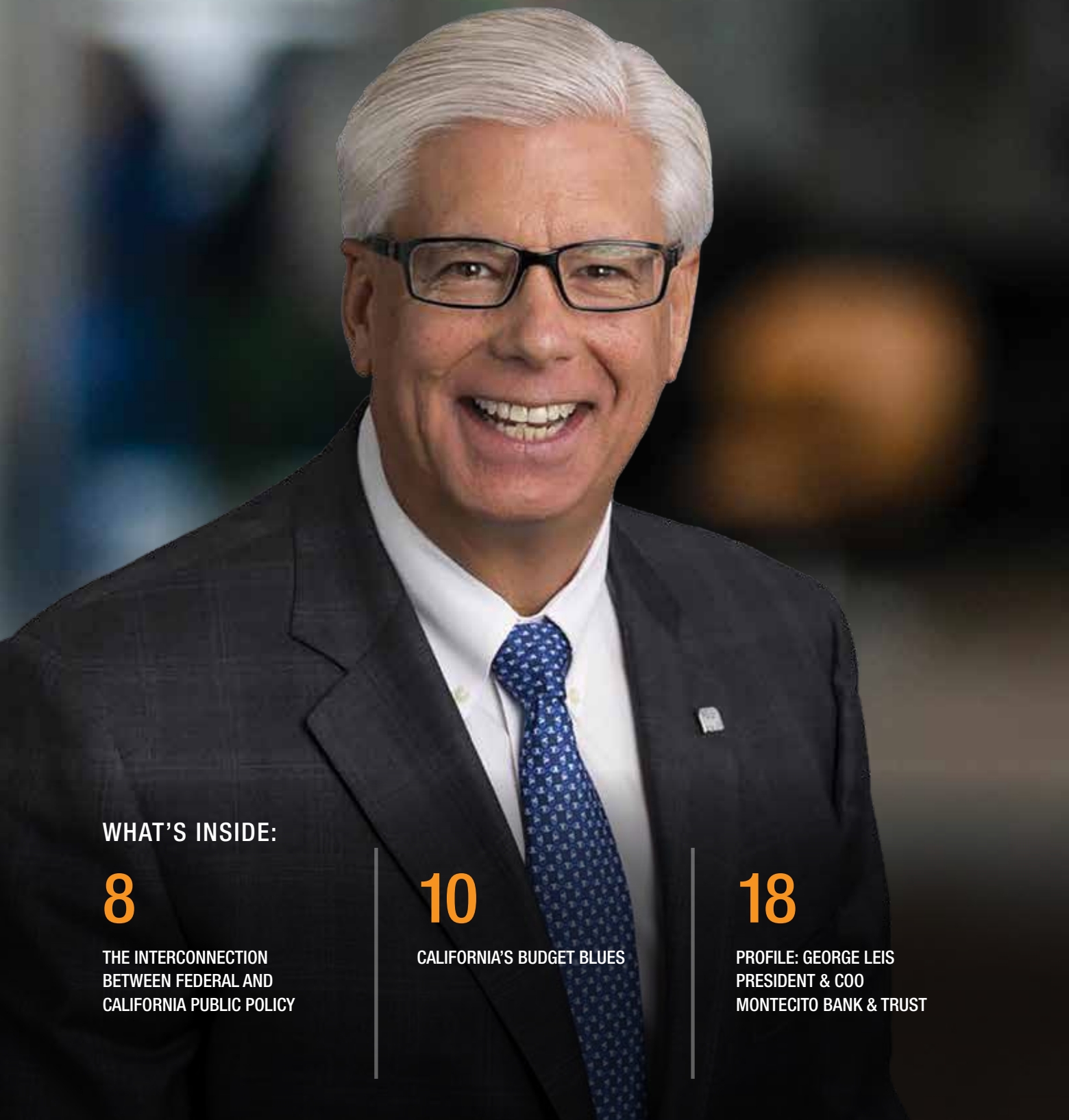




CaliforniaBanker

ISSUE 1 2023

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PRESIDENT & COO
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Association Update



The CBA government relations team has been meeting with newly elected members of the California legislature to learn more about their priorities and share information about the banking industry and the issues that impact California banks

Busy Year of Advocacy Well Underway

The Association started the year with the Bank Presidents Seminar in January which featured informative sessions and networking opportunities to discuss the ever-changing landscape of the financial services arena. In addition, we welcomed several guest speakers including Rob Nichols, president and CEO of the American Bankers Association, and Glen Simecek, president and CEO of the Washington Bankers Association. We were pleased to have so many bank presidents and CEOs join us for this event despite the terrible winter storms.

