2017 - 2018 Officers and Directors

Chairman
Harry Devereaux, Northern Colorado Market President, Guaranty Bank

President
John Sneed, President, FMS Bank

President-Elect
Megan Harmon, Branch President & COO, Eastern Colorado Bank

ICBA State Director
Chuck Johnston, President, North Valley Bank

District Directors
District A
Brandon Berkley, President, Berkley Bank
Kyle Heckman, President, Flatirons Bank
John Ezell, Senior Vice President, Redstone Bank
Tom Ogaard, President, Native American Bank, N.A.

District B
Shawn Osthoff, President, Bank of Colorado
Dan Allen, President, First FarmBank
Randy Younger, President, First National Bank of Hugo

District C
Quentin Leighty, CFO, First National Bank Las Animas/ Monument Branch
Andrew Trainor, Regional President, Legacy Bank
Tony Perry, President, Park Sate Bank & Trust

District D
Ed Merritt, Jr., President, Dolores State Bank
Jay Rickstrew, Regional President, Alpine Bank
P J Wharton, President, Tampa Valley Bank
Mike Hurst, President, Del Norte Bank

Advisory Board Members
Bill Mitchell, President, Bankers’ Bank of the West
Eric Budreau, Partner, Eide Bailly LLP
Christian Otteson, Shapiro Bieging Barber Otteson
Brian Burke, Community Reinvestment Fund, USA

Staff
Barbara M.A. Walker, Executive Director
Maelynn Lewis, Administration Director, Secretary/Treasurer

IBC Legal Counsel
Thomas Bieging and John Burrus
Shapiro Bieging Barber Otteson, LLP

IBC Lobbyist
Mary Marchun, The Capstone Group

November/December 2017

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Cover by Bob Kissel: West of Jefferson, Colorado in South Park. Kissel’s photos have appeared in travel publications in the US, Canada, and Russia. In 2012, he won a major photo contest with one of his steam train photos, which is currently on brochures and in magazines and travel guides. Bob retired from the Colorado Division of Banking in 2004 after a career as an IT Examiner, and he then worked more years as a bank consultant after retirement. To see more of Bob’s photos visit his website at www.flickr.com/photos/rekissel/sets.
### Preferred Providers

IBC Preferred Providers are selected by bankers just like you, so give them special consideration when considering their proposals for your bank! To learn more about IBC’s Preferred Providers contact the IBC at 303.832.2000. Please note: IBC endorses the listed companies but not all products offered by the company.

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<tr>
<td>Mary Ann Elliott-Supples</td>
<td><strong>IBC Preferred Providers</strong></td>
<td>Grow your customer relationship with mobile payments technology; highly competitive unbundled pricing; quick approvals and startups and high-touch training and support from Bankers’ Bank of the Wests’ Merchant Services Program.</td>
</tr>
<tr>
<td>Chuck Allor</td>
<td>Deluxe</td>
<td>Massive buying power and inventory expertise to help you consolidate, simplify, and save. By consolidating buying power you receive the best prices on the items you need. Use a single source to management inventory, a customized automated online ordering system and more!</td>
</tr>
<tr>
<td>Eddie Hook</td>
<td>Harland Clarke</td>
<td>Harland Clarke offers: Payment Solutions (checks, card services, forms, etc.); Integrated Multichannel Marketing Services and Security Solutions.</td>
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<tr>
<td>Steve Thomas</td>
<td>IBT</td>
<td>IBT’s Core Processing platform enables you to meet the specific challenges of the marketplace efficiently and effectively. IBT’s Core Processing with i2 Suite is the right way to do business for you and your customers, reducing costs, improving efficiencies and enhancing compliance.</td>
</tr>
<tr>
<td>Jim Iannuzzi</td>
<td>iHELP</td>
<td>iHELP loans help families cover the gap between the cost of college and other forms of financial aid a family receives. The iHELP Refinancing loan helps families combine multiple federal and private student loans into a fixed-rate or variable rate loan with one easy and affordable payment monthly.</td>
</tr>
<tr>
<td>Craig Johnson</td>
<td>OnCourse Learning</td>
<td>At OnCourse Learning, formerly BankersEdge, our high-quality training is specifically tailored to the complex needs of banking institutions. We now offer four simplified training options that have been designed with employee-specific responsibilities in mind. Our courses have been repackaged into topic-specific series, with more than 550 courses and growing.</td>
</tr>
<tr>
<td>Ryan Schremmer</td>
<td>SBS</td>
<td>SBS is your cybersecurity partner. Our offerings include: TRAC™ – Cybersecurity risk management software; Cyber-RISK™ – Automated FFIEC cybersecurity risk assessment software; IT and Network Security Audits; Consulting Services; Full Service Vendor Management; Role-Based Certifications; Vulnerability Assessments; Penetration Testing and More!</td>
</tr>
<tr>
<td>Erick Morton</td>
<td>S&amp;P Global</td>
<td>S&amp;P Global combines exclusive analysis and in-depth data in real time for the banking, financial services and insurance industries. From bank branch data and government assistance programs to executive compensation and league tables, S&amp;P is the final word in business intelligence on financial institutions.</td>
</tr>
<tr>
<td>Brandon Tate</td>
<td>Travelers</td>
<td>Offering a wide range of customized insurance protection, Travelers SelectOne® for financial institutions is designed to respond to the most recent trends in banking.</td>
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<tr>
<td>Heidi Shipp Saba</td>
<td>Vantiv</td>
<td>Turn your card program into a growth opportunity. With 40 years in payments and card processing, we can quickly relieve you of the regulation and compliance burden. In the end, working with Vantiv is a low risk, high return proposition because of our payments expertise and proven results. Vantiv drives the IBC’s 46 location ATM surcharge-free network.</td>
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**SUPPORT THE IBC’S ASSOCIATE MEMBERS!**

### Accounting/Compliance
- **Anderson & Whitney** 970-352-7990
- Bank Accounting and Consulting, LLC 303-916-2566
- **BKD, LLP** 303-861-4545
- **Eide Bailly LLP** 303-770-5700
- FIS EGRC 720-325-4697
- Fortner, Bayens Levkulich & Garrison, PC 303-296-6033
- **Garland Heart – Info Security | Compliance | Consulting**
  - 720-325-4697
- Iverson & Associates, LLC 303-949-7702
- **Moss Adams LLP** 503-471-1277
- Stockman Kast Ryan & Co., LLP 719-630-1186

### Advertising/Equipment/Printing/Supplies
- **Deluxe Strategic Sourcing** 800-992-0304
- FF&S, Inc. 303-323-4341
- **Harland Clarke** 800-525-8848

### Architects
- MG Architects 713-552-0707

### Computer Products/Consulting
- AccuSystems 719-583-8004
- Computer Services, Inc. 970-212-7104
- DMTech Solutions, LLC 214-883-4222
- FIS EGRC 720-325-4697
- Garland Heart – Info Security | Compliance | Consulting
  - 972-429-8200
- *SBS CyberSecurity* 785-594-0503
- SPC 800-338-3096

### Consulting/Marketing/Strategic Planning
- Bank Strategies 303-618-0056
- **Oncourse Learning** 866-806-9900
- Bell State Bank 701-371-3355
- Expert Business Development 610-771-2121
- GLC Advisors 303-479-3840
- Kasasa 877-342-9257
- O’Connell Consulting Group 303-795-3539
- The James Paul Group 877-584-6468
- *S&P Global* 434-951-6948

### Correspondent Banking Service
- Bankers' Bank of the West 303-291-3700
- Bell State Bank 701-371-3355
- CenterState Bank 303-773-0441
- The Independent Bankers Bank 972-650-6000
- INTRUST Bank 800-732-5120
- PCBB 888-399-1930

### Data Processing/EFT/ATM/Card Processing/Merchant Services
- **Bankers’ Bank of the West** 303-291-3700
- BMA Banking Systems 801-887-0122
- Computer Services, Inc. 800-545-4274
- D+H 800-815-5592
- **ICBA Bancard/TCM Bank** 800-242-4770
- **IBT** 512-606-1100
- Jack Henry & Associates 417-235-6652
- NuSource Financial LLC 952-942-9191
- SHAZAM 515-288-2828
- *Vantiv* 303-399-8929

### Insurance/Benefit Services
- **Bank Financial Services Group** 303-489-1844
- Central States Family of Omaha 303-290-8901
- Equitas Alliance 469-252-1037
- Financial Designs Ltd. 303-832-6100
- *Haas & Wilkerson Insurance* 913-277-9259
- *ICBA Reinsurance* 888-790-6615
- **Travelers** 720-200-8416

