

BBW News

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A MESSAGE FROM THE PRESIDENT

A bridge of commitment connects the past with the future

By the time you read this, Thanksgiving will have passed. This holiday came on the heels of many promising developments at BBW, adding food for thought to the traditional feast on the table.

Family, friends, and a profession to be passionate about are high on the list of things I'm grateful for. I'll never take the privilege of serving more than 250 community banks in our market area for granted, either. Being a banker, I appreciate how essential you are to your communities. Even if you don't always feel valued by Washington, D.C., rest assured you are always held in high esteem at Bankers' Bank of the West.

The entire BBW team is thankful that our work is being rewarded. The release of our Written Agreement early this month is allowing us to focus more fully on future opportunities. For obvious



Bill Mitchell
BBW President & CEO

reasons, we're pleased to have paid off our stock loan. We're well-positioned in every respect to serve our customers and grow our business in a post-TAG environment—which we owe to the wisdom and counsel of our senior management team and directors.

That turn of events explains the undercurrent of enthusiasm at every level of our organization today. What's more impressive, though, is that the same can-do attitude was the customer service norm at BBW even in difficult years. This broadly shared commitment to supporting our customers at all times is something else I'm grateful for.

I'm fortunate to lead a highly competent BBW team and to count many community bankers as friends. On behalf of all of us at BBW, I thank you for your business and wish you and your families a happy holiday season.

Why this small-business owner has embraced mobile payments

Wendy Menlove spent a full year creating the unique hand-crafted signs she sold this month at three craft shows over an eight-day period. With so much riding on keeping lines short at her booth, this year Wendy abandoned the “knuckle-buster” card impression machine in favor of the mobile payments technology BBW provides to the community bank she's loyal to.

“My numbers are up compared to last year,” she said. “Customers loved it. We were able to issue receipts by email, and we even included a customized message at the bottom.”

Wendy explained she downloaded the mobile application to her Android™ phone and her iPad® before the first craft show. Later, when the venue's

Wi-Fi® service was interrupted, she was able to continue making sales using her

phone until Wi-Fi was restored. She added that many of her customers appreciated being able to view and sign for transactions on her tablet.

“I used to spend three hours sending batches of transactions after each show,” Wendy said. “This year I got to relax and have dinner with my family instead. I can't believe I didn't go mobile sooner.”

The numbers support her decision as well. “My sales are up, and it was so quick to get people in and out. It's just phenomenal.”

“It's so slick. I can't tell you how much I love it.”

*Wendy Menlove
businesswoman & user of BBW mobile payments technology
Your Sign Is Here • Evans, Colo.*

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Taking note

■ Push for training meets with success

Results of the training effort launched in August by the Viewpointe® payments association and Bankers' Bank of the West have been tallied. The combined participant roster for the four web-based sessions held exclusively for BBW client banks numbered 115 bank employees in BBW's service area. The session on ACH rules updates attracted the largest number of banks, followed closely by the session on ACH origination risk.

In highlighting the package of training sessions, BBW encouraged more community banks in its service area to benefit from Viewpointe's training expertise and prepare their operations employees to perform at the best level possible. Nineteen banks took part in the web-based training sessions specially priced for BBW customers.

■ National Western Stock Show in January

Fans of the popular National Western Stock Show will find a comprehensive 2013 schedule of activities, answers to frequently asked questions, seating charts, and an online ticket portal at www.nationalwestern.com.

The site makes it easy to peruse all stock show events and logistics. Several discount packages are available. Given the site's superior selection of dates, events and price levels as well as real-time seat selection and immediate purchasing capability, BBW has discontinued reserving blocks of tickets.

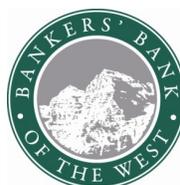
If you're planning a weekday trip to Denver in January—or any time, for that matter—we would be honored to give you a tour of the Bankers' Bank of the West office downtown. Please contact your calling officer to arrange a visit, or call Jennifer at **303-291-3700**.

■ Conference on the calendar

BBW will be represented at the Idaho Community Bankers Association 2013 Management and Director's Leadership Conference to be held Jan. 28 and 29, 2013, at the Grove Hotel in Boise, Idaho. Details are posted at www.idahobankers.org.

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"We take care of our community, and the community takes care of us"

As a young banker with some experience under his belt, Mike Bass accepted a job offer with the First National Bank of Hugo (FNB-Hugo) understanding he would be free to resign with a clear conscience, if he wished, after a three-year trial period of employment.

Mike said that when he and his wife, who had been hired at about the same time to teach at the elementary school in Hugo, "rolled into town from Denver in our 1974 Pinto, the people in Lincoln County welcomed us with open arms."



Mike Bass has long been active in civic, professional and industry groups.

Michael (Mike) Bass

- ✓ Born in Omaha, Nebraska.
- ✓ Attended the University of Nebraska-Omaha.
- ✓ A current area of focus at FNB-Hugo: retaining young customers into their 20s and beyond even if they relocate elsewhere.