The California Legislature is in full swing, and legislators have introduced more than 2,500 measures. Legislative

measures will tackle automated decision systems, bank operations, California Consumer Privacy Act, climate related disclosures, commercial lending, debt collection, financial literacy, and much more.

In addition to closely monitoring the newly introduced measures, the CBA government relations team has been meeting with newly elected members of the California legislature to learn more about their priorities and share information about the banking industry and the issues that impact California banks. Californians elected 37 new lawmakers to the legislature.

We recently announced the winners of our two annual



CBA Federal PAC awards. Farmers & Merchants Bank of Central California and Central Valley Community Bank were recognized with the “Top Contributor” and “Top Percentage Goal” awards, respectively. We are grateful for their support as well as the support from many members who contributed to the CBA Federal PAC.

Please mark your calendars for the 2023 Annual Conference, in Maui! This premier event for Bank Presidents, CEOs, and Directors, will guide bank executives through the industry’s most significant challenges and provide insights and information to help their banks achieve vital short-term and long-term initiatives. The conference will be held May 6-9, 2023, at the Grand Wailea on the Island of Maui. To learn more about the event and the agenda, or to register, please visit our

website at <https://www.calbankers.com/ac23>.

And finally, we recognize Louise Walker, president and CEO of First Northern Bank. Louise recently retired following a successful 43-year career at the bank. She has been an extraordinary leader, a community champion, and an advocate for the industry, having served as the chair of several CBA committees including as chair of the board of directors and treasurer of the American Bankers Association. She will continue serving as a member of the First Northern Bank Board of Directors. We are grateful for her many contributions and wish her the very best in this new chapter.

We are grateful for your trust, membership, and support, and look forward to seeing you at an upcoming event. >>



The Interconnection Between Federal and California Public Policy

By Kevin Gould, EVP, Director of Government Relations, California Bankers Association

The next couple of years at the federal level are going to be interesting. Republicans have taken control of the U.S. House of Representatives but Democrats continue to hold the Senate and the White House. The tension and inter-party fighting will only intensify leading into the 2024 Presidential Election.

While most of California's Congressional incumbents who ran were re-elected, there are a handful of new California representatives. Accordingly, we will travel to Washington, D.C., in February for a freshman fly-in with the goal of conducting meet-and-greets with these newly elected non-incumbent Congressional Representatives. The CBA advocacy team will increase its presence in D.C. by making a few more visits throughout the year, including our CBA Annual Visit in March and our Joint Visit with the Florida Bankers Association in September.

California continues to benefit from having Congressional Representatives in leadership roles, including Kevin Mc-

Carthy who ascended to Speaker of the House, but will likely struggle to keep his party aligned given internal factions. Maxine Waters will pivot from the chair to vice-chair of the House Financial Services Committee.

With Republicans in charge of the House, there will be a focus on oversight and investigatory hearings. While much of this may not pertain to the banking industry, some of it will. Federal regulators appointed by President Biden will likely get a more challenging reception in the House Financial Services Committee and it's likely that the industry will be whipsawed on fair lending criticisms, a no-win conflict that pits banks between conservative and progressive elected officials and between red and blue states on whether the industry finances fossil fuels and firearms companies.

So, while there may be a number of banking-related measures introduced, the possibility of many of these measures reaching the President is unlikely. Instead, we will likely see more regulatory activity as the current Administration

will look to achieve its public policy results through rulemaking and enforcement instead of pursuing legislative vehicles.

What happens, or doesn't happen, in Washington, D.C., will influence legislative activity at the state level. We've seen this in the past. Consumer advocates who are frustrated with the inability to advance reforms at the federal level, will appeal to the California Legislature to take action. There are a number of areas where this could be true.

Establishing a licensing and regulatory framework for entities issuing cryptocurrency will be a priority despite the Governor vetoing a measure from last year. Recent events will only amplify the desire to enact meaningful consumer protections. CBA supported the measure from last year which included an exemption for banks. A new measure was introduced the first day the California Legislature convened for the new session just a few weeks ago.

Irrespective of what the SEC adopts as a final rule for climate disclosures, the California Legislature will re-introduce a measure requiring certain companies doing business in California to report Scope 1, 2 and 3 greenhouse gas emissions. We anticipate the California measure going beyond the federal requirements. It goes without saying that this will create substantial compliance burdens as reporting requirements will be duplicative in some regards, conflicting or expansive in other ways, and will most certainly have liability ramifications for failures to comply.

