for more personalized conversations. AI can provide data-driven insights, but human agents are better equipped to adapt to the customer's emotional state. Providers should also have human oversight of AI interactions to prevent misinterpretation and ensure service quality remains high.

3. Integration & Infrastructure

Seamless integration with your existing systems is key to streamlining processes and improving response times. A contact center provider with scalable infrastructure can handle increasing call volumes, new communication channels, and additional agents without sacrificing service quality. This ensures that customer support remains efficient, even during peak times or periods of rapid growth. Choose a provider that can grow alongside your business and adapt to your evolving needs.

Conclusion

AI isn't going to replace your contact center—it's going to enhance it. Whether you are navigating change of a digital banking platform conversion or a bank merger, by choosing the right partner, you can leverage AI's power to improve customer satisfaction, increase efficiency, and support your business's growth. Contact centers that combine the best of AI and human interaction will be the ones that deliver superior customer experiences and drive lasting business success.



Give Your SMB Accounts What They Need Most: Information Security Tools

By James Mason, SVP/Client Relationship Manager, StrategyCorps

It's very likely that if you ask any small business owner what their biggest threat to running their business is today, information security, cyber attacks (and liability for attacks), and ID theft will be the ones at the top of their list.

According to Infosecurity Magazine and Orange Cyber Defense, there's a 77% uptick in cyber extortion victims year over year. And "companies employing less than 1000 people, classed as small and medium businesses (SMBs), suffered cyber extortion attacks 4.2 times more often than larger enterprises."

According to the Identity Theft Resource Center, 42% of small businesses lost revenue due to a cyber event in 2023. And more businesses saw other increased impacts from the previous year, such as more customers losing trust in the business (32%).

The gains from today's digital operating platforms SMBs employ have a downside - exposing customers and systems to "bad players". This only adds to the strain that many SMBs are feeling in this economy.

The most recent - and disturbing - example of this is the AT&T hack. In a six month period in 2022, cybercriminals made off with the phone and text records of 110 million customers. And this is one of the major telecommunications firms in the world, with the means and motivation to keep their systems secure.

SMBs have neither the budget nor personnel to provide that kind of security.

That's why it's crucial for community FIs to offer cyber and ID theft protection to SMBs and their key customers/members. Plus, competitively this protection differentiates from the megabanks and digital banks that are taking SMB market share from traditional regional and community FIs.

This means there's an opportunity for community FIs to offer help in keeping their accounts secure and their money safe.

Account security is already something that customers/members expect their FIs to monitor on their end. But SMBs, if given the proper digital tools to watch their accounts for any mysterious charges or subscriptions, can alert the FI if any unusual events show up in their accounts.

FIs that offer real products to help SMBs protect themselves and their customers can have distinct downstream benefits, like improved primacy. And it can be a significant differentiator from the competition.

"Most financial institutions enjoy the reputation of being a trusted organization when it comes to data privacy and protection. As a result, they are perfectly positioned to empower customers with tools that can help reduce the risks posed by data breaches and the fraud and cybercrimes that occur in their wake," explained Lindsey Downing, Senior Vice President and Head of TransUnion Consumer Interactive. "In particular, providing customers with personalized solutions that enable them to protect their information can deepen their relationship with the financial institution — building trust and loyalty while creating opportunities for greater lifetime value."

BaZingBiz SMB Solutions

StrategyCorps has designed its new solution, BaZingBiz, that offers a checking product solution specifically focused on the cyber and ID theft challenges facing an SMB today and in the foreseeable future that community FIs can provide to their SMB customers/members.

Given that many SMB accounts have been on "set and forget" with many community FIs over the years with little to no product changes or innovation, BaZingBiz also provides a way to upgrade SMB checking products to better compete with peers as well as megabanks and big regionals.

While BaZingBiz has a wide range of valuable features, its focus on digital security is one of its strongest features. Here are some of the highlights:

- Business ID Theft Aid Business Credit Monitoring, Score & Report monitors changes and new activity on your business credit report, view your business credit report, track your business credit score, and track trends on your dashboard.
- Business Dark Web & Domain Monitoring continuously surveys the dark web for changes or activity related to your business identity and data.
- Fully Managed Business ID Restoration in the event of identity theft or other related fraudulent crimes. Our full-time fraud experts can guide you through the complex process of restoring your business's identity, financial security and legal integrity.
- Tailored Security Assessment will create an industry-specific Cyber Risk Profile to pinpoint and help you understand risks.
- \$50,000 Cyber Liability Our Cyber Liability Program protects your business for specific costs of a data breach or cyber-attack. In the event of a breach, legal, forensics, and notification costs are covered up to \$10,000, as well \$5,000 for cyber deception.
- Coverage up to the \$50,000 limit is also provided for privacy liability claims, defense, and regulatory fines and penalties.
- \$10,000 Ransom Payment for your business to evaluate and respond to a ransom threat, including amounts paid by your company to resolve or terminate such a threat.

