

## ***Friends of SNBT,***

I'm sending this letter to keep you updated and informed about changes taking place at the bank, as well as encouraging you to provide valuable feedback based on your own experiences. We live in a world where change occurs at a continually faster and faster pace; therefore, we've been anticipating the coming of major technology modifications in the banking industry for a while. Without a doubt, the last couple of years have brought that forecast to fruition. Now that the tide of change is upon us, I'm inviting you, customers, shareholders, Board of Directors, and staff to "*Join the Evolution*" and "*Bank the way you want.*"

### ***As we've ridden the wave of change, we've learned a few things:***

- 1.) Banking is constantly changing.***
- 2.) People expect more options than ever to access their deposit and/or loan accounts.***
- 3.) In-person branch transactions are declining.***
- 4.) Being an innovator to meet customer expectations isn't always easy.***

***Let's take a step back and talk about the biggest changes that took place at SNBT in 2017, which will also set the stage for an evolutionary 2018. ▶▶▶***



Daniel J. Peterson  
SNBT President & CEO



eTeller: Next generation ATM

## Early in 2017, in the spirit of change and creating efficiencies,

we proudly announced the replacement of our outdated ATMs with more advanced Interactive Teller Machines. We installed the first, of what we refer to as “eTellers,” in February inside our Marinette lobby. This machine was used for extensive software testing, employee training, and creating procedures. Once we found our comfort zone, we began to systematically replace our aging ATMs at every banking office.

For those unfamiliar, our eTellers are the next generation of ATMs offering customers the choice of *self-service* deposits, withdrawals, transfers, and balance inquiries. Or, by simply tapping the touchscreen “Help” button, you can get a *video banker* to assist and handle all the same transactions that are expected to be performed by a banker in the lobby. The video bankers are SNBT employees stationed in the

Marinette Office. They are employees you’ve worked with in the past at both the Marinette Drive-Up and the Menominee Office. Plus, the video connection is much clearer, easier to understand, and more confidential than it was at the Drive-Ups, again enhancing the customer experience. We knew we were innovative, but what we didn’t realize was that we were also the pioneers for a new era in banking for our region of Northeast Wisconsin/Upper Michigan.

If you think about it, eTellers are much like gas stations and grocery stores. When they first introduced the choice between self-service or in-person checkout they were met with much apprehension/disapproval, but these have become the norm. In fact, we’ve already seen an increase in area financial institutions replacing drive-ups and ATMs with Interactive Teller Machines, but to date, they only deliver video assisted transactions – unlike our eTellers which offer both video and self-service options.



**Interactive Service Associates (ISAs) are the video bankers who assist you when using the eTeller ‘Help’ function. From left: Sarah Ewaldt, Sarah Kirby, Melissa Wroblewski, and Mark Adamek. Learn more: [www.snbt.com/isa](http://www.snbt.com/isa)**

As eTeller pioneers, SNBT is proud to provide our customers with the best of both worlds – the personalization and expertise of a community bank, yet the innovative services typically found at much larger financial institutions. We're doing all this while keeping your security top of mind.

Over the course of time, we've received numerous comments from customers citing issues with the Marinette Drive-Up's antiquated underground tube and speaker system. That, compounded with the building's significant structural issues, led to in-depth discussions and a final determination that the best course of action would be to close the Drive-Up and install two eTellers to handle most customer transactions. eTellers were installed in two lanes at the current Marinette Drive-Up, enabling it to be open 24-7. We did this prior to the Winter season in order to work out all the bugs with the eTellers before building our final replacement structure, planned for Summer 2018.

***As customers and ambassadors for the bank, you are encouraged to utilize the new eTellers, and give us your feedback.***

Since that closure, we've implemented many different tactics: such as making one-on-one customer training appointments, stationing employees near the machine for demonstrations, creating staff talking points, developing webpages, recording videos, and more to educate both the customers and staff. This has helped our customers make it through the natural emotional stages: denial, resistance, reluctant acceptance, and finally acceptance.

Nonetheless, we've received mixed feedback – both good and bad. This feedback is very useful to us and our vendor partners, as we continue to upgrade the operational functions of these machines. As customers and ambassadors for the bank, I encourage you to utilize the new eTellers.

Feel free to schedule your own one-on-one meeting with a bank employee to experience the eTellers if you haven't already used one. We want your feedback and will take all comments seriously as we continue to fine tune the eTellers. If you had a bad experience initially, please bear with us as we continue to make changes to enhance your banking experience.

We'll continue to work with eTeller software specialists to make adjustments to better refine the check deposit recognition software, significantly increasing the ability of the machine to read checks being deposited by both consumers and businesses. Undoubtedly we've come a long way, but we realize there is always room for improvement. We will continue to make updates and changes based on customer feedback. Our ultimate goal is to enhance every eTeller experience while remaining a secure option.



**October 2017 draft design of potential option for SNBT Marinette Campus Drive-Up with reconfigured parking lot and landscaped green space. (subject to change)**

# ***This brings me to the evolution part of our story...***

All of this change and feedback has given us the realization that banking is *evolving*. Today, people can access their money from virtually anywhere, and at any time, by choosing how they want to bank: in person, online, mobile, by phone, or eTeller, to name a few.

Even though we offer all this innovation, we continue to recognize the importance of human interaction. As customers of the bank, you will always be able to come into our bank lobbies and conduct transactions with a Universal Banker. As we enter the era when a person primarily comes into a branch for financial guidance, we're poised to meet that trend by increasing our investment in staff education and expertise in order to provide financial advice on saving, budgeting, identity theft, retirement, home buying, and many other financial directions. We are even more committed to bringing our Mission Statement to life *"To be the premier provider of trusted financial solutions."*

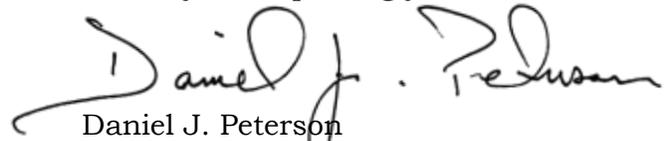
We're in the age of bank mergers and will always seek to remain strong and independent. With that in mind, we have to chart our own course to remain relevant – even when the going gets tough. As one of our six Values states:

***"Change & Innovation support our continuous improvement in products and services, and the way we do our jobs. We cannot be afraid of trying something new out of fear of failure. We will celebrate our successes and learn from our mistakes."***

All in all, I'm proud to say with conviction that we are leading the Banking Evolution. Most importantly, we are ahead of the curve and changing local banking. This is just another reminder of our bank's stability and commitment to remaining a local, independent community bank well into the future.

If you have any questions or feedback, I encourage you to reach out to me to discuss it. My door is always open and I'm only a phone call away at 715-735-2321.

Thank you for putting your trust in SNBT,

  
Daniel J. Peterson  
SNBT President & CEO

