



Correspondent Views

BANKERS' BANK OF THE WEST newsletter for community banks

May/June 2014

PRESIDENT'S MESSAGE

Progress encouraging on the verge of third quarter

I'm pleased to share positive developments at Bankers' Bank of the West (BBW) and the parent company, Bankers' Bank of the West Bancorp, Inc. (Company).

Our customers are aware that we worked for many months toward the goal of satisfying the debt owed the U.S. Treasury Department (Treasury). On April 24, a consortium of banks purchased all outstanding preferred shares from the Treasury at par value, ending the Company's involvement in TARP. In all, 28 banks and bank holding companies bought shares in amounts no greater than 4% of total preferred shares outstanding. The Company remains widely held in that no bank or holding company owns more than 4.5% of common shares. I'm pleased we've met our obligation to taxpayers, and I'd be remiss if I failed to mention the Treasury was good to work with.

These developments are no longer news to our shareholders, as the Company announced and paid a dividend on common shares within 30 days of exiting TARP. We thank our shareholders for their patience and loyalty.

The achievement that means the most to the BBW team is that even during difficult times—particularly the two years spent under a regulatory written agreement—

supporting the success of our customers and shareholders remained our highest priority.

In keeping with the spirit of providing solutions for our customers, I'm happy to report that a joint marketing agreement between BBW and Bank Strategies, LLC, has established a new source of consulting

expertise for community banks, to be known as **BBW Consulting Solutions**.



Bill Mitchell
BBW President and CEO

Highly respected throughout our region, Bank Strategies, LLC—a firm independent of BBW—was founded in 1982 by its current chairman, **Larry Martin**. Today **Jim Swanson** serves as the firm's president, and the team's senior consultants include former Federal Reserve supervision staff

Debbie Meyers, Dave Nowling, and Dave Anderson.

Visit our website for information about the wide range of consulting services offered by this extremely competent group, which plans to augment its service menu with a compliance risk management solution in the months ahead. As always, we welcome your feedback, requests and suggestions.

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TAKING NOTE

VENDOR MANAGEMENT ASSISTANCE

When performing your vendor management functions or getting ready for an exam, you may need reports, certificates or other documentation from your service providers.

To get the information you need on any services your bank obtains through Bankers' Bank of the West, please email Debbie Wendt, ops@bbwest.com. In the body of the message, be sure to indicate which information you need.

COMMERCIAL LENDER TRAINING IN OCTOBER

Kyle Enger, a top presenter at the nation's premier banking schools, will return to **Denver** to lead **Loan Officer Financial Management Training** on **October 16 and 17**. The course brochure will be posted to BBW's website as soon as the venue arrangements have been finalized.

The interactive seminar is for experienced lenders with portfolio, underwriting or calling responsibilities. The course outline was recently revised to take into account the current business environment. To receive a copy of the updated outline, email your request to jtall@bbwest.com.

SIMPLIFIED ACH ORIGATION

Searching for a solution for cross-border consumer ACH origination? BIDS provides an ACH Interface that uses wizard-based templates to facilitate a smooth, economical straight-through payment process.

BIDS integrates printable reporting and disclosures to help your bank comply with requirements set by the Consumer Financial Protection Bureau and Reg E. To learn more, call your cash management officer or an ops specialist at **800-873-4722**.

ABOUT

Correspondent Views is published by Bankers' Bank of the West for independent community banks in our service area. Downloadable versions are posted to our website.

If you want newsletters sent by email, send your request to webmaster@bbwest.com.



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PRIMED FOR THE FUTURE

Four BBW veeps to report to banking school for another class act

As schoolchildren across the country settle into a less academic summer routine, four of BBW's vice presidents are doing the opposite—gearing up for banking school.

Following the July session, the Graduate School of Banking at Colorado (GSBC) will award diplomas to third-year students **Debbie Wendt** (Operations) and **Scott Wintenburg** (Correspondent Services).