The simple fact is, business is changing faster than banking and this new environment will reward banks that develop checking products that deliver the kind services SMBs want and need today. And there's plenty of real world data that shows community FIs that become better partners with their SMBs grow primacy, boost noninterest income, and can differentiate themselves from peers as well as megabanks.

Being a better partner is a way to ensure success for both SMBs and community banks.

James Mason is a SVP, Client Relationship Management where he leads initiatives to strengthen partnerships and drive value for financial institutions as well as empower financial institutions to better serve and support their communities. Feel free to contact him at james.mason@strategycorps.com for more information.

Ag Lender Survey: Farm Profitability Expect to Decline in 2024

Courtesy ABA, Farmer Mac

Agricultural lenders expect only 58% of borrowers will remain profitable this year compared to 78% last year, according to the 2024 Ag Lender Survey report produced jointly by the American Bankers Association and the Federal Agricultural Mortgage Corporation, more commonly known as Farmer Mac.

The combination of lower export demand for U.S. agricultural goods and the rebound of global inventories has put significant downward pressure on global commodity prices and U.S. farm incomes, according to the report released today at the ABA Agricultural Bankers Conference in Milwaukee. However, profitability expectations varied by region and major commodity types, with livestock producers garnering more optimism from lenders than crop growers.

“The agricultural economy is inherently cyclical, and ag lenders are navigating the changing conditions across the sectors they serve,” said Jackson Takach, chief economist of Farmer Mac. “While the responses highlight slowing land values and a profitability shift from crops toward animal proteins, ag lenders remain steadfast in leveraging their resources and relationships to guide producers through all parts of the cycle.”

“Agricultural credit quality remained robust in 2024, but lenders expect deterioration in the coming year as farmers face a more challenging environment,” said Tyler Mondres, senior director of research at the American Bankers Association. “Lenders are taking prudent steps to manage risk such as tightening underwriting standards, and they remain committed to working with and supporting their borrowers.”

Now in its ninth year, the annual survey provides unique insight from the perspective of agricultural lenders with specialized knowledge of their local farm economy and covers expectations on land values, prospects for the coming year and issues facing the broader economy. Responses from more than 450 ag lenders represent a range of institutions by size—from less than \$50 million in assets to more than \$1 billion—and by geography.

Key findings from this year’s survey report include:

- Profitability expectations: Ag lenders acknowledged a broad pullback in farm profitability in the 2024 survey, responding that only 58% of borrowers will remain profitable this year, relative to 78% last year. However, expectations varied by region and major commodity types, with livestock producers garnering more optimism from lenders than crop growers.
- Land value and cash rent expectations: Farmland values continued to rise in 2024, albeit at a slower pace than in previous years. However, regional differences abound, and headwinds have grown in many areas. As a result, most lenders expect land values and cash rents may plateau or decline over the next year.

- Top lender concerns for producers: Unsurprisingly, liquidity and farm income remained atop the list of lender concerns for producers. Meanwhile, lenders expressed less concern this year about inflation, weather and many other factors affecting producers.
- Top overall concerns for lenders: The No. 1 concern facing lending institutions in 2024 was credit quality and agricultural loan deterioration. Lender competition and interest rate volatility were the second and third greatest overall concerns, respectively.
- Sector concerns: Concern levels spiked in 2024 for several sectors, including grains, fruits and tree nuts. On the other hand, concern levels dropped for dairy, beef and poultry. The changes largely reflect how the farm income outlook has shifted within each sector over the past year.
- Loan demand: According to the diffusion index, demand for loans secured by farmland and agricultural production loans increased in 2024. Respondents anticipate that loan demand for both categories will continue to increase over the next 12 months.
- Credit quality: Survey respondents reported that ag loan delinquencies and charge-off rates remained stable in 2024. However, lenders expect credit quality to deteriorate over the next 12 months, as farmers may face a more challenging environment in the year ahead. As a result, a higher share of lenders plan to tighten underwriting standards and loan terms for agricultural credit.
- Approval rate: Lenders reported an average agricultural loan application approval rate of 86% for new loans in the 12 months leading up to August 2024 and expect the approval rate for renewal requests to be 88% in the following 12 months.
- Interest Rate Environment: Rate cuts would be beneficial for lenders that are more liability-sensitive, as funding costs come down. Lower rates would also reduce unrealized losses on the balance sheet. It is less clear, though, whether rate cuts will be a net benefit for lenders with large variable rate loan portfolios that are more sensitive on the asset side of the balance sheet. For agricultural borrowers, rate cuts could help alleviate some of the pressures weighing on farm profitability. Unsurprisingly, interest rate volatility remained among the top three concerns facing lenders this year.

