

THIRD QUARTER
2021

BANTERRA BANK STRENGTHENS WESTERN EXPANSION EFFORTS TO TEMPE, ARIZONA AND SALT LAKE CITY, UTAH

Banterra is the region's largest locally owned bank; its roots are in the Midwest, and prior to 2018, its footprint encompassed Southern Illinois, Southwest Indiana, Western Kentucky and Southeast Missouri. Today, Banterra's reach and brand presence has continued to grow beyond this region, both with nationwide lending services as well as a dedicated strategy for the western United States.

"What many Banterra customers and regional residents in general may not realize is that Banterra offers nationwide lending services through its specialty lending services which includes financing for Aircraft, Corporate, Machine Tool, RV & Marine Lending and Transportation," said Jeff May, President and CEO of Banterra Bank. "This division contributes significantly to Banterra's overall asset portfolio and plays a key role in Banterra's lending strength which allows building business in the areas we serve as well as creating more jobs."

In 2018, Banterra put a stake in the ground with growing our company to the western United States by establishing our first facility outside the Midwest with a loan production office in Tempe, located within the Phoenix-Metro area of Arizona. This allowed us to better serve our strong base of machine tool customers located there as well as grow our brand presence.

During this time, Banterra made plans to create a digital bank brand and establish a location in Arizona to further strengthen our growth opportunity in this market. In 2019, we opened Sun Canyon Bank, a digital bank that is a division of Banterra, and has a branch location in Sun City West.



Banterra Bank located in Scottsdale, Arizona



Julian Fruhling

In 2020, Banterra opened a Banterra-branded branch in Scottsdale, Arizona which is led by Julian Fruhling, Market Executive and a veteran banker with more than 45-years experience in the industry.

Currently, two key additional growth steps for this area are underway, with our Tempe location now converted to a branch and a loan production office in progress for Salt Lake City, Utah.



John VanDaele

Our Tempe, Arizona branch offers our full range of personal and business products in order to better serve our machine tool customers and promote our brand to new customers of this region. We'd like to recognize John VanDaele, Machine Tool Manager, for his leadership with this growing division and his dedication to building our customer base in this market.

Our Salt Lake City, Utah effort is led by an entirely new team to Banterra, seasoned banking veterans who have particular expertise with the financing needs of the health care industry, which is a growing segment for Banterra. Jeremy Lowry serves as Market Executive for our Utah region and is assisted by Preston Keller, Senior Banker.

Banterra's dedicated operational departments located in Southern Illinois support all of the retail banking needs for this western expansion and we are grateful to further support economic development in our Midwest region as well as other communities that we serve. Banterra has grown to a \$2.4+ billion-asset bank and now employs approximately 500 team members, an increase of more than \$1 billion in assets and more than 25% to employee base in just ten years. Banterra began in 1975 in Ridgway, Illinois and now has 37 branches in six states.

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IMPORTANT MESSAGE REGARDING CUSTOMER PRIVACY

Whether we have the privilege of serving you as a customer or you are simply a member of our communities, we feel it is important to make you aware of a potential and unprecedented invasion to your privacy that is being proposed.

The Biden Administration has proposed requiring all banks and credit unions to report to the IRS on deposits and withdrawals of all business and personal accounts with a balance of \$600 or more, regardless of tax liability.

What does this mean for you?

Simply put, this means if your account balance is more than \$600, your bank will be required to notify the IRS of all transactions. This includes your paycheck deposits, any payments you make online and on apps that are tied to this account, any use of your debit card and every check that you write.

We do not support this proposal. We work for our customers and our communities, not the IRS. If this proposal is passed, it is not only an invasion of your privacy, it is a terrible inefficiency for our business and would provide a substantial risk to your data considering this would likely overload the IRS and could potentially be subject to a data breach.

What can you do?

- Submit a letter to your representatives at icba.quorum.us/campaign/IRSprivacy. After keying in your address, it will automatically show your state representatives and a sample letter will even be provided. All you have to do is then hit "submit" or you can customize your letter and then submit.
- Share on social media and also make your family and friends aware in conversation.

Banterra supports our communities and respects the privacy of our customers. Learn more about this proposed bill by visiting home.treasury.gov/news/press-releases/jy0188.



BANTERRA TREASURY MANAGEMENT SERVICES

Banterra offers many tools that make business operations more efficient. From services that streamline accounts payable and receivables to Remote Deposit, our Treasury Management products focus on easier operations for business and smart solutions for your success.

