



Doug Nodgaard, community bank president at Equitable Bank.

Financial institutions take on extra burden from cybersecurity threats

by Lori McGinnis Black

Threats toward information technology are worries to about everyone, and banks are especially vulnerable.

“Cyber security has become one of the greatest risks to any business enterprise, including banks,” said Michael Pate, president and CEO of United Republic Bank.

A number of threats face financial institutions, said Doug Nodgaard, community bank president at Equitable Bank.

Mutual 1st Credit Union encourages its members to keep their personal infor-



Pate

mation safe and private when using online and mobile banking, said Nikki Rue, marketing manager.

The financial industry has made great strides in protecting itself against cybersecurity threats, said Robert Lamagna-Reiter, director of information security at First National Technology Solutions.

“Compared to other entities, banks and financial institutions have some of the most robust information security programs,” he said.

The potential threats might include data breaches, phishing scams, social engineering, wire fraud and malware, Pate said.

Fortunately, banks understand the importance of keeping customer data secure and safe and most have high levels of security protections in place.

The fact that banks are heavily regulated helps ensure that banks have superior safeguards in their operations, he said.

Many banks also perform annual

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Tech, branch investments

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seven-state area.

“This means that customers will be able to walk into one of our branches, open a checking account and have the convenience of leaving with their debit card in hand.”

The same would be true, he said, if customers are approved for a new credit card account.

“Lost or damaged cards will also be able to be replaced within minutes,” he said.

Industrywide, O’Flanagan said his personal sense is Omaha banking is doing better, benefiting from a diverse economy with very low unemployment.

“Nationally, loan growth will be under some duress as many firms around the country are flush with cash; however, as the national economy continues its slow and steady expansion more companies will want to finance their growth.”

When comparing the local market to other markets, American National Bank President/CEO Adrian Breen said recently that the metro has historically tended to lag the national numbers in terms of electronic transactions.

But those numbers are changing a bit.

“People are using the mobile app, but it is trending at a slower pace than the national average,” he said.

Breen noted that individuals still want the ease that comes with the flexible

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Extra burden from cybersecurity threats

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independent IT audits to ensure they have rigorous security standards in place.

"There have been very few major cybersecurity issues primarily due to the safeguards many banks have put in place, however, banks are not immune from any cybersecurity threat," Pate said.

Some of the cybersecurity related issues banks have experienced include wire fraud, unauthorized transactions and in very few cases data breaches.

Banks realize that hackers are actively gaining access to customers' online banking credentials, Nodgaard said.

Customers and bank employees also regularly receive emails that attempt to get them to give out sensitive information or install a virus on their computer. Social engineering is attempting to gain sensitive customer or bank operating information via a phone call.

Banks are working to combat this by educating customers and employees regularly. They work closely with network security support internally and externally.

The bottom line is it is important to be aware of the risks that are out there, Nodgaard said.

"Equitable Bank is proud of the safeguards we have taken to protect our customers' information and we will continue to invest in cybersecurity and prevention," he said.

Along with its efforts to secure sensitive member information, Mutual 1st encourages members to keep their private

information protected when using online and mobile banking, Rue said.

Steps to take include monitoring accounts regularly and changing passwords frequently, she said.

Rather than go online on a mobile device, use the app from the financial institution. Only enter account credentials on websites with "https" before the web address.

"Access your account securely, not on a public Wi-Fi," she said.

Computers should be protected with anti-virus software and passwords should be used on mobile devices. Be cautious with emails and be careful what is downloaded, Rue said.

Since one of the primary motives behind these threats is financial gain, banks and financial institutions are always a top target, Lamagna-Reiter said.

"Banks and financial institutions have strengthened protections against fraud and direct attacks against their systems," he said. "They are still vulnerable to traditional cybersecurity threats, such as malware, but with multiple levels of defense and sophisticated incident reporting and response programs, traditional cybersecurity threats have few, if any, service disrupting impacts."

It can be a losing battle to keep all threats out, so financial institutions are concentrating on multiple layers of sophisticated defenses around the most critical assets so that there would be a much smaller financial gain for cyber criminals.



Gail DeBoer, president and CEO of SAC Federal Credit Union.

Online and mobile banking options getting faster, offering more features

by Dwain Hebda

Today's digital banking apps perform many functions that rival science fiction and experts say there's more to come.

"Digital banking is the customer's expectation. They want to be able to bank from anywhere and we're trying to meet the customer where they're at," said Crystal Wichita, chief information officer with Cornhusker Bank in Lincoln.

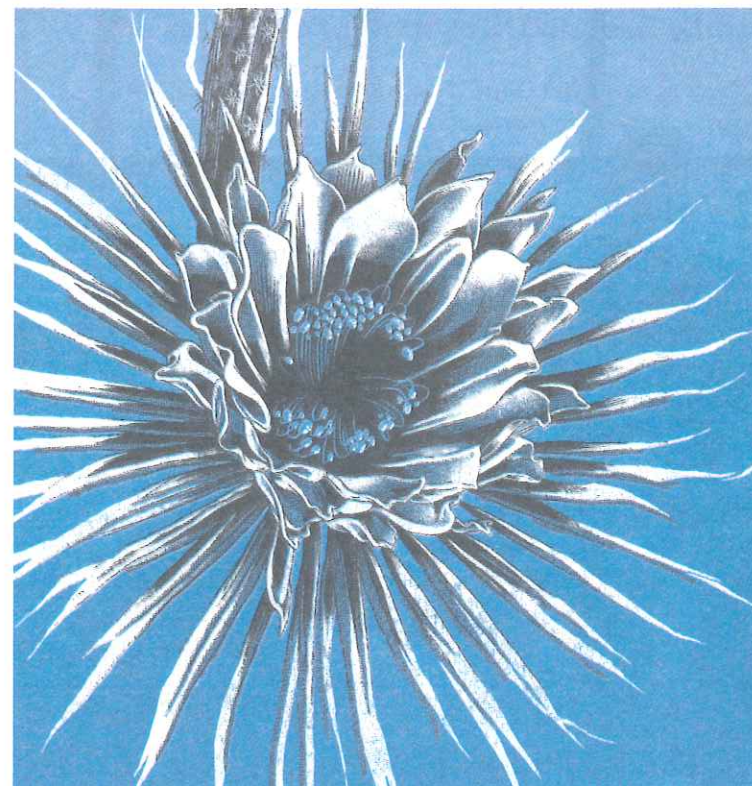
Cornhusker Bank's app provides a range of banking functions and its Web portal allows customers to perform nearly everything they

can do in a branch.

"From the phone, we're giving them instant access to account balances," she said. "They're able to transfer funds between accounts, they're able to make bill payments right from their phone and they're able to deposit checks."

"From our website, you can open deposit accounts and apply for mortgage loans through an online portal. That's something customers are looking to be able to do on their own time and not necessarily have to come into

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