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THE MNB FINANCIAL GROUP

CONNECTION

SUMMER
16

INSIDE THIS ISSUE

MNB STRATTON
Customer Appreciation

MNB INSURANCE
4 Easy Ways to
Prevent Property Crime

MNB INVESTMENTS
When do you take
Social Security?

HOT SUMMER NIGHTS
July 28 & August 11

EMV CHIP CARDS
Enhanced Security

YOUTH SERVICES

**NEW DIRECTORS
ELECTED**

SCHOLARSHIP
Award Winners

NEW EMPLOYEES



Brian Esch

From the President's Desk

Remain diligent. This seems like a strange topic for a bank newsletter. However, I believe this is actually a good time to remind everyone to remain diligent in regards to your finances.

It seems fraud can be found around every corner these days. A world that is interconnected by trade and the internet has opened up a vast array of fraudulent schemes. Personally, I have had my federal and state tax returns fraudulently filed. Also, the bank recently received an email from a Bad Guy pretending to be me requesting a foreign wire transfer. If it can happen to me, fraud can happen to you also.

What are some examples of remaining diligent?

1. Reconcile your checking account statements every month.
2. If you don't reconcile monthly, go online (internet banking or mobile banking) and review the activity on your account every day. Telephone banking systems also provide a convenient way to access your account. When you stop by the bank, ask for your balance to make sure it sounds right.
3. Change the electronic passwords on your bank accounts, computer software, and web sites on a quarterly basis. The passwords need to be hard to crack. Include numbers, symbols, and both capital and lower-case letters. Avoid obvious dictionary words.
4. Make sure that your computer's anti-virus/internet security software is up-to-date.
5. Watch out for social engineering phone calls. Fraudsters are very good at talking people out of their money for various reasons. They may suggest that someone you care about is hurt or in jail and needs money. They may suggest that you have a virus on your computer and they can help you with it. When you allow them into your computer, they place malware (malicious software) on your computer. This software is like giving a Bad Guy the keys to your house.
6. Do not open emails from unknown sources. Do not click on links within emails from unknown sources.
7. We work for our money. If you receive a solicitation that you just won a prize, it is likely a fraudulent scheme. People that you don't have a personal or business relationship with do not just send you money.
8. Look at your credit bureau report on an annual basis. A free credit report can be obtained at www.annualcreditreport.com

The world keeps changing, and the way we manage risk must keep up with the times.

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Turbulent Times

A Letter from the Chairman



Mark Graff

I'm old enough now that I am one of the few in banking that remembers the ag crisis of the mid-80s extremely well. The ag economy is currently seeing some turbulent times, although by no means at the level that was experienced in the mid-80s. A lot of the reasons that there hasn't been the same level of turmoil in this latest ag downturn is because of the lessons we learned from those hard times in the mid-80s. During that time, a record number of ag banks closed their doors while MNB came out stronger than ever. Let me share just a few lessons I learned from that stormy period in ag.

First, good times never last and bad times never last. Life is cyclical and so are economies. Sometimes to get through a difficult situation, you have to look ahead and know that brighter times are on the horizon. I recall reading about a soldier who had to endure the incredibly painful experience of being a captive of the Japanese in World War II. He said what got him through was thinking about his home and what it would be like when he was home again. That vision got him through the devastating ordeal one day at a time.

Second, a smooth sea never made a skillful sailor. What I learned during those dark economic days actually made me, not only a better banker, but a better person as well. I admired our ag customers that, coming off a very difficult year, would come into the bank with a detailed plan on how they planned to turn things around. They understood Albert Einstein's old adage that "Insanity is doing the same thing over and over and expecting different results."

Third, embrace the situation you are in. We learned to accept the difficulties that faced us and refused to sugar coat or ignore them. To properly address the issues we were facing, we first had to acknowledge, recognize and understand them.

Finally, feel gratitude for the good and the bad. I've often said I think the best lesson Dad taught me was to appreciate all things in life and all the people that are in my life. I try every day to be thankful for our MNB customers that helped us survive those turbulent times. Even when wild, unsubstantiated rumors were flying about that MNB was in financial turmoil (none of which were true by the way), our customers remained supportive and loyal. I think that is one of the main reasons Dad and Mom created the Graff Charitable Foundation, which today provides much-needed financial support to local charitable and civic causes.

As I look back on those times, I am actually thankful that I lived through them. They made me, the bank and our ag customers stronger for the experience. As Japanese writer Haruki Murakami wrote, "*And once the storm is over, you won't remember how you made it through, how you managed to survive. You won't even be sure whether the storm is really over. But one thing is certain. When you come out of the storm, you won't be the same person who walked in. That's what this storm's all about.*"—Haruki Murakami

A handwritten signature in dark ink, appearing to read 'P. Lee Graff'.