### Investments/Funding and Lending Partners
- 1st Reverse Mortgage USA® 303-854-3035
- The Baker Group 405-415-7200
- Colorado Enterprise Fund 303-860-0242
- Colorado Housing and Finance Authority 303-297-7329
- Colorado Lending Source 303-657-0010
- Community Reinvestment Fund, USA 303-870-9795
- Crescent Mortgage 970-278-9328
- FHLBank Topeka – Denver Office 303-893-3452
- FTN Financial 800-456-5460
- Gill Capital Partners 303-296-6260
- Hayden Outdoors 970-674-1990
- *ICBA Mortgage* 800-253-5356
- *ICBA Securities* 800-422-6442
- iHELP Private Student Loan Program 610-234-0592
- Northland Securities Inc. 303-801-3380
- Promontory Interfinancial Network 303-706-9265
- Stifel Nicolaus 800-679-5446

### Law Firms
- Coan Payton & Payne LLC 970-225-6700
- Fairfield and Woods, PC 303-894-4416
- Jones & Keller 303-573-1600
- Lathrop & Gage LLP 720-931-3228
- Lewis Roca Rothgerber Christie LLP 303-623-9000
- Lindquist &Vennum LLP 303-573-5900
- Markus Williams Young & Zimmermann LLC 303-830-0800
- Moyer White LLP 303-292-7946
- Shapiro Bieging Barber Otteson LLP (IBC Counsel) 720-488-0220
- Spencer Fane LLP 303-839-3838
- Stinson Leonard Street LLP 303-376-8400

### Loan Review Services
- Eide Bailly LLP 303-770-5700
- Fortner, Bayens Levkulich & Garrison, PC 303-296-6033
- Iverson & Associates, LLC 303-949-7702

### IBC Lobbying and Public Relations
- The Capstone Group (IBC Lobbyists) 303-860-0555

**IBC Preferred Providers**
# 2017 IBC Training Schedule

## Next Generation of Bank Leaders On-Site Conference—Designed by Bankers for Bankers

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## IBC and Financial Education & Development Co-Sponsored Webinar Offerings

### Auditing & Accounting
- CECL Loss Estimation Methodologies: Using Your Bank’s Data History to Create Workable Options | Thursday, November 2
- Regulation E Series: Auditing for Regulation E Compliance | Wednesday, November 8

### Collections
- Conducting a Collections Risk Assessment | Wednesday, December 6

### Compliance
- OFAC Sanctions Compliance: Update, Expectations & Best Practices | Tuesday, November 28
- BSA Compliance Series: Job-Specific BSA Compliance for Lenders | Tuesday, December 5

### Frontline, IRA and New Accounts
- When A Depositor Dies: Next Steps & Best Practices | Thursday, November 9
- Account Documentation Series: Accepting Powers-of-Attorney on Deposit Accounts | Thursday, November 16

### Human Resources
- Avoiding Employee Job Misclassification Issues: Getting It Right! | Thursday, November 30

### Lending
- Required Compliance for Commercial Loans Secured by Real Estate | Tuesday, November 7
- Real Estate Series: Mortgage Loan Disclosure Timing Issues | Tuesday, December 12

### Operations
- ACH Specialist Series: Federal Government ACH Payments: Reclamations & Garnishments | Tuesday, November 14
- All About 1099 Reporting Part 2: Forms 1099-INT & 1099-MISC: Vendor Payments, Prizes & Interest on Deposit Accounts | Wednesday, December 13
- Risk Management Series: ACH Risk Management & Assessment: Risks, Controls & Ratings | Thursday, December 14
- Preparation Plan for CDD Changes to Beneficial Ownership Rules: Effective May 11, 2018 | Tuesday, December 19

### Security & Fraud
- Robbery Preparedness for All Staff | Wednesday, November 29
- Disaster Preparedness, Recovery & Business Continuity | Thursday, December 7
- New Security Officer Training: Responsibilities, Best Practices & Skill-Building Tools | Wednesday, December 20
IBC Acknowledges
State Lawmakers Who Support Community Banking!
IBC’s Annual Legislative Awards Luncheon

IBC acknowledged the following outstanding state lawmakers for their legislative excellence in actively supporting Main Street Colorado and the community banking industry as the state’s primary lender to small businesses and family farms and ranches.

IBC’s Legislator of the Year, Senator Bob Gardner
Representing El Paso County, Senator Gardner has long been an advocate for the strong economic driver that is the community banking industry. This is the third IBC Silver Spur for Legislative Excellence he has received. Through his thoughtful and effective efforts, previously in the House and now in the Senate, he succeeds in bringing lawmakers together, even when faced with opposing views. Senator Gardner is Chair of the Judiciary Committee and Vice Chair of the Local Government Committee. Senator Gardner carried several Uniform Law Commission bills in 2017 of critical importance to the banking industry, and in which IBC was actively involved. He worked cooperatively with the IBC on our recommended language.

IBC’s Spirit of Independence Award, Representative Lois Landgraf
Representative Landgraf was elected to the Colorado House in 2012 representing El Paso County. Born into a Navy family and married to an Army officer, she has taken that experience to lead the efforts to support military families and children. Representative Landgraf is a strong voice in the House for small businesses and the hard working families and communities that depend on economic growth for a solid foundation from which to thrive. Before withdrawing her 2017 bill on Warrants for Electronic Communications to continue to work with stakeholders and for future reintroduction in 2018, she accepted IBC’s amendment to protect banks to ensure her bill did not conflict with state and federal banking laws and regulations. Representative Landgraf was also a key supporter of the Hospital Provider Fee bill to help rural hospitals stay open.

IBC’s Spirit of Independence Award, Representative Alec Garnett
Representative Garnett is a fourth generation Coloradan committed to the future of our state, especially to a thriving Main Street Colorado. In 2014, Representative Garnett was elected to the State House representing Denver. He serves as Assistant Majority Leader. This is Representative Garnett’s second IBC Legislative Excellence award. He has been at the forefront of tackling Colorado construction defects issues that impact the availability of affordable housing, workforce development, student safety, and school funding. In 2017 he sponsored the Division of Banking’s bill regarding agency sharing of financial institution information with federal regulators. He added all IBC amendments and moved the bill forward without conflict. Representative Garnett is able to reach strong bipartisan compromise on behalf of Colorado businesses.

IBC’s Champion of Main Street, Representative Tracy Kraft-Tharp
Representing Jefferson County, Representative Kraft-Tharp is the Chair of the House Business Affairs and Labor Committee and Chair of the Legislative Audit Committee. With over 30 years of experience as a small business owner and in social work, nonprofit management, teaching, and legislative advocacy, Representative Kraft-Tharp has dedicated her life to serving the people in our communities who need help the most. Two of her legislative priorities are to encourage economic development and workforce development, and she understands how community banks support these priorities. As the sponsor of the Bank and Credit Union Reliance on a Certificate of Trust bill, she made sure that all IBC amendments were addressed prior to introduction. Representative Kraft Tharp is a strong advocate for Main Street Colorado.

One Mission. Community Banks.
THE IBC’S STATE ADVOCACY DIFFERENCE

The IBC’s community banking advocacy in our State House is unique. No other banking association does it the way we do it…or gets the results we do!

IBC’s advocacy for community banks is not conflicted.

We exclusively represent community banks.

- The IBC identifies its state legislative advocacy agenda from community banks across Colorado through the IBC Member Free Legal Hotline managed by its attorney John Burrus and IBC’s long-standing law firm, Shapiro Bieging Barber Otteson, and from our 40-member Board of Directors and Government Relations Committee representing Colorado’s urban and rural communities.
- Every piece of legislation that may affect you is reviewed by the IBC’s executive director and lobbyist, and importantly by our experienced banking and commercial legal team.
- Throughout the year, IBC’s attorney John Burrus works with numerous attorneys engaged in legislative drafting through Bar Association Committee meetings, Uniform Laws Commission meetings and other stakeholder meetings arranged by lawmakers and agencies to draft new legislation or amend existing ones. He speaks their language!
- IBC’s legal team, which has been actively involved in Colorado legislative matters for over 20 years, drafts all IBC sponsored bills and amendments to any bill impacting community banking.
- The IBC’s multi-level, comprehensive review and drafting of legislation focuses on issues impacting Colorado community banks that do not operate extensively in other states. The IBC is not conflicted by large out-of-state banks that are often unconcerned about whether a particular bill might subject a Colorado bank to litigation or agency action in another state, because these regional and national banks have little interest in whether a particular matter is litigated in Colorado or in some other state. The IBC works to assure Colorado community banks that a particular bill will not subject you to the jurisdiction of courts or agencies of other jurisdictions. This protects you by avoiding the additional expense of having to retain out-of-state legal representation.
possibilities

Your bank fuels your local community’s progress, provides essential services to key sectors of the national economy, and enables everyday people to turn possibilities into reality. As a service organization dedicated to furthering the interests of community banking, we work to keep independent banks relevant and viable in the ever-changing financial services industry.