Before long, the couple's participation in church, school and civic activities made them part of the community, and they remained to raise their son and daughter.

Now he is marking 36 years with the same bank. For this long tenure—he is only the sixth president in the bank's 109 years in business—Mike credits Cody Pearson, the banker who hired and mentored him, and who continues serving FNB-Hugo as a member of its board.

"Cody is an excellent judge of character," Mike said. "He hired employees who are still with us 20 or 30 years later. That kind of loyalty says a lot about the bank, and vice versa."

Mike noted that FNB-Hugo's philosophy, *doing well by doing good*, has achieved largely positive results for his bank, the staff and the community.

A well-liked advocate for community banking, Mike is currently serving his third nonconsecutive term as a member of the BBW Bancorp, Inc. board of directors.

"Each of my terms on the board has been absolutely beneficial," he said. "The bankers' bank model is so different from a traditional bank. You learn so much from thinking outside the box and talking with the other directors."

Mike said he finds interacting with other bankers "kind of a reaffirmation" even though most are dealing with issues like shrinking margins, weak loan demand, and excess liquidity.

"And that means we're all going through this together."

Mark your calendar for this meeting of the minds

Dates and locations have been chosen for the Bankers' Bank of the West **2013**

Bank Operations Conference. Two full-day sessions will be held—one in Nebraska and one in Colorado. Both will address the same topics, which will be released next month.

- **Wednesday, April 10 · Denver, Colo.**
Crowne Plaza-DIA Conference Center

- **Wednesday, April 17 · La Vista, Neb.**
Embassy Suites, La Vista Conference Center

The conference is geared toward bank cashiers, operations officers, CFOs—essentially, individuals involved in ACH, check processing, or operational strategies. Presenters include representatives from the Electronic Check Clearing House Organization and Viewpointe. Please visit www.bbwest.com for the most current information.

Attainable savings for the community bank

Brittany Taylor, Optimum System Products

The challenges of reducing costs and improving efficiencies call for tough decisions. Focusing inside the organization can be effective, especially if changes cause no inconvenience to customers.

A thorough branch evaluation can identify areas for curbing costs and boosting efficiencies. Any assessment should take the branch's contribution and growth potential into account. You might engage staff in setting sales goals that could turn the branch around. Also study human resources: Are your incentive and compensation packages aligned, or counterproductive?

Examine your vendor expenses, too. Determine the number of vendors you use, the number of invoices you pay every month, and the amount of precious staff time used to place orders or buy supplies. If more than one person per branch orders supplies, or if trips are made to restock, you have identified an area for improvement.

Here at Optimum, we consider ourselves a one-source resource for banking needs. Our ordering site supports this concept. We stock everything for you, manage your inventory, deliver to your location, and send you one invoice for everything.

Compliance tip

Alisabeth A. Lindley, CBA, CRCM,
TAVA Consulting

Compliance deadline: It is time for mortgage loan originators (MLOs) to renew their SAFE Act registrations. Under the SAFE Act rules, MLOs must renew their registrations by confirming or updating their information during the annual renewal period, which is **November 1 through December 31**. MLOs who do not renew their registrations during this period become inactive and cannot act as an MLO until the renewal process is completed.

Also during the annual renewal period, the bank must update information it has submitted to the Registry and confirm the information submitted by its MLO employees during this period.

For more information about SAFE Act compliance, visit the FFIEC's SAFE Act page at <http://www.ffiec.gov/safeact.htm>.

Managing costs to boost profitability is important. Consider these ideas before making any drastic changes—and remember that little things add up.

*Optimum System Products, Inc., is an award-winning provider of bank supplies. We work with more than 1,500 financial institutions and provide virtually every product your bank needs. Contact **Pam Grammer** at 303-514-9396 (or pgrammer@optimumcompanies.com) to arrange a complimentary analysis or to learn how Optimum can help your bank save time and money.*

Tech corner — printers and MFPs

Continued from p. 6

Once you are comfortable with your printer and MFP fleet and the most current firmware available, secure the devices. Put passwords on the web interfaces. Require **https** instead of **http**. Generate self-signed certificates. Disable all network protocols you do not need. Take care to deploy these kinds of settings slowly to prevent accidentally locking yourself or an important vendor out of the printer—if, for example, Fiserv or Jack Henry automatically prints daily reports to one of your printers.

Finally, when you decide to retire a printer or MFP, or allow it to go off-lease, determine whether the device has an internal hard drive. Some printers and most MFPs have hard drives that store the documents they have scanned or copied. A couple of years ago, several television news stories caused a stir by showing how a company installing an off-lease MFP was able to access previously stored documents on the hard drives, which hadn't been wiped. Given the sensitive nature of the documents your bank copies or scans—tax returns, financial records, personnel records—securing such information in the “afterlife” is imperative.