Mark Graff
Chairman of the Board

Bredvick, Hedgecock, and Thieszen Elected to MNB Board of Directors

McCook National Bank is pleased to announce the election of Tom Bredvick, Norm Hedgecock and Todd Thieszen to the Board of Directors.

“We are extremely excited to welcome these individuals to the board,” said Chairman Mark Graff. “Each of these new board members have a long association with MNB and truly understand our deep commitment to the communities we serve. We welcome their knowledge, experience and innovative vision, and look forward to their contributions to the board.”

Bredvick grew up in Culbertson and received a degree in business administration from the University of Nebraska-Lincoln, passed the CPA exam and graduated from the University of Wisconsin Graduate School of Banking. He currently serves as Executive Vice President and Chief Financial Officer at McCook National Bank where he has been serving in the accounting department for 21 years. In the community, Bredvick has been a volunteer for youth baseball, the Relay for Life and the United Way. He currently serves as president of the McCook Public School Board and is active in Optimist Club and the United Methodist Church.

Hedgecock is a certified public accountant and a graduate of the University of Nebraska-Lincoln with a master's degree in business administration. He is a retired partner of BKD LLP in Lincoln and was previously employed by McCarthy Group, Inc. Hedgecock has served on the UNL School of Accountancy Board of Trustees and the Bryan LGH Health System Board and is currently serving on the University of Nebraska Foundation Board and the Foundation for Lincoln Public Schools.

Thieszen is a native of Henderson and received a degree in finance from the University of Nebraska at Kearney and graduated from the University of Colorado Graduate School of Banking. Thieszen brings to the board 24 years of experience in agricultural lending, the past 14 of those years being at McCook National Bank where he currently serves as Executive Vice President and Business Banking Manager. Thieszen is active in the United Methodist Church, the Red Willow County Rodeo Committee and the Colorado Reined Cowhorse Association. He has served on the YMCA Board and currently serves as a 4-H leader and treasurer of the Community Hospital Board.



Tom Bredvick



Norm Hedgecock



Todd Thieszen

Bison Tailgate Party

We're firing up the grill at the Main Bank on Friday, September 16th, for the annual Bison Tailgate Party! Enjoy a Big Red hot dog, chips, cookie and drink with us downtown on the bricks 11 am -2 pm. Go Big Red!



MNB Chamber Mixer

Join us at the Main Bank on Wednesday, September 21, as we go "Back in Time" hosting the Chamber of Commerce Mixer. Enjoy appetizers and fellowship as well as the announcement of the Heritage Days honorees and royalty.



YOU'RE INVITED

to

ATTEND

a

Customer Appreciation Day!

MNB STRATTON

FRIDAY, SEPTEMBER 16

LUNCH 11:30 – 1:30

MNB STRATTON • 403 BAILEY STREET

SCHOLARSHIP AWARDS



Preston Gribben (left) and **Jansen Penny** (right) from Burlington High School were selected as the recipients of the 2016 MNB HomeGrown Leaders Scholarship Awards. The students were selected to each receive a \$500 scholarship in recognition of their commitment, passion and perseverance as community leaders.



MNB Student of the Month Scholarship finalists and their families were recognized at the sixth annual MNB Scholarship Banquet and Ceremony on March 15 in McCook. The \$500 tuition scholarships were awarded to **Nicole Kent** (left) of Dundy County-Stratton High School and **Corinne Bortner** (right) of McCook High School.

Be sure to activate your new EMV Chip Card!



WHAT IS A CHIP CARD?

A chip card—also known as an EMV card—is your financial institution's way of adding an extra layer of security when you pay. Chip cards can be used anywhere your other cards are used, but the chip functionality only works at a business that has an activated chip-enabled terminal.

WHY ARE CHIP CARDS MORE SECURE?

- The chip generates a unique, one-time code each time you dip your card at a chip-enabled terminal. Your purchase can only be approved with the chip-generated code.
- The chip in your card is virtually impossible to duplicate. That means attempts by a fraudster to create and use counterfeit cards will be much harder.
- Consumers continue to have zero liability for fraudulent transactions.



HOW DO I USE IT?

- 1 Insert your card into the chip-enabled terminal with the chip first, facing up.
- 2 Leave the card in the terminal until the transaction is complete. You may be prompted to sign your name.
- 3 If there isn't a chip-enabled terminal, use the card the traditional way and swipe.

More questions? Simply contact your MNB banker or visit mnb1.com to learn more about EMV Chip Technology.

MNB Staff Announcements

DiAnna Elson recently joined MNB as a Business Banking Specialist. DiAnna is originally from Osceola, NE and attended Southeast Community College. She was previously employed as an Administrative Assistant at Cargill and most recently as Lead Scale Operator for Nebraska Corn Processing in Cambridge. DiAnna lives with her husband, Chad, and son, Heath, south of Indianola.