Returning for their second session will be **Chris Hill** (Finance), also in the GSBC program, and **Tara Rosenbaum** (Correspondent Services), a Pacific Coast Banking School student. Both are slated to graduate next summer.

BBW's support of staff training and education reflects the organization's long-term vision—and high expectations for the future. Then too, the program requires a considerable time commitment on the students' part.

“But it's like balancing anything else in life,” Tara noted. “You just manage to get it done.”

Scott said banking school has broadened his insight into areas

he might not normally be involved in. It's also a place for bankers with different backgrounds to network, discuss ideas and share their experiences.

“I've met people I'll stay in touch with long after I graduate from the school,” he added.

Debbie said the assigned research projects pushed her to “look beyond my piece of the banking world” and appreciate all areas of banking expertise as important.

“At first I had no idea what to expect from the program, but it's definitely been worthwhile on every level,” she said. “Sort of an express lane up the learning curve.”



From left: Bankers' Bank of the West's **Debbie Wendt**, **Chris Hill**, **Tara Rosenbaum**, and **Scott Wintenburg** will return to banking school soon.

SPEAKING OF SUCCESS—CONGRATS!

For half of her eight-year tenure with the BBW Operations Department, **Christine Lash** spent hundreds of evening and weekend hours completing coursework through the University of Phoenix. She attained her first goal—an associate degree—in 2012.

Christine recently achieved her second academic goal, earning a bachelor's degree in business and accounting.

After years of simultaneously managing the responsibilities of full-time employee, single parent and college student, Christine seems keen on rediscovering leisure time.

“I've been wondering, what would it be like to read a really good book—just for the fun of it?” she asked. “It's been four years, and I've changed. Guess it's time to find some new hobbies.”

TECHNOLOGY

Demystifying cybersecurity practices and documentation

Anne Benigsen
Inflection Point Consulting, LLC

Cybersecurity has evolved from a buzzword to a necessity for all sizes of financial institutions. Even using the best practices listed in the National Institute of Standards and Technology Framework for Improving Critical Infrastructure Cybersecurity (“Cybersecurity Framework”) to create personalized and accurate cybersecurity documentation can be a challenge, but is no longer an option to avoid the creation of cybersecurity policies and assessments in the current regulatory environment.

As large banks and service providers invest significant resources into security, Internet-based attacks will migrate to smaller institutions as an easier point of entry into payment networks and corporate accounts.

BANK CARD SERVICES

Help your merchants get smart by mixing business with pleasure

Bankers’ Bank of the West Bank Card Division

Can your business customers tell the difference between a world-class merchant services program and one with a short (or sketchy) track record? Whether your customer is shopping for a used car or deciding on a merchant services provider, education is key to making a wise choice.

Supporting your small-business customers with “how-to” guidance on merchant services can earn their loyalty. One tactic that’s proven effective for some banks is to hold a social for business customers for the purpose of focusing on merchant services.

As your high-touch merchant program provider, BBW can arrange for a merchant program expert to attend your social, make a presentation to your business customers,

Cybersecurity best practices and current controls in your corporate environment should be communicated to all senior management and the board of directors — this should be a continuous process, not a checklist or a yearly review of a document.

It is vital that cybersecurity information is shared and understood by all levels of a business and that senior management prioritizes, educates and communicates cybersecurity risks. Cybersecurity was once considered overly complicated for the layman, but today senior management must understand the potential risks that cyberattacks pose on their organization.

Continue reading this entire article—and access a link to the NIST paper referenced above—at www.bbwest.com/nl14framework.pdf.

answer their questions, and show them how the BBW mobile payments solution works.

Organizing the social does entail some effort and resources on the community bank’s part — sending invitations, arranging for refreshments, and so on. Generally, though, the bank employees seem to enjoy creating their own unique meet-and-learn gathering.

Michael Hurst, president of Del Norte Bank in Colorado, commented on a recent social held at his bank: “I had many comments [from customers] after the event indicating how they appreciated the information and how they found it helpful to their understanding of merchant services.”