California has historically been a pioneer in advancing consumer privacy protections, evidenced in the past couple of years through the en-

Legislative efforts at the federal level and in California are intertwined. Many times, California is a pioneer and is a catalyst for public policy discussions at the federal level.

actment of the California Consumer Privacy Protection Act of 2018 and the voter-approved strengthening of the Act through California Privacy Rights Act (CPRA) of 2020. Meanwhile, a national privacy standard has stalled in Congress. The California Privacy Protection Agency, created by the CPRA, is near finalizing its initial rulemaking, albeit late. The Agency still needs to promulgate regulations on the use of automated decision-making, an issue that has received heightened legislative attention regarding the technology's use in various consumer products and services.

All of these public policy issues will unfold in a Legislature that has a sizable new freshman class and where Republicans have fewer seats. Democrats held supermajorities in the state Senate and Assembly prior to the November General election and that stronghold wasn't expected to materially change afterward. With the election behind us, Democrats have ultimately gained two seats in the Assembly, bringing their total to 62 members compared to 18 for the Republicans. Similarly, Republicans lost a seat in the Senate bringing their caucus to a total of eight members compared to 32 for the Democrats. All statewide Constitutional offices remain held by Democrats.

The February 17 bill introduction deadline is a few weeks away. We will see approximately 2,500 measures introduced. We will then have a better perspective on the Legislature's priorities for the year. Having said that, a significant number of measures will initially serve as placeholders for more substantive public policy and will therefore fail at the outset to truly reveal the author's ultimate intent.

Legislative efforts at the federal level and in California are intertwined. Many times, California is a pioneer and is a catalyst for public policy discussions at the federal level. Other times, action in California is taken because of paralysis federally. No matter the motivation, this year promises to be active. Stay tuned. >>



Kevin Gould is the Executive Vice President and Director of Government Relations for the California Bankers Association. He joined the CBA in 2004, bringing with him more than seven years of

legislative experience. In his role, he oversees the management and operation of CBA's state and federal government relations department and serves as one of CBA's three registered lobbyists. Gould's advocacy responsibilities and issues focus mainly in the areas of bank operations, commercial lending, and wealth management issues. You can reach him at kgould@calbankers.com.



California's Budget Blues

By Jason Lane, Vice President and Deputy Director of Government Relations, California Bankers Association

This past year, the Legislature passed a staggering \$308 billion budget, which included a healthy surplus. Lawmakers used the surplus to provide \$17 billion in inflation relief to Californians, including \$9.5 billion in tax rebates. This is in addition to the \$54 billion in climate related investments. Now, just six months removed from the passage of the 2022-23 budget, the state faces a fiscal test.

California is heavily dependent on income tax revenue. Consider that in 1963-64, personal income tax represented 18 percent of general fund revenues. By 2003-04, that number climbed to 45 percent, and in 2022 personal income tax accounted for nearly 70 percent of the state's general fund. Chiefly led by job losses in the tech sector, California's income tax revenue plummeted in 2022,

and capital gains tax revenue flatlined due to a lackluster stock market. Revenue estimates are lower than budget projections from 2021-22 through 2023-24 — by \$41 billion. In total, lawmakers will grapple with a \$24 billion deficit when the legislature reconvenes for the 2023 session. But that number is illusory and subject to change as lawmakers look to pass a balanced budget by June 15.

The extent of the state's budget woes is partly determined by the rate of inflation. According to the November report by the Legislative Analyst Office, titled *The 2023-24 Budget: California's Fiscal Outlook...*

"...programmatic spending is adjusted somewhat automatically for inflation—either through formulas or administrative decisions ... In other cases, spend-

ing increases are determined through legislative deliberation and are directly approved by the Legislature. Because our outlook reflects the current law and policy of the Legislature, our spending estimates only incorporate the effects of inflation on budgetary spending when there are existing policy mechanisms for doing so. This means that the actual costs to maintain the state's service level are higher than what our outlook reflects. Consequently, our estimate of a \$24 billion budget problem understates the actual budget problem in inflation-adjusted terms. That is, assuming the Legislature wanted to maintain its current level of services, additional spending would be necessary." If economic conditions continue to deteriorate, the Legislative Analyst's Office predicts that revenue numbers could fall short as much as \$50 billion by the time the legislature approves a spending plan this summer.