About the Survey

The annual ABA and Farmer Mac Agricultural Lender Survey report is a joint effort to provide a look at the agricultural economy and market forces from the unique perspective of ag lenders. The survey was distributed via email between July 22 and Aug. 23, 2024. More than 450 loan officers, managers, and executives responded to the questionnaire. Responses represent a range of institutions by size and by geography. The report breaks down results by general agricultural economic insights and by factors affecting lending institutions.

ABA and Farmer Mac have been working together for more than a decade to offer the financial and educational tools bankers need to serve their agricultural customers.

To view the full Agricultural Lender Survey Report, please visit aba.com/agsurvey.

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Yakima Federal Savings Donates to United Way of Central Washington

Yakima Federal Savings and Loan recently donated \$110,000 to United Way of Central Washington.

The donation was matched in part by the Federal Home Loan Bank of Des Moines Member Impact Fund.

Thanks to the same fund, the bank donated \$20,000 to Habitat for Humanity Yakima Partners.



WaFd Bank Volunteers at Ronald McDonald House of Seattle

The WaFd Bank Seattle Commercial Real Estate team recently spent an afternoon cooking at the Ronald McDonald House of Seattle.

Ronald McDonald House provides housing and support for families receiving care at Seattle Children's Hospital, and volunteers are always needed to help with their food and supply pantry.



Kitsap Bank Volunteers with St. Vincent de Paul

The Kitsap Bank Pierce County team recently volunteered with St. Vincent de Paul.

The group worked to organize donations and help the nonprofit, which operates a store in the area.



Washington Trust Bank Volunteers with Junior Achievement



The Washington Trust Bank IT team recently volunteered with Junior Achievement, helping to ensure the success of the organization's mobile finance park.

The group ensured the organization's computers and other devices were ready for the event.

Shortly after, another group from the bank helped 75 students attend Finance Park, which teaches students budget simulations and what it is like to deal with finances as an adult.



KeyBank Participates in Financial Education Workshop

Members of the KeyBank team recently took part in hosting a financial education workshop at a local college.

The group also hosted two workshops for local community members and small businesses to learn about cash flow, business lending

solutions, and ways to collaborate with other small businesses in the area.



WaFd Bank Donates \$1 Million to United Way of King County

WaFd Bank recently announced a \$1 million donation to United Way of King County thanks to a matching donation from the Federal Home Loan Bank of Des Moines Member

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Impact Fund.

The contribution will help United Way continue its work in King County.

Sound Community Bank Donates to Associated Recreation Council

Sound Community Bank recently donated to the Association Recreation Council thanks to a matching donation from the Federal Home Loan Bank of Des Moines Member Impact Fund.

ARC serves the greater Seattle area by providing various recreational and lifelong learning programs, classes, and activities.



Olympia Federal Savings Donates to South Puget Sound Habitat for Humanity

Olympia Federal Savings announced a \$20,000 donation to the South Puget Sound Habitat for Humanity this fall, thanks to a matching donation from the Federal Home Loan Bank of Des Moines Member Impact Fund.

The SPS Habitat is working on a neighborhood of affordable homes for 28 families.



Wheatland Bank recently announced a \$100,000 donation to Alatheia Riding Center.

A matching Federal Home Loan Bank of Des Moines Member Impact Fund grant made the donation possible.

The donation will help the organization, based in Wenatchee, continue offering services through equine therapy.



Banner Bank Donates To Arlington Community Food Bank

The Banner Bank Arlington branch recently participated in the bank's footprint wide food drive, and donated its proceeds to the local Arlington Community Food Bank.

The branch donated 259 pounds of food and \$861 to help the organization continue its work this fall and winter.

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