You may know us best as a partner and trusted provider of correspondent products, deep expertise and high-touch customer service. And beyond that, our commitment to partnership also means staying active in trade associations, advocating for community banks, providing leadership when needed, and investing in professional training and continuing education programs to keep community banks competitive well into the future. For this reason, it is our privilege to support the Independent Banks of Colorado as a Legacy Sponsor.
COMMUNITY BANKS – THE ODDS ON FAVORITE!

IBC’s 44th Annual Convention

By Maelynn Lewis, IBC Administration Director

Community bankers from across Colorado and myriad associate members and vendors from throughout the U.S. attended our 44th Annual Convention—Community Banks – The Odds on Favorite! held in September at the beautiful Vail Marriott Mountain Resort! More than 125 bankers were in attendance representing 50 banks!

It was a fabulous gathering and our 300 attendees had a marvelous time. We appreciate the support of our community bank members, associate members, speakers, sponsors, and exhibitors!

We especially thank the following dedicated IBC Board and Convention Committee Members for helping us plan our Annual Convention: Chuck Johnston, North Valley Bank; John Sneed, FMS Bank; PJ Wharton, Yampa Valley Bank; Jay Rickstrew, Alpine Bank; Lauren O’Connell, O’Connell Consulting Group; Tammie Lowrie, BKD, LLP; Angie Weed, The Eastern Colorado Bank; Ed Merritt, Jr., The Dolores State Bank; Tony Thompson, Alpine Bank Basalt; CJ Juleff, CJ Juleff & Associates; Joan Lawson, Farmers State Bank of Calhan; Ashley Burt, Gunnison Bank & Trust; Byron Maynes; and Ernie Panasci, Stinson Leonard Street.

Wednesday

The Eagle Vail Golf Club proved to be a fun and challenging course for our 79 golfers. It was a fabulous day packed full of sunshine and fun! A number of events were sponsored at the tournament. Four teams mastered the course with enough skill (and luck) to win the tournament:

**Flight One**

**First Place**
Tony Thompson, Alpine Bank
Clay Tufly, Alpine Bank
Dan Markoya, Alpine Bank
Trevor Johnson, Alpine Bank

**Second Place**
Sam Jarvis, First National Bank, Cortez
Judy Jarvis
Tom Maley, First National Bank, Cortez
Vicki Maley

**Flight Two**

**First Place**
Ryan Pospeck, Fortner Bayens Levkulich Garriosn
D.J. Tedesco, Castle Rock Bank
Narvel Casas, Castle Rock Bank
Tom Cladis, Gill Capital Partners

**Second Place**
Jeff Benson, Bankers’ Bank of the West
Kyle Heckman, Flatirons Bank
Christian Otteson, Shapiro Bieging Barber Otteson
John Podvin, Shapiro Bieging Barber Otteson

Congratulations to our eight hole contest winners.

Our Opening Reception kicked things off Wednesday evening. Thirty-six exhibitors filled the exhibit hall and 31 outstanding sponsors supported our 44th Annual Convention. Everyone enjoyed great food, lively conversations and so much more!
Thursday

Harry Devereaux, IBC President and Northern Colorado Market President, Guaranty Bank & Trust, called the IBC 44th Annual Business Meeting to order Thursday morning. President-Elect John Sneed, President, FMS Bank, under our by-laws succeeds Harry as IBC President for the 2017-2018 term. Congratulations John! Harry is now Chairman of the IBC.

The board and membership unanimously approved Megan Harmon, Branch President/COO, The Eastern Colorado Bank, to the position of IBC President-Elect for the 2017-2018 term. Congratulations Megan!

Barbara Walker presented the results of the IBC’s District Director Elections. The following board members were successfully re-elected to serve an additional three-year term:

- District A, John Ezell, Senior Vice President of Redstone Bank
- District B, Dan Allen, President of First FarmBank
- District C, Andrew Trainor, Regional President, Legacy Bank
- Director D, Jay Rickstrew, Regional President, Alpine Bank

We sincerely thank Preston Kennedy, ICBA Vice Chairman and CEO, Zachary Bank in Zachary, Louisiana for his pointed, timely and passionate ICBA federal legislative update. Harry Devereaux presented Preston with the covenanted IBC Silver Spur.

Harry then passed the gavel to John Sneed, President, FMS Bank. John proceeded to take center stage to present his agenda for the upcoming year.

We look forward to John’s guidance and enthusiasm!
Barbara Walker, Executive Director, IBC, recognized out-going IBC Chairman Byron Maynes of Cortez; Eric Budreau, Partner, Eide Bailly; CJ Juleff, Owner, CJ Juleff & Associates; and Tennyson Grebenar, Partner, Lewis Roca Rothgerber Christie; IBC Advisory Board Members, for their time, energy, and service to the IBC.

Barbara Walker announced the recipients of the 2017 IBC Legislator Awards: Senator Bob Gardner – Legislator of the Year; Representative Lois Landgraf – Spirit of Independence; Representative Alec Garnett – Spirit of Independence; and Representative Tracy Kraft Tharp – Champion of Main Street. These supporters of community banks and of the communities we serve will receive their awards during the IBC’s Autumn Awards Luncheon.

The IBC welcomed the Executive Director of the Western States School of Banking, Gigi Baty, who addressed the ongoing vision of the school and her commitment to serving the continuing education needs of the community banking industry. The Western States School of Banking offers a bachelor-level, intensive, and condensed curriculum for students to advance their industry competence and education. While maintaining employment, students have quality interaction with a national faculty and regional colleagues to develop academically and professionally. WSSB’s two-year Certificate Program strengthens your holistic understanding of your bank and the banking industry.

Traci Brown’s, Traci Brown, Inc., Liar Liar Pants on Fire! presentation was a perfect way to kicked off the education portion of our convention. Traci had everyone a buzz about how to detect if someone is lying or not.

Our first round of break-out sessions followed Traci’s presentation.

- Observations on Examinations, Supervision and Enforcement presented by Christian Otteson and F. John Podvin, Jr., Shapiro Bieging Barber Otteson LLP
- Cybersecurity: Hot to save your bottom … line presented by Anne Benigsen, Bankers’ Bank of the West
- Bank Tax Planning: A New Era of Taxation? presented by Eric Budreau and Andy Kaiser, Eide Bailly
- Remaining an Independent Bank in a Consolidating Banking Market presented by Ernie Panasci, Stinson Leonard Street LLP
Next up – Recognition Luncheon! **John Sneed**, IBC President, presented the IBC’s Western States School of Banking Freshman Academic Achievement Scholarship to **Megan Hronich**, Assistant Vice President, First National Bank of Durango. Megan is the recipient of the annual $1,000 scholarship to the Western States School of Banking based on her outstanding academic performance. Congratulations!

John also recognized **Courtney Jones**, Vice President, FirstBank, for her outstanding academic achievement at The Graduate School of Banking at Colorado. Based upon first and second year projects and exam grades, Courtney was the top performing Colorado community banker! Megan will receive a $1,000 scholarship toward her final year at The Graduate School of Banking at Colorado. Congratulations!

In addition, John also recognized the recipients of the IBC’s $1,000 High School Senior Scholarships. Each awardee receives a one-time $1,000 scholarship. **Peter Wharton**, sponsored by Yampa Valley Bank, was the recipient in the bank employee child category and is attending the University of Colorado. **Cortney Cashner**, sponsored by First National Bank, Cortez, was the recipient in the bank customer category and is attending Colorado Mesa University. We wish Peter and Cortney all the best in their academic endeavors.

Our Conversation and Creating Derby Hat guest/spouse program was a tremendous hit! Everyone enjoyed casual conversation while painting their masterpieces! Thanks to expert direction and tips from Lauren at Alpine Arts Center everyone loved their finished work of art!

Thursday afternoon concluded with eight standing-room-only breakout sessions.

- Rich Banker, Poor Banker: How to Use Capital Planning to Build Your Bank’s Value presented by **Christian Otteson**, Shapiro Bieging Barber Otteson LLP, and **Adam Keefer** and **Caspar Bentinck** both of Sandler O’Neill + Partners;
- Asking the Right Strategic Planning Questions, presented by **Philip K. Smith**, Gerrish Smith Tuck P.C.;
- Active Shooter, Robbery and Crisis Management, presented by **Ben Hayden**, SHAZAM;
- Asset/Liability Management Strategies presented by **Michael Erhardt**, ICBA Securities/Vining Sparks;
- The New Colorado Normal: Change in Competition, Valuations and Strategy presented by **Adam Fiedor** and **Michael Richter**, GLC Advisors & Co.;
- How to Improve the Value of Your Ban, presented by **Philip K. Smith**, Gerrish Smith Tuck P.C.;
- Cybersecurity Risk Assessment Update and Horror Stories from the Field presented by **Ron Hulshizer**, BKD, LLP; and
- Small Business Lending Success Stories Panel Discussion presented by **Nicole Christianson** and **Rachel Russell**, Colorado Lending Source; **Anita Cameron**, Northwest Loan Fund, **Jennifer Siegel**, Accion, and **Alan Ramirez**, Colorado Enterprise Fund.
Our Thursday evening events were splendid! Attendees had a grand time visiting with vendors and bidding on silent/live auction items during our reception. A special thank you to Norm Arends, TBK Bank, for being our auctioneer. We couldn’t have done it without you! We raised more than $9,500 for the IBC’s high school student scholarship competition. Thank you to everyone who donated and purchased items.

