

Midlands Business Journal

JANUARY 29, 2021

THE WEEKLY BUSINESS PAPER OF GREATER OMAHA, LINCOLN AND COUNCIL BLUFFS

VOL. 47 NO.5

Cybersecurity and interest rate hikes among banking and finance priorities, challenges

by Dwain Hebda

Midlands bankers and financial planners describe 2021 as a mixed bag after a challenging 2020.

Richard Baier, president and CEO of the Nebraska Bankers Association, praised member banks for meeting the many challenges of COVID-19.

“Nebraska banks have been leaders in helping their customers navigate the challenges created by the pandemic,” he said. “They worked proactively to ensure Nebraska small businesses could access Paycheck Protection Program loans. Despite ongoing economic challenges caused by the pandemic, Nebraska banks remain sound.”

Baier said the resilience shown by the state’s banks portends well for the new year.

“Our association’s leading concerns include promoting financial literacy to all ages and encouraging people from diverse backgrounds to consider a career in banking,” he said. “Other challenges include inflation as a result of pandemic-related government spending and, with the change in control of both the White House and Senate, new banking regulations could be on the horizon.”

Some institutions have already

embraced the optimism of the new year by announcing expansion and growth, such as the new Centris Federal Credit Union headquarters, soon to open at 132nd and Pacific streets. As for business conditions, Steve Swanstrom, Centris president and CEO, predicted both opportunities and challenges on the near horizon.

“We expect mortgage lending will continue to be strong during the first six months,” he said. “We expect the stimulus payments, coupled with the COVID-19 vaccine, will put inflationary pressure on the economy and cause interest rates to rise in the second half of the year. This will cause mortgage refinances to slow considerably.”

The job growth picture is similarly murky, Swanstrom said.

“The pandemic has been a concern for all of our employees, but especially our frontline employees,” he said. “We had to close our branch lobbies when the community spread of the virus was elevated and we will continue to monitor the impact on our employees in 2021.”

Meanwhile, the financial services industry continues to develop ways for clients to reach their advisers, regardless of their level of fear over the pandemic.

“Face-to-face meetings are, in my opinion, the best opportunity to really engage,” said Trevor Kula, vice president, financial advisor and co-director of Nebraska branches with D.A. Davidson & Co. “But many times, these meetings were just not feasible. Some firms, advisers and clients have been more open



Swanstrom

than others to engaging in virtual meetings.”

Kula said technology has been a great equalizer in this respect.

“Just a year ago, it would have been a near-miracle to coordinate a meeting with a multigenerational family in three separate locations,” he said. “Today it involves a simple calendar invitation and confirmation of a webcam or tablet. I do believe, even after social distance measures are gone, clients will use this form of interaction.”

This increased reliance on virtual meetings will intensify cybersecurity measures in 2021, said Matt Hale, associate professor

of cybersecurity at the University of Nebraska at Omaha.

“In this world, the challenge is making documents and communication and the things your business runs on available to your work staff at home, while facing the challenges of things like home network security and environments that you can’t entirely control,” he said. “[Companies] will need to build resiliency into centralized infrastructure, understanding that a component of it is in less protected, decentralized environments.”

Hale said as a result of this, hiring cybersecurity expertise will be a priority for banks and financial planning companies.

“It’s a combination,” he said. “There certainly are some third-party consulting firms that do cybersecurity analysis as a service. But I would say most bigger companies, at this point, operate their own cybersecurity teams that fall under that IT banner.”

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from the January 29, 2020 issue of the*

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