Nic Curl joined MNB as an Information Technology Specialist. Nic is a McCook native graduating from McCook High School in 2012. He is a self-taught IT professional and has several years of experience in administering IT systems in a home-based business he began as a teenager, as well as working for McCook Community College.



Andrew Wade has joined MNB as a part-time teller. Andrew graduated from Decatur Community High School this spring and plans to attend McCook Community College this fall.



Justin Kershaw has joined MNB Stratton as a summer intern. Justin graduated from Hitchcock County High School in 2015 and is currently attending University of Nebraska - Lincoln pursuing a degree in Civil Engineering.



Megan Ruppert returned to the MNB teller line as a summer intern. She graduated from McCook High School in 2013 and graduated from McCook Community College in 2015. She is currently attending Concordia University.





4 EASY WAYS TO PREVENT PROPERTY CRIME

from MNB Insurance

Are you unknowingly enticing potential thieves to damage your property or break into your home? While you want your home to be a welcoming environment for family and friends, you might be surprised how common habits might be inviting to criminals, too. Fortunately, there are steps you can take to reduce your risk for burglary and property damage with these easy-to-follow tips.

Make It a Point to Keep Everything Locked Up

While you probably lock your vehicle and the main points of entry into your home, you may overlook locking your fence gates, garage or garden shed from time to time. An unlocked gate allows a thief access to your backyard, away from the view of your neighbors. Once inside your yard, a thief has more freedom to peer through windows and patio doors. Even if a thief is unable to get into your home, your backyard likely has valuable items such as a barbeque grill or bicycle.

Be Careful with Your Trash

Even what you throw away for curbside pickup can make you a target for theft. Perhaps you scored a great price on a large flat-screen television. After unpacking a television, gaming console, or computer, many people leave the boxes at the curb for recycling or trash pickup. Unfortunately, most packaging for expensive electronics shows pictures, brand names and specifications of the products in plain view. Placing boxes at the curb makes your home a target for thieves looking for electronics to steal. When unpacking electronics, break down the boxes and packaging instead and place them in black trash bags.

Light Up Your Property

Dark properties are alluring to those with malicious intent. Hiding under the cloak of darkness makes sneaking around someone's home much easier. Keep your home's exterior well illuminated with motion sensor lighting. Because the lights are activated by movement, you don't have to worry about lights staying on night and day. When installing this type of lighting, the higher the light is mounted the better, so that criminals cannot reach the bulbs to unscrew them.

Consider Using a Security Alarm

Security systems come with a variety of features to suit almost any budget. From basic systems that sound off loud alerts when an armed point of entry or window is breached to high-tech systems that allow for surveillance from a tablet or smart phone, there is likely a system that offers the best features for your needs. Furthermore, signage such as picket signs and window or door decals from your security system company can deter criminals as well. Many homeowners and renters insurance policies offer discounts for homes armed with security systems.

An MNB Insurance Agent can help you find the best policy to protect your property, and even provide you with more helpful tips for preventing theft and vandalism.



What Driver's Ed Doesn't Teach Kids

Your child's driver's education class focuses on the rules of the road and being an attentive driver. But driving lessons often miss the mark when it comes to teaching basic car care information. During your next practice driving session with your teenager, spend extra time discussing car maintenance and troubleshooting. If you're not confident about basic car care, find a relative or local mechanic to explain these topics to your teen:

- How to check tire air pressure
- How to change a tire
- How to call for roadside assistance
- Who to accept help from during a car breakdown

In addition to tire topics, this is a great time to also review and explain:

- How to check and add oil
- Where to find the owner's manual
- How to troubleshoot warning lights
- How to adjust mirrors
- How to safely fuel the car
- Where to add windshield washer fluid

Despite extra training, your teen will likely experience car trouble at some point while driving. Does your auto insurance coverage include roadside assistance and towing if your teen is behind the wheel?

An MNB Insurance Agent can help you understand the details of having a teen driver in your household and how to make sure your coverage won't leave your son or daughter stranded on the side of the road.



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mnbinsurance.com



RANSOMWARE

Ransomware is a type of malicious software (malware) that freezes your computer or mobile device until a sum of money is paid. It can destroy personal and business files, leading to stolen data and large financial losses.

KNOW



Ransomware attacks—especially those that target small businesses—are **evolving in complexity and are on the rise.**



All devices are vulnerable, but more and more **mobile attacks** are being reported.



\$209 Million collected by criminals in the first quarter of 2016.



A projected **\$1 Billion + in losses** from ransomware attacks in 2016 alone, according to the FBI.



Ransom fees vary, from \$200 – \$10,000.



IDENTIFY

Ransomware targets a specific individual within a business, or a consumer with a link or attachment that infects your computer with malware or leads you to an infected website. Three ways ransomware can take shape are:

Spear phishing emails

- The sender appears to be someone you may know or someone relevant to your business.
- The message is often personalized, and may include your name or a reference to a recent transaction.