After a delicious dinner it was a **Night at the Horse Races**!

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**Friday**

Generational Challenges and Rewards presented by **Patrick Kelly, Change Point Consulting** started things on Friday morning. It was a pleasure hearing from a millennial about generational challenges from their perspective. Also the tips on how to interact with and reward a millennial were appreciated!

Closing out our convention was **Greyson E. Tuck, Gerrish Smith Tuck P.C.** Greyson’s Short-Term Strategies for Long-Term Success: Ten Warning Signs for Directors and Executive Officers presentation was on-point!

Thank you one and all who attended and supported IBC’s gathering of community bankers, Colorado’s biggest year after year!

---

**Thanks to Our Exhibitors!**

- 1st Mortgage Solutions USA
- Accusystems, LLC
- The Baker Group
- Bank Financial Services Group (BFS Group)
- Bankers’ Bank of the West
- BKD, LLP
- BMA Banking Systems
- Colorado FBLA
- Colorado Housing and Finance Authority
- Colorado Lending Source
- Computer Services, Inc. (CSI)
- Crescent Mortgage
- DEI, Inc.
- Deluxe Strategic Sourcing
- Eide Bailly
- Expert Business Development
- Federal Deposit Insurance Corporation
- Federal Reserve Bank of Kansas City
- FF&S, Inc.
- FIS
- Gill Capital Partners
- The Graduate School of Banking at Colorado
- Haas Wilkerson Insurance
- Harland Clarke
- IBT
- Independent Community Bankers of America (ICBA)
- ICBA Securities
- iHELP Private Student Loan
- The James Paul Group
- Kasasa
- MG Architects
- NewGround
- Promontory Interfinancial Network
- SBS Cybersecurity
- SHAZAM
- SPC
- Travelers
- Vantiv
We've begun planning our 45th Annual Convention celebration, so mark your calendars now!

Wednesday – Friday, September 19 – 21, 2018.

We look forward to seeing you at the Vail Marriott Mountain Resort!
Do you have the right partner to fight fraud?

Explore OmniShield’s award winning solutions

OmniShield provides financial institutions with a robust, sophisticated fraud protection solution. Offering intelligent software, global data, and access to top-notch analysts, OmniShield is among the most effective tools to mitigate fraud before transactions are even authorized.

Ready to get started?
Contact Heidi Shipp Saba
303.399.8929
vantiv.com/fi-resources
On September 27, an expanded version of the July 27 Joint Statement on Tax Reform was released by the “Big Six,” a group comprising House Speaker Paul Ryan, Senate Majority Leader Mitch McConnell, Treasury Secretary Steve Mnuchin, National Economic Council Director Gary Cohn, Senate Finance Committee Chairman Orrin Hatch and House Ways and Means Committee Chairman Kevin Brady. While the group defers many of the proposal’s finer points to the tax-writing committees, the framework, Unified Framework for Fixing Our Broken Tax Code, provides a more detailed outline of what the group envisions for tax reform.

The framework calls for a bipartisan effort to simplify the tax code for both individual and business taxpayers. This is a unifying feature between this most recent proposal, the White House’s proposal released earlier this year and the House blueprint from June 2016. For a detailed comparison between these proposals and current tax law, see the Tax Proposals charts on BKD’s Tax Reform Resource Center. Here’s an outline of the key business and individual proposals of the framework.

**Business Taxes**
For business taxpayers, the framework provides details for some aspects of their tax reform proposals while remaining silent on many of the specifics. The most significant business-related proposals laid out in the framework include:

- Limits the maximum tax rate applied to the business income of small and family-owned businesses conducted as sole proprietorships, partnerships and S corporations to 25 percent
- Reduces the top corporate tax rate from 35 percent to 20 percent
- Eliminates the corporate alternative minimum tax (AMT)
- Allows immediate expensing of nonstructural depreciable assets for at least five years
- Eliminates the Domestic Production Activities Deduction
- Explicitly preserves the research and development (R&D) tax credit and Low Income Housing Tax Credit
- Partially limits the C corp deduction for net interest expense

The framework recommends ultimate tax reform including additional measures to prohibit wealthy taxpayers from unfairly recharacterizing personal income into business income. A method for reducing the effect of double taxation on corporate earnings also is suggested. The framework further provides that numerous other business deductions, credits and exclusions will be severely limited; however, the “what” and “how” is deferred to the congressional committees.

Finally, the framework builds on the previous proposals’ plans for shifting from the current worldwide tax system to a territorial system and calls for a one-time repatriation of foreign profits, with the tax liability payable over seven years. Unlike the House blueprint that set repatriation rates of 8.75 percent on cash and 3.5 percent on all other assets, the new framework remains silent regarding these rates other than providing for an unspecified lower rate for illiquid assets.

**Individual Taxes**
- The expanded framework outlines the following proposals affecting individual taxpayers:
  - Reduces the number of tax brackets from seven to three, with corresponding rates of 12, 25 and 35 percent
  - Increases the standard deduction from $12,600 to $24,000 for married taxpayers filing jointly and from $6,300 to $12,000 for single filers
  - Eliminates the individual AMT
  - Eliminates all itemized deductions except those for home mortgage interest and charitable contributions
  - Repeals the estate and generation-skipping transfer taxes

The framework provides that an additional top rate may apply to the highest-income taxpayers to ensure “the reformed tax code is at least as progressive as the existing tax code and does not shift the tax burden from high-income to lower- and middle-income taxpayers.” Similar to the proposals affecting business taxpayers, the framework also provides more general guidance for other changes affecting individual taxpayers. Proposals such as a “significantly” increased Child Tax Credit and the repeal of

Continued on next page
numerous other individual-related exemptions, deductions and credits are referenced in the framework. However, as with the business proposals, the hashing out of those areas' ultimate details has been left to the committees.

Looking Ahead
While the road ahead for tax reform remains uncertain, this latest glimpse into the potential outcome of reform provides valuable insight for tax planning purposes. Taxpayers should pay particular attention to one consistent theme among the tax proposals released thus far: reduced individual and business income tax rates.

For an overview on how to plan for lower rates, see our BKD Thoughtware® article, “Planning for Tax Change & Lower Rates Under the Current Tax Proposals” and be sure to check BKD’s Tax Reform Resource Center often for the latest updates.

To learn more about how the framework and outlook for tax change may affect your tax situation and discuss planning opportunities, contact your trusted BKD advisor.

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ABA BankExec
Used at many financial organizations and bank training institutes world-wide. It forms an integral part of the curriculum at the Western States School of Banking and at several important ABA schools.

Different versions of a bank simulation have been used at WSSB for over 35 years. Even through the evolutions of bank simulations, the ABA BankExec banking simulation remains the capstone course of the school. The seven-day simulation allows students to bring together their freshman course offerings with the intersession assignments to manage a bank in a changing economy which resembles real-world challenges of today. Using teamwork and negotiation skills, teams navigate the management of a bank through a two-year period.

-- Charles Ewing

Charles Ewing has been an instructor of the BankSim course at WSSB since 1981. He was the top graduate of the WSSB class of 1980. A banking professional for over 40 years, Charles was most recently the Director of Wholesale Portfolio Management and Credit Risk Monitoring at BBVA Compass Bank in Dallas, Texas.

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www.wssbonline.org
Today, understanding millennials’ complicated financial needs is a top priority for banks. But, how do they gain this kind of knowledge? Much of the existing information surrounding millennials points vaguely to new technologies and innovations, void of any concrete avenues for the engagement and retention of the largest generation of customers in America today.

In noticing this lack of useable data, CSI, in partnership with The Center for Generational Kinetics, conducted a national study to learn about the habits, behaviors and needs of millennial banking customers. The results of this study offer an important step toward demystifying the path ahead for banking leadership where millennials (as well as baby boomers and Gen Xers) are concerned, and provide practical and data-driven solutions and strategies.

Below are three actionable strategies to aid in your acquisition—and more importantly retention—of millennial banking customers.

1. **Execute—But Also Communicate—Your Security Efforts**

   While bank customers of every age, including millennials, appreciate face-to-face communication with their institutions, online banking has become nearly universal. However, in consumers’ eyes, online banking is not without its faults. At the top of the list of concerns for our study’s respondents is anxiety regarding online banking security. This is true even for millennials, who are noted for their wide acceptance of, and admiration for, technology. In fact, the study found that 44% of millennials say security concerns are the main disadvantage of online banking.