For more tips on retiring, updating, and “wiping” information from MFPs and printers, visit http://www.bbwest.com/nl/11_12.pdf. The upshot: You are responsible for protecting your company's assets—including information. Printers can be a weak point in securing such assets. By taking precautions and periodically checking for updates, you can secure even this aspect of your business.

THE BUZZ ON BIDS — Bankers Internet Data System:

Fourth quarter yields four pointers for BIDS users

Debbie Wendt, Vice President of Operations
Bankers' Bank of the West

November brings not one, but *four* useful BIDS features into focus:

- 1 BBW became certified early this month for International ACH Transactions (IAT) for Panama, Latin America and Europe. We were previously certified for Mexico and Canada. Your bank will have the ability to originate IATs through BIDS once you have submitted the pertinent paperwork with the Federal Reserve Bank.
- 2 If your bank is signed up for our BIDS check adjustment documentation delivery service, you no longer need to call the FRB for copies of missing advices after December 1. At that time, BBW will deliver customers' FRB adjustment notices to BIDS—a simple solution that will save you time as well as money.
- 3 Banks using our BIDS OFAC checker service have the power to customize their own decision



list, thereby reducing the number of unwanted OFAC false hits. Be sure you have designated an individual at your bank to authorize changes to your decision list so you can use this feature to personalize your OFAC checker service.

- 4 BIDS enables you to include service message information with any domestic third-party wires you originate using Wire Type Code 1090. The window for entering the additional message appears at the bottom of your screen only if you have selected the 1090 code in the second window. You may opt to leave the bottom window blank. Sample messages might include “please supply physical address for verification” or “return, please—fraud alert.”

If you have questions about these or any other BIDS features, or if you need to verify which BIDS services your bank has enrolled in, call **303-291-3700** and ask to speak with any of BBW's operations specialists.

Mobile payments—convenience for consumers plus efficiency for merchants

MaryAnn Elliot-Supples, Senior Vice President
Bankers' Bank of the West Bank Card Division

That indispensable 21st century device known as a smart phone is making credit card processing quicker and easier than ever for merchants **and** their customers. (*See related story on p. 1.*)

Today the constantly expanding capabilities of mobile devices like smart phones and tablets include payments acceptance, and the popularity of mobile payments is bringing about many processing solutions.

Bankers' Bank of the West is pleased to offer two card reader solutions. BBW provides participating merchants with a **free card reader**. What's more, unlike the Square and Intuit®, we offer highly **competitive unbundled pricing**. In fact, our rates for mobile payment transactions are lower than those for the processing of transactions on a credit card terminal. Another significant difference is that whereas other providers charge a flat premium rate, **BBW does not**.

Here's how the technology works: Using a mobile application along with a small card reader that plugs into the head phone jack of an iPhone®, iPad® or Android™ phone, merchants can process VISA®, MasterCard®, Discover®, and American Express® transactions directly through their smart device. BBW settles transactions the next business day.

Benefits of mobile payments through BBW:

- No additional fees
- No hidden fees
- Best rate possible for swiping a card
- Works with iPhone, iPad, and Android-powered tablets
- Opens up new sales channels for on-the-go merchants

For more information, contact **MaryAnn Elliott-Supples** or **Lynette Gregg** at **800-601-8630**.

TECH CORNER: *Tips from BBW's Information Technology Staff*

Question: Who really cares about printers?

Answer: You should.

Most offices have computing devices that fit into the categories of computers and appliances. A computer you really interact with; it performs many functions. An appliance you think of as a single-task item with limited interaction. Most people know a computer can get a virus. An appliance? Does anyone fear that their microwave will get a Trojan or worm? It's a different mindset. People think of printers and multi-function printers (MFPs) as more like appliances than full-fledged computing devices. The same goes for other items like network switches and routers.

IT people usually try to “harden” network devices against compromise and malicious attack, although they are reasonably secured in most cases. Printers, on the other hand, often go ignored by IT until the toner runs out or the paper jams. In reality, network devices and printing devices are not one-trick ponies. Both types of devices normally have all the guts of a computer—CPU, memory, network interface, operating system, and sometimes a storage device—like a hard drive. Such devices often run a Linux® operating system, which, like all operating systems, must be periodically updated to fix bugs and enhance security. The operating

system for network devices and printers typically lives in “firmware” rather than on a hard drive. Think of it as a storage device.

Security issues with printers and MFPs made the news a year or two ago. The publicity prompted several printer and MFP vendors to release updates to fix security risks. After reading this column, be sure to look online to see whether any firmware updates are available for your own printers and MFPs. If your printing needs are handled through a managed print service, contact your vendor to obtain the model numbers and current firmware revisions, and then search online to determine if newer firmware revisions are available.

Afterward, assess which of your devices may no longer be cost-effective. As a rule, spare parts are harder to find for older printers, and their cost per page/imprint is higher than for newer models. Another drawback from a security standpoint is that very old devices no longer receive vendor support and firmware updates. In short, any security risks in the device will never get fixed. You might be wise to budget for replacement printers if you have some old (possibly risky) workhorses.

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