To find out how the Bank Card Division can support you in educating merchants, contact lgregg@bbwest.com or msupplies@bbwest.com.

BUZZ ON BIDS—Bankers Internet Data System

Customized sorting, template use made easier

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

This month we're spotlighting recently added features that let you work smarter, not harder. Incidentally, both of these releases were prompted by suggestions from community bankers like you.

1. Likelihood of ACH error reduced

Users can elect to create and edit ACH template totals—entry/addenda, total debits, total credits—and, if appropriate, abandon the screen at the final step of the template origination process without creating the file.

Notice that on the **ACH Origination-Step 4** screen, a new button, **DO NOT Create File**, appears just below the **Create File** button.

Displaying both options onscreen is intended to lessen the likelihood of users creating unwanted ACH files.

2. Choice of sort criteria

Prior to the availability of a sort option on the **ACH Entry Detail** screen at the point of dual control, reviewers saw detail items in trace number order.



A new enhancement lets the reviewer sort by name, amount, or trace number in either ascending or descending order. The detail items will appear in trace number sequence by default.

Your turn. If you have a topic suggestion for a future Buzz on BIDS column, please send your ideas to ops@bbwest.com.

CONFERENCE UPDATES

May conference a memory ... Bank Card Conference on the horizon

The first of two 2014 BBW-organized conferences drew 60 community bankers to Denver May 15 for a full-day focus on risk management issues.

The four Operations Conference presenters addressed risk management from various perspectives and offered a number of general suggestions as well. For example, **Sara Nielsen** (Federal Reserve Bank of Kansas City) urged financial institutions of all sizes to work cooperatively on shoring up not only their own knowledge base and their individual systems but also the nation's critical infrastructure cybersecurity.

Bank Card Conference. Always informative, exciting and well-attended, BBW's **Bank Card Conference** will be held in **Black Hawk, Colo.**, on **Aug. 28 and 29**. Present-

ers will discuss EMV, technology advances, electronic commerce, and other bank card developments. **Download the details and registration form** at www.bbwest.com.



Among the 13 Bank Operations Conference participants from outside Colorado were [counterclockwise from left]: **Michael Gillen** (Valley Bank and Trust Co., Gering, Neb.) and **Jill Nelson** (Wyoming Community Bank, Riverton, Wyo.), pictured with Bill Mitchell (Bankers' Bank of the West).



STAFF INTRODUCTION

Move to other side of the desk brings early supporter full circle

In 1980, **Marlene Wade** worked for a community bank that became one of BBW's original shareholders. From that point on, she thought of herself as one of BBW's original and most loyal customers.

"I've always liked what BBW stands for. There's an obvious pride in service—in being there for the customer—that runs through the entire organization," Marlene said.

"The people who touch the customers take their responsibilities seriously. I trusted them, knowing they'd follow through. As a community banker, I always felt I was BBW's most important customer."

Marlene made a career shift in April, joining BBW to fill an additional correspondent officer position. She began joining colleagues on bank visits almost immediately.

"It's fun to meet community bankers and hear them share their history, strategic ideas, goals, and challenges," she said.

While she recognizes the mechanics of banking are the same from bank to bank, Marlene stressed that each institution (and every market) is distinct from all others. So, what a community banker is experiencing at any given time is truly unique.

Just as BBW supported Marlene when she was on the other side of the desk, she is now putting 30-plus years of senior-level bank operations and information technology experience to work for her new customers.

"Sometimes a different perspective or a new resource makes all the difference," she said.

Marlene is working on her goal of making in-person visits to each assigned community bank by the end of the third quarter. She has also caught up with a number of longtime colleagues at recent industry events.

"Banking is a small world," she observed. "And after a few decades, the lines between personal and professional relationships tend to blur."



Marlene Wade has lived in Colorado most of her life; she spent two years in Belen, New Mexico.



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JOIN US

at the
2014 Bank Card Conference
August 28 and 29
in Black Hawk, Colorado