   But concerns about security don’t have to be the end of the story. Banks can take action to alleviate these issues and increase usage of their online tools and platforms in the process. Our study found that 47% of Gen X, 41% of baby boomers and 29% of millennials say improved security measures and fraud protection would cause them to use their financial institution’s website or mobile app more frequently.

   Clearly, security concerns are more than just customer complaints; they profoundly affect the bottom line for financial institutions, because customers are altering their behavior in response to them. Making continual strides toward providing the best security and fraud protection—and adequately articulating those efforts—won’t just keep current customers happy, it’s the key differentiator in attracting millennial customers. In this age of digital banking, making strides to improve security and fraud protection is more than just an engaging idea—it’s a revenue generator.

   *Continued on next page*
2. Millennials Are Constant Bankers ... Provide a Constant Experience

There was a time when a trip to the bank involved planning, time and travel, but that’s no longer the case. With the advent of remote and digital banking technologies, customers carry a bank around in their purse or pocket at all times. A quick tap on the bank’s mobile app, and a host of transactions—which once required that trip to the branch—can be completed in an instant.

This new reality has not only made financial transactions easier, but also made them continual. According to our study, 31% of millennials check their account balance daily. In fact, this is the No. 1 activity on mobile banking apps, followed by transferring funds: 51% of millennials say they prefer to check their account balance with their bank’s mobile app and 39% prefer to use it to transfer funds. Since millennial customers are using these services so frequently, it’s imperative that banks of every size have a top-notch mobile interface.

3. Reward, Reward, Reward

Millennials already use online banking services in great numbers. We know they want these tools—but is it possible to further move the needle and increase usage? Definitely. One factor can drive the most usage with millennials: rewards!

According to our study, rewards programs are the No. 1 way to increase millennials’ online banking usage—ahead of increased security. The results showed that 46% of millennials say they would absolutely use their bank’s online services more often if the institution had a rewards program for usage.

Programs that increase customer savings, like prize-linked accounts or gamification to help customers meet their financial goals, are already gaining traction. Strategies like these foster a connection with millennial customers and engage them beyond the traditional bank-to-customer relationship.

Looking ahead, millennials will continue to dominate the conversation surrounding customer acquisition and retention. By implementing these three strategic initiatives, your institution can forge a clear path forward. For even more insight on the banking habits of millennials and other generations, download CSI’s full report, Banking Trends through a Millennial Lens.

Kedran Whitten is chief marketing officer for CSI. She has more than 20 years of marketing leadership experience, and her background includes driving revenue growth, customer satisfaction, brand awareness, product pricing and competitive positioning.
FEAR OF FRAUD
AND WHAT YOU CAN DO ABOUT IT
By Heidi Saba, VP Enterprise Sales at Vantiv, an IBC Preferred Provider

Digital security firm Gemalto recently published research indicating that the number of breaches in the U.S. (in all industries) increased by 23%, with the number of records compromised skyrocketing by 201%. Fraud and breaches are happening in every industry – from the recent 3,600-chain fast-food restaurant breach that resulted in the theft of millions of payment cards to a big four accounting firm, which successfully minimized a recent data breach to only a few clients. The financial services industry alone has experienced a nearly 60% increase in breaches over 2016, with cardholder compromises being the number one source of fraud.

Most financial institutions today are diligent about protecting their cardholders from fraud, employing both technology and human resources to do so. But the sheer volume of those affected by the recent Equifax breach—145.5 million in the U.S. alone—is enough to make any institution revisit their breach and fraud prevention practices with renewed vigor.

And consumers are taking notice. Forty-five% are aware of recent merchant data breaches within the past six months, and 70% feel they are equally responsible for protecting themselves against credit and debit card fraud as the card companies. Reviewing statements, paying bills online, and notifying their card issuer while traveling are just a few of the proactive measures consumers are taking to protect themselves.

The Effect on Financial Institutions

When fraud occurs, financial institutions experience both a financial and reputational hit. The cost of fees, fines, resources and staff time as well as cardholder reimbursement can add up quickly. The average total cost per data breach is a whopping $3.6 million, and financial institutions incur an average of $245 per record lost or stolen. Even more damaging, nearly half of consumers report switching their financial institution specifically because of an identity theft experience, according to the Aite Group.

Three things to look for
In addition to experience, compatibility with your institution’s systems, and other important considerations, here are three offerings you should look for from a potential payment partner.

1. Fraud alerts: Mobile notification systems let your cardholders know right away if their account is subject to fraudulent activity. Consumers appreciate this information—59% prefer to receive fraud alerts from their financial institution via a call, text, or email to their mobile device.

2. Card controls: Card controls give your cardholders a convenient way to manage and monitor their credit and debit cards. By allowing cardholders to set controls that align with their spending habits, financial institutions can reduce the occurrence of fraudulent transactions while increasing cardholder trust, loyalty, and card usage.

3. Support for emerging payment types: As consumers seek more secure payment types more than half (56%) rate chip-enabled cards as the most secure. Partnering with a provider that supports EMV and makes it easy to issue chip cards will help maintain the cardholder trust you’ve worked hard to earn.

The new normal

While data breaches, fraud, and identity theft have become somewhat of the new normal, there is a silver lining. You don’t have to fight fraud on your own; your payment processing provider can be an invaluable partner. Many financial institutions are engaging multiple payment vendors to provide cardholder services ranging from credit, debit and ATM. Too many providers often result in undetected vulnerabilities that can lead to data compromises. By consolidating all financial services under a single, experienced vendor, institutions can dramatically reduce fraud occurrences—as well as costs.

Vantiv is a Preferred Partner with Independent Bankers of Colorado and are the engine behind the IBC SC Free ATM Network.

As a leading provider of payment processing services and technology solutions, Vantiv works with financial institutions of all sizes to develop programs that simplify card and mobile payments.

For more information contact Heidi Saba at (303) 399-8929 or Heidi.Saba@vantiv.com
IBC has partnered with Financial Education and Development, Inc. and the Community Bankers Webinar Network for over 10 years. In 2016 we will have offered over 150 webinars in 2016. Webinars are a popular, convenient, and cost-effective training method for community banks today. Your bank can train as many of its people as it likes for one price in the comfort of the bank’s offices or training room. There are no travel expenses or time away from work. Beginning September 2015, Financial Ed will be assisting IBC in the marketing and registration processing of all webinars. This change will have many benefits for your bank.

**BENEFITS TO YOUR BANK**

- You will be able to order recorded webinars with a free digital download from webinars held in the previous six months.
- Special series webinars and promotions will be offered at a discount to your bank.
- You will be able to manage your email preferences and receive only those emails pertinent to your areas of interest.

**STEPS TO TAKE TO RECEIVE WEBINAR EMAILS AND INSTRUCTIONS**

The following steps will help ensure you continue to receive pertinent information about upcoming webinars and the necessary information should you register.

1. Please be sure your email system accepts (and does not reject) mail from the following email addresses:
   - IBCbanks@financialedinc.com
   - IBCbanks@financialedinc.com
   - webcasts@financialedinc.com
   A simple way to do this is to add each of these e-mail addresses to your contacts folder and “safe senders” list. If you have an IT department, please forward this information to them so that the webinar information and instructions are not blocked by your firewall or spam filter. [If you do not have an IT Department, please add the domain financialedinc.com to your contacts folder, your “safe” or “approved” senders list in your email client (such as Outlook), and spam filter (such as McAfee or Securence).]

   **Not sure how? Here are instructions for Outlook.**

2. When you register for a “live” webinar, instructions will be emailed approximately one week in advance.

3. When you register for a “recorded webinar with a free digital download,” a link will be emailed approximately one week before the live webinar. The link contains an audio/visual recording of the live webinar broadcast, including question and answer sessions. It also includes a PDF file of the handouts and the speaker’s email address so you may ask follow-up questions. The recorded webinar can be viewed anytime 24/7 beginning 6 business days following the live webinar. In addition, you will be given instructions to download the recorded webinar and keep it indefinitely. The recorded webinar must be downloaded within 6 months of live program date.

4. If you pay by credit card, your statement will show Financial Education & Development, Inc. as the merchant name or transaction description.

   For questions, please contact IBCbanks@financialedinc.com

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Send us a description of your bank’s celebration and a picture of your bank/staff/logo.

IBC will also publish your announcement in our Independent Report e-newsletter.

Please send to bwalker@ibcbanks.org

Thank you!
Helping Your Business Customers Sleep

By Lauren O’Connell, past director of the IBCEF and president of O’Connell Consulting Group, Inc., a professional marketing firm that specializes in developing customized marketing solutions for community banks to help them acquire new profitable customers and motivate existing customers to buy more and refer your bank more often. O’Connell Consulting Group is an Associate Member of the IBC.

Do these things keep your business customers up at night?

- Is my company too passive? Have I spent too much time being internally focused? Is it time to take control and chart a new strategic direction for the business? If so, what is it? Are we missing opportunities?
- How do I grow? Where do I find new growth...new profitable growth?
- How do I maintain a focus on profit and cash flow, not just sales growth?
- How can I gain a real sustainable competitive advantage?
- We’ve made great progress...How do we take this business to the next level?

