

Top Community Banks: A nonprofit specialist profits (May 29, 2009)

Rocky Mountain Bank & Trust prefers handshakes to Blackberries

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The June print edition of ABA Banking Journal features our annual Top Community Bank Performers ranking and analysis. Along with the case studies of ranking banks featured in the magazine, from time to time we will also feature other banks that ranked well in the tables on www.ababj.com. Here is the first of these profiles. Watch for the print edition, and the Digital Magazine, accessible from this website in mid-June.

If you frisked an employee of Rocky Mountain Bank & Trust Florence, one thing you wouldn't find is a bank-provided Blackberry or similar device. Chairman and CEO Douglas McClure doesn't consider them appropriate to being a community banker, at least, not for being the kind of service-driven community bank that he wants the \$233.5 million-assets institution to be.

"No Blackberries," says McClure. "We'd rather that our people maintain that personal contact."

That's important when doing business in a smaller town like Florence, and its surrounding markets. The town, population roughly 3,600, is about 40 miles southwest of Colorado Springs.

That larger city, especially, is home to many nonprofit organizations, and McClure says that this segment is a strategic focus for the bank. The bank bills itself as a nonprofit banking specialist on its home page, where it offers details about its nonprofit transaction and savings products, as well as special pricing available for nonprofits on related services, such as remote deposit capture.

When asked if the bank actually has a separate nonprofit department, McClure chuckles. "We're a small community bank," of about 37 employees, he explains. "So while we have departments, we don't have a lot of them."

Indeed, McClure is somewhat reluctant to take much credit for his bank's coming in third place among the Subchapter S banks with less than \$100 million in assets category in this year's Top Community Banks Performance Report, which debuts in the June edition of the print magazine.

He jokes, "sometimes even a blind squirrel finds an acorn." McClure says that much of the bank's loan portfolio is in construction loans—"we wish we had fewer," he admits—but points out that one of the advantages of doing business in his part of the world is a lack of extremes.

"We didn't see the wild swings going up in values, so we didn't see the wild swings down," says McClure.

Yet, in a year when acorns weren't in abundance, the bank turned in a 2008 ROA of 2.03% and an ROE of 37.73%. Of late, the bank, like others, has been enjoying a strong stream of refinance opportunities, among residential borrowers.

McClure was an interest-rate risk consultant prior to coming to the bank 16 years ago. He grew it from \$20 million in assets to its present size by stressing the basics.

Rocky Mountain bankers tend to find their business through personal calls, reaching out to court new business and maintain current clients, McClure says. Other than some print ads and the bank's basic website, that's how sales are handled.

Besides emphasizing the personal connection, basics include cost control and efficiency—the bank's efficiency ratio for 2008 finished at 49%.

And McClure says the 122-year-old bank's strategy through 2009 will be to do more of the same, hunkering down in what it knows, and hoping the national economy eventually sees light at the end of the tunnel.

By Steve Cocheo, executive editor

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