



MESSAGE FROM THE CEO

The last quarter of the year is a good time to reflect on what has happened in our lives, the economy, and our businesses. We can appreciate what has happened, take stock of where we are, and make plans for the future.



Jerald Murphy
CEO, BITS

The economy appears to be moving forward in a positive, if cautious manner. I wish the same could be said about the political environment! The main conclusion I

am drawing from all the rancor that is surrounding this election cycle is to appreciate ALL the people around us and to find ways we can all work together for the common good. Community Bankers are excellent at doing this, and I am proud to be involved with communities of people that really focus on putting others first.

The Year in Review – In 2016, BITS has worked hard to expand into new territories, work with new partners, and help our customers improve their effectiveness with new products.

New Territories – BITS sought in 2016 to expand our reach across the United States. First, we added Daniel Wilcox to grow our business in the Midwest, as well as John Deroko to help with our Sales Engineering capabilities. We signed our first customer in Iowa, NXT, and look forward to adding more customers in this region. We have experienced significant growth in New England, with new customers in New York, Connecticut, and Massachusetts.

One of our new customers has branches in California; BITS now reaches coast-to-coast!

New Partners – One of the reasons we have achieved growth this year is by expanding our work with industry partners. One of these partners, COCC, is a client-owned Core provider based in New England. Their customers are very happy with its banking applications, and saw working with BITS as a great opportunity to add high-quality voice and call center services for their customers. Similarly, CliftonLarsonAllen (CLA), is a nationally recognized banking business consultancy. Their practice focuses on IT services for banks. They had heard about our outstanding quality solutions and are working with us to help provide their customers with our services

New Products – In 2016, BITS added new services for customers, improving operational costs and efficiency. First, we have modularized our platform so new customers can start with voice or data services, to better accommodate their existing infrastructure contracts. We have added click-to-call, so customers can leverage outlook to place calls from their desktop systems through their phones. We have upgraded all network encryption to AES256, which is the

leading encryption technology that has never been broken. Finally, we have added a customer portal to centralize all information for our customers in one place, making it easier to open service requests and see real-time information on their environments.

As we look to the future, BITS will continue to further expand into other geographies, increase partnerships, and provide new innovative services. We will implement services next year for one of our customers in India. We will continue to expand in the Midwest, as well as New England, by leveraging our existing partnerships, as well as establishing better working relationships with other banking associations across the country.

On the product side, we will be adding self-service capabilities, to make it easier for our customers to perform routine administrative functions such as name changes and password resets. We will continue to add other technology partners to the mix, especially in security, to help our customers navigate the increasingly complex cyber environment.

As business, technology, and the economy continue to change, one thing will remain constant: BITS's commitment to outstanding quality and service. As always, we thank you for your outstanding loyalty to us. Please do not hesitate to let me know what we can do to improve our value for you.

Best wishes,



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Where we will be

NJ Bankers Senior Management Conference

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NJ Bankers Operations and Technology Roundtable

BITS is proud to be the presenting sponsor of the NJ Bankers Operations & Technology Roundtable.

Jerald Murphy, CEO BITS will be presenting: *What you need to know about Due Diligence and Contract Negotiations Related to Cloud Based Service Providers*

Tuesday, November 8, 2016
Crowne Plaza Monroe, Monroe Township, NJ

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