Can you help your customers and prospects with these concerns?

If so, make sure you are clearly telling them how you can help. Your communications should clearly state what you can do for them, vs what you do. Remember, everything you say should always be about the customers’ needs, vs what you offer.

Example:
“We’ll help you automate your most time-consuming processes so you can get back to doing the things that will help you attract more customers.” (what you do for them) vs. “We offer a full-service suite of products and services to help automate your business.” (what you offer)

Be sure to brainstorm ideas with your team, and ask your clients and prospects what keeps them up at night, so you really know what solutions to address and communicate. And constantly refine what you say and how your deliver it as you learn more about what resonates and inspires action.

And once you’ve identified what keeps your customers up at night, we can help you attract more customers with marketing strategies that match the right audiences with the right messages, and clearly state what you can do for them.

Contact me at 303-946-8875 or lauren@oconnellconsultinggroup.com.

*List used with permission from Mead Consulting Group; for the complete list go to Mead’s Issues for Growth blog:
http://davemead.blogspot.com/?utm_source=Copy+of+%26%238211%3BWhat+keeps+you+awake+at+night%3F&utm_campaign=Issues+for+growth+2017&utm_medium=email
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* The Bankers Foundation of Colorado is a charitable organization founded in 2001 and established to lend a hand to individuals and families in need of financial assistance. The BFC will make matching gifts (maximum amount $5,000) on behalf of sponsoring community banks and their corporate sponsors to provide charitable assistance to those with special needs in the communities they serve. Any requests that meet the BFC’s guidelines are welcome.

For more information, please visit us at www.bankersfoundationofcolorado.org.
I was watching the Today Show one morning and a story came on about the ongoing investigation into wrongdoing at a national bank. The reporter ended the story by saying, “And that’s why we need more regulation on these banks.”

Setting aside the unnecessary commentary from the reporter, she lumped every bank into one big group, ignored the complexity questions over the regulatory environment and left viewers with the impressions that you … are just like everyone else.

You can argue all you want the reporter isn’t doing their job. I’d argue bankers contribute to that kind of uneducated comment by not speaking up, not advocating for their own issues and by not telling their own, unique story.

I’ve had the good fortune to spend a lot of time in different places with a wide range of banks and bankers over the last couple of years. The consistency of concerns over regulatory relief is a frequent theme of conversation. But, when I ask how many times the banker has tried to pitch that story to local media, things get quiet.

It’s time for bankers to start raising their hand, displaying their thoughtful expertise and offering their opinion to help shape any number of debates in their own community, state or in Washington, D.C.

There are a lot of opportunities right now. Record low interest rates put pressure on you and your industry, but does the public really understand how those rates affect the services they’ve come to expect from their community bank?

When communities are in crisis, have a natural disaster or are in need of a unifying corporate citizen to step up, how often is it a bank provides a place for common contribution, solid backing for rebuilding or genuine philanthropy? It will happen along the Gulf Coast in dozens of communities effecting thousands of people. Will we hear that part of the story?

Some large financial institutions can’t seem to stay out of the headlines, but as the example we started with illustrates, every time they say bank or banker, public opinion about your profession takes a hit. Rather than using this as an opportunity to illustrate how banks are different, bankers seem content to sit on the sidelines, out of the line of fire, hoping no one will notice them.

Advocacy is an every-day discipline, and no one is better qualified to speak for your bank than you are.

When was the last time you, or a group of your peers got together and talked with the local paper’s editorial board? The conversation doesn’t have to have a specific agenda, it can be a wide ranging conversation that gives a sense of how you and your fellow bankers are dealing with your challenges, and the concerns you see coming for the community.

How many times have you seen a story on TV or heard a piece on the radio expressing the view of bankers and thought, “That’s not how I feel about it” or “That’s not the story in our community”? That moment is the time to pick up the phone and pitch a reporter to come out and talk to you.

And finally, you can take your case right to your community. SHAZAM is often asked to talk to a community organization like Rotary or a chamber of commerce. What an opportunity! Think about how those businesses or their families use your institution and begin framing your comments through their eyes.

The support of the people in your community can move policy in Washington, D.C., and public opinion on Main Street just as well or better than any political lobbyist or slick PR campaign. YOU are your greatest weapon. But you have to tell your own story.

Patrick Dix is a veteran news anchor and reporter who manages the SHAZAM Network’s public relations efforts. Patrick serves as the main company spokesman and uses his expertise to lead all social media channels, write articles for trade associations, create press releases for the network and provide media training to financial institutions. Patrick joined the SHAZAM Network in 2015 after a 25-year career as a broadcast journalist. For the last 16 years, Patrick served as the senior news anchor on the No. 1-rated network morning newscast in Des Moines, Iowa. Patrick has been recognized for outstanding reporting with awards from The Society of Professional Journalists, The William Randolph Hearst Foundation and the Midwest Broadcast News Association.

About SHAZAM
The SHAZAM Network, founded in 1976, is a national member-owned financial services and payments processing company. SHAZAM provides choice and flexibility to community financial institutions throughout the U.S. SHAZAM is a single-source provider of the following services: debit card, core, fraud, ATM, merchant, marketing, training, risk and automated clearing house (ACH). To learn more, visit shazam.net and follow @SHAZAMNetwork.
Your building, your vault, your money and your people: Protect them all.

At the heart of every community is its bank. And at the heart of every bank are its people. That’s where our coverage starts, but it extends so much further. In one comprehensive package, we provide community banks with everything from traditional property and casualty to management liability insurance. The right policy is still only one part of your insurance carrier’s value. Travelers partners with you to help educate your bank on emerging and potential risks, and provides tools and solutions to better prepare your bank for the future. Contact your independent agent today.
Trivia fans, listen up! This column contains facts and figures on yields and returns over the last 20 years that will make you sound positively erudite as you recite them to your friends and family. Unless it makes you appear boorish. But either way, my hope is that you’ll find some useful data herein to improve your community bank’s performance.

Lost in the downdraft of yields in virtually everything a community bank would care to own is that fact that the returns are even more hideous when they are paired with inflation over the same period. And yes, we have to go through the “nominal versus real” return gymnastics to analyze this phenomenon, but at least it’ll serve as a refresher course. And it could even change your gauges for how you determine what’s fairly valued when shopping for investments. First, let’s review what “fair value” by historical norms has been.

**Old standards**

We’ll start our research in 1997 which gives us a full 20 years of history, and also leaves out the hyper-inflation periods of the ‘80’s. One way for bond analysts to assess relative value is to compare similar offerings to each other. Another is to compare the stated return, or nominal yield, to then-current inflation. This methodology, which can be quickly assessed since lots of data is readily available, does have an element of flawed logic: yields are influenced much more by inflation expectations, rather than actual inflation. A recent example is the “Trump Bump” that sent yields soaring late last year. Still, the exercise has some utility.

For the 10 years between 1998 and 2007, the market yield on the 5-year U. S. Treasury note averaged 189 basis points higher than the Consumer Price Index (CPI). Stated another way, a consistent buyer of the 5-year earned 4.49 percent, while inflation averaged 2.60 percent, leaving a real return of a bit less than 2.0 percent for the decade. This average was pretty consistent from year to year, which would seem to indicate that investors had pretty durable demands for net returns. However, all of these norms came crashing to earth in 2008.

**Fair value redux**

Beginning immediately after the Fed began pumping monetary stimulus into the economy in 2008, all the old spread relationships collapsed. For the next decade, which brings us to today, the average spread between the 5-year note and CPI was a negative 3 basis points (0.03 percent). Investors have been willing to accept yields that have not kept pace with inflation. Economists would conclude this has been a lost decade from a purchasing power standpoint.

So what happened? Lots of ideas have been floated, but there are three that seem to keep coming up. First, by the end of 2014, the Fed’s Quantitative Easing (QE) policy had gobbled up fully 16 percent of all outstanding Treasuries, which limits the supply. Secondly, almost regardless of who is being asked, inflation expectations for the near future remain anchored at 2.0 percent or even less. Thirdly, a quick look around at what else is available for large, institutional investors shows the five-year Treasury to be a bargain. As of this writing, the Treasury yields 1.66 percent, while those offered by France, Germany and Japan are mired in negative territory, and the U. K. is below 50 basis points.

**Where to from here**

Analysts are divided on the impact on future yields from the Fed’s long-awaited shrinkage of its massive balance sheet. The slowness of the wind-down is designed to prevent market yield spikes, but the facts are that this is uncharted territory. The Fed can, it’s true, stop the unwinding if the market signals its disapproval. There’s also still a few market hawks out there who believe inflation is waiting to erupt, which could create at least temporary sell-offs.