Online Banking and Account Management

Banterra's Cash Management system gives you up-to-date account information and access to services that will automate day-to-day processes. Cash Management benefits include:

- Access to accounts
- Transfers between accounts
- Multiple end users with specific controls
- Free online statements
- Automatic balance alerts
- ACH origination
- Wire origination
- Check and ACH Positive Pay
- Stop payment requests for checks
- Multi-TIN access for eligible accounts

ACH Payments

With ACH Payments, you can send and receive payments electronically which is faster and more secure than sending a paper check. After providing an ACH disbursement file, items are distributed to payees on the effective date you choose. Not only does ACH save time, but it can reduce or eliminate the cost of paper checks and allows for more control over your cash flow.

Send ACH disbursements for:

- Vendor payments and accounts payables
- Direct deposits
- Expense reimbursements



Wire Transfers

We make Wire Transfers easy through Banterra's Cash Management system by allowing you to initiate wire transfers from the comfort of your office. Business customers can initiate domestic and international wires using verified wire instructions.

Wire Transfer benefits:

- Same-day settlement
- Dual control
- Multiple security measures

Remote Deposit

Driving to the branch or finding time to leave the office to make deposits can present a challenge, especially if you have a limited staff. Banterra's Remote Deposit service allows you to make deposits from your office using a secure internet connection.

- Improved security on transactions
- Digital records and reporting available for deposit history
- Faster processing times for improved cash flow
- Reduced travel time for employees

OCTOBER IS CYBERSECURITY AWARENESS MONTH

Every day, thousands of people fall victim to fraudulent emails, texts and calls from scammers pretending to be their bank. And in this time of expanded use of online banking, the problem is only growing worse. In fact, the Federal Trade Commission's report on fraud estimates that American consumers lost a staggering \$3.3 billion to these phishing schemes and other fraud in 2020 - that's nearly double what was lost in 2019.

Online scams aren't so scary when you know what to look for. At Banterra, we're committed to helping you spot them as an extra layer of protection for your account. We've joined with the American Bankers Association during National Cybersecurity Awareness Month in a nationwide effort to fight phishing - one scam at a time. We want every bank customer to become a pro at spotting a phishing scam - and stop bank imposters in their tracks. It starts with these four words: "Banks Never Ask That." Because when you know what sounds suspicious, you'll be less likely to be fooled.



Top Three Phishing Scams:

- **Text Message:** If you receive a text message from someone claiming to be your bank, asking you to sign in or offer up your personal information, it's a scam. Banks never ask that.
- **Email:** Watch out for emails that ask you to click a suspicious link or provide personal information. The sender may claim to be someone from your bank, but it's a scam. Banks never ask that.
- **Phone Call:** Would your bank ever call you to verify your account number? No! Banks never ask that. If you're ever in doubt that the caller is legitimate, just hang up and call the bank directly at a number you trust.

You've probably seen some of these scams before. But that doesn't stop a scammer from trying. For more tips on how to keep phishing criminals at bay, including videos, an interactive quiz and more, visit BanksNeverAskThat.com.

FRAUD DETECTION TOOLS

October is National Cyber Security Awareness Month and Banterra's Cash Management has features that can help protect your business from fraud. Positive Pay services offer an added layer of security by allowing you to monitor transactions, identify potentially fraudulent activity, and verify checks and ACH items before they are processed.

Positive Pay

After providing an ACH disbursement file, items are distributed to payees on the effective date you choose. With Positive Pay, you can securely send vendor payments, accounts payables, direct deposits and even expense reimbursements.

ACH Positive Pay

This form of payment, allows you to decision real-time payments based on an approved or blocked list, providing you the control to decide which payments to accept or reject. The automated dispute resolution capability allows you to return unauthorized ACH debits quickly and efficiently.

INCREASED FRAUD PROTECTION | MORE CONTROL | PEACE OF MIND



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SIU BANTERRA BANK DAY AND TAILGATE EVENT

Banterra hosted its annual SIU Banterra Bank Day and tailgate event on Saturday, September 18th when the Salukis took-on Dayton, winning 55-3. Banterra's tailgate was a great success with many customers and team members in attendance. Everyone enjoyed food, beverages, and Mr. Twist (the balloon guy). As the game day sponsor, Banterra was a part of the on-field game ball presentation where they promoted \$100 bonus offer to students who open a Saluki Student Checking account before November 30th, 2021. Accepting the game ball (L to R) – Banterra Commercial Lender Mike Lewallen, SIU Interim Athletic Director Matt Kupec, Banterra Regional Manager Amber Pentecost, Banterra President and CEO Jeff May and Banterra Regional Manager Marla Glodich.