Advertisements or pop-up windows

- Your computer freezes, and a popup message appears.
- The message may threaten a loss of your files or information, or may also tell you that your files have been encrypted.

Downloadable Software

- Ransomware is also present in downloadable games and file-sharing applications.

Once the PC is infected, your files are encrypted and inaccessible. The fraudster demands a ransom payment in order to unlock them.



PREVENT

- ☐ **Always back up your files and save them offline or in the cloud.**
- ☐ **Always use antivirus software and a firewall.** Be sure they are set to update automatically.
- ☐ **Enable popup blockers.**
- ☐ **Don't click.** Be cautious when opening emails or attachments you don't recognize—even if the message comes from someone in your contact list.
- ☐ **Only download software from sites you know and trust.**
- ☐ **Alert your local law enforcement agency as soon as you encounter a potential attack.**

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DIGITAL BRANCH

Your community bank
for the digital age



Simplified website layout,
design and navigation



Seamless experience
regardless of the device



Current news,
stories and information

MNB1.com

YOUTH SERVICES



Sparky's Easter Egg Hunt

Sparky, the Easter Bunny, and MNB staff would like to “THANK” every one of his Sparky Kids Club members and kids from the community who attended the 19th Annual Sparky Easter Egg Hunt on Thursday, March 24th, at the City Auditorium. The cold and snow didn't stop Sparky and the Easter Bunny; it just altered the location as we moved indoors. There was still plenty of candy and prizes for everyone. Special thanks to all of the parents and grandparents for taking the time to bring the kids out for this fun event!



Youth Services Online

Do your kids have a savings account? Maybe you have a teenager and you feel they're ready to open their own checking account. Whatever the case may be, we realize how busy you are, so we want to make the account opening process as easy as possible! That's why we've created simple enrollment forms for all of our youth accounts!

Go to www.mnb1.com and follow these simple instructions:

- 1) Click on the “Personal” tab and select “Youth Services”
- 2) Select the appropriate form
- 3) Print it and complete the form
- 4) Drop it off at any of our bank locations

These youth accounts include: Sparky's Savings Accounts, Millionaire in the Making CD's, Teen Checking and Savings Accounts. There's no better time to start a savings account for your kids! Please don't hesitate to call or stop by if you have any questions!

Do Something Nice

Sparky encourages all Sparky members to do something nice. It's a great way to help your friends, neighbors, and community just by doing simple things. Do you have an elderly neighbor that needs help mowing their yard? How about doing something nice for the Humane Society, like donating some bath towels that you don't use anymore? Take the time to do something special to help someone in need.

Sparky's Birthday Bash!

Happy Birthday, Sparky! Sparky celebrated his birthday on July 21st at the Main Bank with several of his Sparky Kids Club members in attendance. Rainbow Trout the Clown provided some great entertainment for the kiddos and gave each one a fun balloon to take home with them. Treats and snow-cone coupons were also handed out to each child in celebration of Sparky's birthday.

When do you take Social Security?

The Social Security program allows you to start receiving benefits as soon as you reach age 62. The question is, should you?

Monthly payments differ substantially depending on when you start receiving benefits. The longer you wait (up to age 70), the larger each monthly check will be. The sooner you start receiving benefits, the smaller the check.

From the Social Security Administration's point of view, it's simple: If a person lives to the average life expectancy, the person will eventually receive roughly the same amount in lifetime benefits no matter when he or she chooses to start receiving them. In actual practice, it's not quite that straightforward, but the principle holds.

The key phrase is "if the person lives to average life expectancy." If a person exceeds the average life expectancy, and has opted to wait to receive benefits, he or she will start to accumulate more from Social Security.

The chart shows how Social Security benefits accumulate for individuals who started to receive at ages 64, 67, and 70. The person who started to receive benefits at age 64 would accumulate \$536,996 by the age of 85. Conversely, the person who started to receive benefits at age 70 would accumulate \$646,550 by the age of 85. The example assumes the maximum retirement benefit of \$2,533 at age 67. It does not assume COLA. Source: Social Security Administration, 2014.

There is no single "right" answer to the question of when to start benefits. Many base their decision on family considerations, economic circumstances, and personal preferences.

If you have a spouse, the decision about when to start benefits gets more complicated—particularly if one person's earnings were considerably higher than the other's. The timing of spousal benefits should be factored into a decision.

When considering at what age to start Social Security benefits, it may be a good idea to review all the assets you have gathered for retirement. Some may want the money sooner based on how assets are positioned, while others may benefit by waiting. So as you near a decision point, it may be best to consider all your options before moving forward. If needed, I'm here to help!

Best Regards,

Aaron Broz

Aaron Broz

Certified Financial Planner™



Aaron S. Broz
Certified Financial Planner™

62.