Still, it’s hard to envision that real returns on Treasuries will revisit their days of previous decades. The instruments that banks actually own, which are not issued by Uncle Sam but his cousins, certainly have higher real returns, albeit far less than decades past. The conclusion is a happy reminder: Community banks ultimately are not attempting to achieve a certain real return, over and above inflation. They are instead trying to improve on their net interest margin, over and above cost of funds. Thanks to the rate hikes engineered by the Fed, and careful deposit cost management, many if not most community banks are now experiencing an improvement in net margins, thank you very much.

Jim Reber is president and CEO of ICBA Securities and can be reached at 800-422-6442 or jreber@icbasecurities.com.
The Petroleum Cleanup and Redevelopment Fund (Redevelopment Fund) supports the investigation and cleanup of contamination at former gas stations and other petroleum storage tank properties that meet the Fund's eligibility criteria.

FUNDING IS AVAILABLE FOR:

- **Tank Removal**
  - $2,000 per tank

- **Site Assessment**
  - Up to $20,000 with a 10% match

- **Site Characterization**
  - Up to $30,000 with a 10% match

- **Site Cleanup**
  - Up to $500,000 with a 50% match

Property owners may qualify for funding when the following eligibility criteria are met:

- Evidence that petroleum storage tanks are present or existed on the property.
- The property is not eligible for cleanup dollars from the Petroleum Storage Tank Fund.
- A future redevelopment or reuse of the property is planned.

The Petroleum Cleanup and Redevelopment Fund (Redevelopment Fund) supports the investigation and cleanup of contamination at former gas stations and other petroleum storage tank properties that meet the Fund's eligibility criteria.

Please visit our website for more information and to download the Eligibility Application:
https://www.colorado.gov/pacific/ops/BrownfieldsProgram
The mission of the Colorado Petroleum Cleanup and Redevelopment Fund is to promote environmental protection and support community revitalization.

The assessment, cleanup and sustainable reuse of abandoned and underutilized petroleum storage tank properties is the Redevelopment Fund’s primary objective.

**“THAT’S A GOOD CORNER!”**

**BENEFITS OF USING THE REDEVELOPMENT FUND**

✧ Eliminate challenges created by unknown or perceived contamination.

✧ Increase market value of the property and adjacent properties.

✧ Protect human health and the environment.

✧ Enhance the overall welfare of the community.

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**HOW TO START THE PROCESS**

✧ Review the referenced Redevelopment Fund Guidebook to determine if your property qualifies for this program.

✧ Contact staff at the Petroleum Brownfields Program if you have any questions or concerns regarding the Redevelopment Fund.

✧ Submit an application.

**CONTACT US**

**Division of Oil and Public Safety**
Petroleum Brownfields Program
633 17th Street, Suite 500
Denver, CO 80202

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Please visit our website to view the Redevelopment Fund Guidebook
https://www.colorado.gov/pacific/ops/BrownfieldsProgram
Welcome to our gallery of expertise.

Value rarely means simplicity. You’ve put in the time and effort to build a successful financial institution, and we’re dedicated to understanding your craft. Our banking buffs can help guide you through audit and accounting challenges and perfect the masterpiece that is your business.

Everyone needs a trusted advisor. Who’s yours?

ALWAYS YOUR PARTNER. NEVER A COMPETITOR.

CRF USA.

Capital for Communities—Opportunities for People

On a mission for loans with a mission. We’re here to help you serve your customer.

Community Reinvestment Fund, USA (CRF) can help with business loans that you are unable to fund because of loan amount, purpose or credit criteria. The loan that’s not perfect for you may be the perfect fit for us.

We can help on your near-miss loan opportunities.

Small business loans from $150,000 - $4 million for:

- Permanent working capital
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- Refinancing existing debt (including your bank debt)
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Community Reinvestment Fund, USA
1441 18th Street, Suite 100
Denver, Colorado 80202
Non-profit SBA PLP Lender

Brian Burke
303-870-9795
bburke@crfusa.com
www.crfusa.com
DELIVERING MEMORABLE SERVICE

HOW TO BUILD STRONGER, AND MORE PROFITABLE, CUSTOMER RELATIONSHIPS

By Connie West, Regional Vice President, The James Paul Group, an IBC Associate Member

MEMORABLE: adj. “So outstanding as to be worthy of being remembered.”
American Heritage Dictionary

What does Memorable Service mean to you? Think of a company that you wouldn’t want to live without. We all have at least one. An auto repair shop, your dry cleaner, someone you’d drive across town for? What are they doing that you should be doing with your own customers?

Banks that deliver Memorable Service are the ones that win the business even though a competitor had a higher interest rate or better hours. They are the ones customers will drive out of their way to patronize even though they could open the same account at a more convenient location. And, they are most often the banks that have created the most profitable relationships with customers.

The Customer Experience

The results of a Forrester Research Customer Experience Index study shows that companies who are customer experience leaders outperform the broader market, generating a total return that was, on average, three times than the S&P 500. This study – covering over half a decade of performance – suggests that there are very real benefits to delivering a positive, memorable and differentiated customer experience.

Banks that do this well enjoy stronger customer retention, greater wallet share, lower price sensitivity, better word-of-mouth, and a more competitive cost structure, resulting in a more profitable relationship.

The Moment of Truth

The moment of truth is any point in the interaction during in which the customer has an opportunity to gain an impression of the service provided by you. There are typically 3 levels of service:

- Low – the customer is dissatisfied
- Neutral – the customer is satisfied but feels nothing special (Table Stakes)
- Memorable – the customer notices the difference in customer service, remembers it, and often tells a friend.

How consistent is your bank in providing Memorable Service across all customer touch points (in-person, telephone, email, mobile)? What are your bank’s service standards? Are they in writing, and does everyone in your organization know them? How do your people, both internal as well as customer facing, rate on the 4 key principles of what, how, consistency and teamwork?

Delivering bad news and maintaining positive communication using the CARE principles are essential to a memorable customer experience. It’s the little things that make the big differences.

Every community bank says that their differentiating factor is their people and their service, but do you feel comfortable that your customer is experiencing Memorable Service at all times?

If not, or to learn more about how to create Memorable Service, contact Connie West at The James Paul Group, cwest@jamespaulgroup.com, or toll free at 877-584-6468 for a complimentary assessment of your service behaviors.

Don’t just serve, Be Memorable!
“It is very hard to get all the funds needed for college through the federal programs. iHELP has a great program that is fast and easy, plus they have great customer service.”

- DeAnna Hauge
Mother of College Student

Nancy Chalker
(570) 417-9582
nchalker@ihelploan.com
www.ihelploan.com

Student Loans from MAIN STREET
NOT Wall Street

✓ No origination fees
✓ Great variable rates
✓ Personalized service
✓ Flexible repayment options

63% Federal Loans & Grants
11% Other Resources
Scholarships, family contribution, work study
26% Gap in College Financing
Where iHELP can assist

iHELP Student Loans from Community Banks
I don’t understand all these debit processing hidden fees!

Well SHAZAM doesn’t have hidden fees.

...Really?

Zero.

What about rate hikes?

In fact, their partners enjoyed over $16 million in pricing reductions over the last 3 years! Now that’s...

EPIC!

Nope, everything is completely transparent with SHAZAM.

SHAZAM’s focused on strengthening community financial institutions by offering choice and flexibility for all your debit processing needs. Call us today to learn more about debit processing.

Now that’s epic.
When people talk about business intelligence, do you really know what that means. But what does those words mean to a banker, and how does a banker implement business intelligence in their bank? The answer, “seamlessly”; because banks usually have lots of data, extensive reporting requirements, and a considerable amount of manual processes.

With many years of experience at the business unit and as a developer / architect, I consistently have seen five areas that are impacted when business intelligence is implemented; they are.

Customer Analytics
Retail banking and marketing departments utilize fast and powerful tools and applications to systematically analyze accounts, preferences, transactions, and behavior at each customer touch-point to develop knowledge and predictive insights about product-performance, customer retention, and market growth.

A recent deliverable was a CD portfolio dashboard that refreshed nightly to provide more than the basic answers of issues and renewal counts and totals. We provided deeper insights like; which CDs were the top performers, what were the average rates before and after a bump-up special, which CDs were opened with checks from an external bank and what was its name and location, and does the funds stay with the bank or leave when a CD matures.

Process Automation
Process automation starts in the data warehouse, and makes multiple time-reducing improvements at every level. Within the business intelligence system, a robust and automated data acquisition, manipulation, consolidation, and delivery engine plan replaces scrolling through screens, copy and pasting data in excel, and emailing files and results to multiple people. It will be the end of manual and duplicating processes forever.

Deposit operations is one area that really benefits from automation, given there are a number of individuals with individualized processes to validate and / or compile system data manually. Any process that involves looking up data in the system, or on a system generated report can set up to be completed automatically; that’s business intelligence.

Centralized Data
Back-office systems usually comprise of some combination of a core system, one or more ancillary systems, and possibly a data set received by email or copied from a SaaS web site; all working independently with no fast or easy path to consolidation for analyses and reporting. This is a wide-spread problem that the data warehouse solves, as it is a fundamental component the system and the largest contributor to process automation and efficiencies.

Reports
The reports, the analysis, the key metrics and indicators; those really are the final output created for presentation. Creating views and visualizations that delivers data-driven insights is the primary purpose of business intelligence. Reports, statements, key metrics and indicators are presented in a way that tells the story and allows the end-user to ask additional questions and get the answers in one place. Delivery is effortless, where it be through an intranet portal, in email, or a file saved on the network. Think big here, the sky is the limit.

Cost Savings
If you can quantify the cost related to vendor-specific custom reports and processes, combine that with the cost associated with the number of man hours spent retrieving, consolidating, analyzing, and reporting on data. That number decreasing significantly and other benefits is what makes bringing in business intelligence truly a winning combination.

Marcus Dorris, MBA
Principal Solution Architect
web: www.dmtechsolutions.com
email: marcus@dmtechsolutions.com
phone: 214-883-4222
Fall Leadership Conference Follow-Up
1,211 attendees experienced leadership, career and college workshops in the following locations:
Grand Junction * Pueblo * Aurora * Greeley * Sterling

Thanks to our partners:
TRI Leadership Resources, LLC * Independent Bankers of Colorado * Junior Achievement * Monfort College of Business

Partner Spotlight:
Independent Bankers of Colorado

Contact: Barbara Walker / bwalker@ibcbanks.org

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Colorado FBLA Partners

About Colorado FBLA
Future Business Leaders of America (FBLA) is a local, state and national organization for secondary students who are participating in business and business-related programs. All chapters and the national organization are guided in their plans and activities by advisory committees – business instructors, professional member, school administrators and/or business men and women.

Colorado FBLA Partners

Future Business Leaders of America - Phi Beta Lambda
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Colorado FBLA / PBL

Grand Junction:
Nathan Knoll, Alpine Bank
Bonnie Masters, Bank of Colorado

Aurora:
Barbara Walker
with FBLA Advisors

Dave Reyher coordinated these events for the IBC and created our presentations to the FBLA students and advisors.

FBLA Tweet!

Aurora:
Megan Harmon,
IBC Director
The Eastern Colorado Bank

FBLA Tweet!
Over the past week (October 2 through October 6), IBC attended 5 FBLA Leadership Conferences that were held at various locations around the state. During the Conference, we presented a PowerPoint presentation titled “Community Banking as a Career Choice”, and interacted with students, and likely more importantly, Advisors, of the various FBLA Chapters from around the state. There were a total of about 1,200 kids that attend the conference, a little over 300 of who sat in on our presentation.

Before going further, we need to give a shout-out to the following community bankers and associate members who contributed greatly by being in attendance during the various conferences. Those were as follows:

1. **Grand Junction Conference**
   a. Bonnie Masters, Bank of Colorado
   b. Nathan Knoll, Alpine Banks

2. **Pueblo Conference**
   a. Quentin Leighty, First National Bank of Monument

3. **Aurora Conference**
   a. Megan Harmon, Eastern Colorado Bank

4. **Greeley Conference**
   a. Lauren O’Connell, O’Connell Consulting Group
   b. Dave Thompson, FMS Bank
   c. Tony McCune, Bank of Colorado

5. **Sterling Conference**
   a. James McGrath, Bank of Colorado
   b. Jeff Higgins, FMS Bank
   c. Ben Schmid, FMS Bank

These individuals were able to receive questions from students and to give real life testimonials about the life of a community banker. Thanks again to all for carving out some time from your busy schedules.

As mentioned, during the various conferences, we were able to meet with the advisors from around the state. During this time, we gave a short rundown on the presentation that was made to the students during the day and received questions from the advisors about lots of topics. They were presented an information sheet from the IBC that gave lots of statistics on community banking both in the state and nationwide.

A common theme from the questions was the availability of community bankers to come and visit their classes and provide insight into the industry, banking in general, and business in general. The IBC commits you to provide these resources. Frankly, this will be our best avenue to connect with students for their consideration of a career in community banking. IBC stands ready to provide you with any resources you may need if you are called upon to make a presentation to a school in your community. If you wish to receive a copy of the PowerPoint presentation and handouts, please feel free to contact Barbara at bwalker@ibcbanks.org or 303.832.2000.

Additional information about our ongoing participation will be included in our newsletters, emails, website and Facebook page.

Another common question was the availability of part-time employment and internships for students. We indicted to the advisors that these opportunities are available in some of the community banks across the state, but that this was an individual bank decision and that contact needs to be made at community banks in their towns and cities to see if this is available.

Overall, this was a great opportunity to spread the word about community banking to a pretty sizable group of students and advisors from across the State of Colorado!
Purpose:
We recognize our military veterans have the skills and discipline to be small business owners and can serve their customers, employees and community as well as they served our country. Our Valor Loan program was created for them—to support military veterans and Gold Star Families with access to affordable capital to start and grow small businesses in Colorado.

Who can apply:
Any honorably discharged US military veteran or Gold Star Family member (surviving spouse or child) who is a Colorado resident, plans to start or grow a business in Colorado, and is unable to obtain bank financing.

Loan Amount: Up to $500,000

Loan Rate: 2% discount from standard CEF rates

Origination Fee: 1.5%

Loan Term: Up to 10 years with interest-only period of up to 6 months

Loan Uses:
Working capital, equipment, inventory, property improvements, business purchase, commercial real estate

Loan Process:
Online application on CEF website with underwriting and approval following standard CEF processes

How to apply:
Referral by military branch, banks, SBDC or apply directly at: coloradoenterprisefund.org/apply-for-a-loan-now/

For more information, please contact:
Mike Jensen | Senior Loan Officer | Army Veteran—Iraq
720.473.4068 | mike@coloradoenterprisefund.org
coloradoenterprisefund.org
Today’s environment includes increased compliance and regulatory requirements, constant uncertainty, a focus on quality, and customers who demand fast turn-times and prompt customer service. Community Banks and mortgage lenders have to incorporate the new disclosures into the daily flow of how loans are originated, processed and closed. These factors have led to a continual increase in expenses and the cost to originate a loan.

We have been working with Community Banks for over a decade, helping them save significant amounts of time and money in the processing of mortgage loans.

Our team of underwriters and loan processors has vast experience working with loans of every stripe and is thoroughly familiar with traditional and reverse mortgages.

Community Banks have experienced mortgage loan processing as a painstaking and time-consuming procedure. It requires highly-trained underwriters (and a large support system) to work together to move a borrower's application through the system and towards closing.

Yet, Community Banks still want to be able to offer their customers mortgage products while at the same time not lose the relationship to a competitor. Unfortunately, this comes with a price tag that many financial institutions just cannot afford.

Many Community Banks are outsourcing mortgage origination as part of a continuous drive to improve efficiency & reduce costs.

As the trend toward outsourcing mortgage processing continues, here are a few key benefits to outsourcing mortgage processing:

1. Risk Management and Flexibility: The mortgage industry is constantly changing which is largely due to an over-regulated atmosphere. We are current on the standards of risk management, loan processing and knowledge of mortgage regulations.

2. Marketing Support and Training: We assist you by providing marketing expertise, support, training and deliverables to help you achieve your goals and make your mortgage lending program a success. Even if you want to use your own marketing department to maintain ownership of marketing materials, you can take advantage of our marketing knowledge and experience.

3. Training and Support Sealed to Meet Demand. Outsourcing gives you the ability to maintain the best operational support regardless of market and mortgage volume fluctuation. We constantly train and support loan officers to meet demand.

Our Robust Line of Products
By outsourcing, you get the ability to offer mortgage products and programs that you otherwise may not be able to offer.

Our Suite of Products:
- FHA Loans
- VA Loans
- Conventional Loans
- Reverse Mortgages

For more information visit: www.1stmortgage.com or Toll Free (877) 217-0166.

Direct contacts:
Jeff Ausman, Director of Business Development jausman@1stmortgage.com

Randy Strom, Mountain Plains Regional Manager rstrom@1stmortgage.com or 303-854-3005.

1st Mortgage Solutions USA is an Associate Member of the IBC
IBC’s 46-ATM SURCHARGE FREE NETWORK!

The Independent Bankers of Colorado’s alliance of community banks offers your customers access to 46 surcharge-free ATMs throughout Colorado and in Kansas.

As a member of the Independent Bankers of Colorado, you waive surcharges to the customers of banks belonging to our network, while retaining the option to charge non-member customers who use your ATMs.

Our alliance means that community bank customers will remain with their community-based banks, yet be able to access a broad choice of surcharge-free ATM locations.

**LOCATIONS**

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ATM SURCHARGE-FREE NETWORK
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For information about how your bank can join our network, please call Heidi Saba at 303-399-8929 or heidi.saba@vantiv.com!