The good news is that California seems poised to weather the economic storm in the near term. Fiscal estimates show that the state will end the 2022-23 budget year with \$28 billion in the budget reserve account. Additionally, the Proposition 98 reserve account, which is dedicated to school spending, will end the year with a \$9.8 billion surplus. Assembly Democrats, who released their budget priorities in early December, feel confident that these existing budget reserves will prevent major cuts to programs and services in the 2022-23 fiscal year. Beyond that, however, the future of the state's fiscal condition seems dependent on a variety of external economic conditions, and

The good news is that California seems poised to weather the economic storm in the near term. Fiscal estimates show that the state will end the 2022-23 budget year with \$28 billion in the budget reserve account.

the severity of the looming national recession.

Few lawmakers or legislative staff remain as holdovers from the dark days of the early 2000s, when California faced multi-year, multi-billion-dollar deficits. Then, programs and services were slashed, state workers were furloughed, tax refunds were delayed and IOUs were issued by the State Controller's Office to keep the lights on. If lawmakers wish to avoid repeating history, legislative leaders and Governor Newsom may need to make some tough decisions and exercise

fiscal discipline, all while managing a freshman class of legislators eager to make a splash. >>



Jason Lane is vice president and deputy director of government relations for the California Bankers Association and manages California state tax policy for the association, which involves

analyzing legislation and regulatory activity, and the development of policy positions for the association. Lane is one of three lobbyists at CBA and, in addition to his primary focus on taxation, he also lobbies on behalf of the association on issues related to the state budget, and consumer lending legislation.

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How Does an Idea Become a California Law?

By Melanie Cuevas, Vice President of Government Relations, California Bankers Association

A new year also brings the start of California’s legislative process, where ideas are turned into measures in the hopes that they become law. And with our State Legislature creating an average of 1,000 new laws each year, a basic understanding of the “legislative process” is more important than ever — especially with veto-proof supermajorities in both houses of the California Legislature.

The Ground Rules

California’s full-time legislature generally begins the series of deadlines for committee hearings, votes and Floor Session in January, running through September or October. Most measures require a simple majority vote. Some,

including those with an “urgency” clause, meaning they go into effect immediately upon signature, as well as tax-related measures require a two-thirds vote to pass and are exempt from standard legislative deadlines. A series of deadlines, as outlined below, guide the process that moves an idea into a new California state law.

The Process Introduction of Measures:

Members of the Legislature author measures, working with Legislative Counsel to turn an idea into an actual bill, which receives a bill number when it is officially introduced. California’s legislature is bicameral, which means there are two chambers: the Assembly with 80 members, and the Senate with 40.

Veto rates tend to change based on who is doing the vetoing. Governor Newsom currently has about an 85 percent signature rate for measures that reach his desk.

Each member is limited to introducing 40 measures per legislative session, which lasts two-years and begins each odd year. Typically we expect to see upwards of 4,000 to 5,000 measures introduced each two-year session, with about half of those making it through the legislative process, to the Governor's desk

for a signature or veto. This year's deadline to introduce measures is February 17.

Committee Hearings:

Thirty days after a measure has been introduced, it may be referred to the relevant policy committee

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CONTINUED FROM PAGE 13

within the house in which the measure was introduced (remember, Senators author Senate Bills and Assembly Members author Assembly Bills). Committees are comprised of a small subset of members in that house, appointed by leadership. The Assembly has 33 standing policy committees and is led by the Speaker; the Senate has 22 standing policy committees and is led by the President *pro tempore*. Through determination of the committees' chair, vice chair and membership positions, leadership can exercise significant influence over the fate of measures.

Committees vet measures through hearings, which includes testimony from key support and opposition witnesses as well as public comment, questions and debate by members of the committee, and a vote on whether to continue to move the measure through the process. The 2023 deadline for measures to receive approval from policy committees is April 28 for fiscal measures and May 5 for non fiscal measures.

Fiscal Committee:

Measures that incur a cost to the state of California go through an additional step and are also vetted by the Appropriations Committee, whose purpose is to examine fiscal impact, rather than policy considerations. During these hearings, the Department of Finance also sits at the witness table to provide the Administration's official fiscal analysis. Noncontroversial measures with mi-

nor fiscal impact and no dissenting votes in preceding policy committee may receive expedited passage. Conversely, measures with a significant cost to the state (defined as \$150,000 by the Assembly and as \$50,000 to the General Fund or \$150,000 to a special fund by the Senate) are sent to the Suspense File, which is considered in one hearing after the state budget has been prepared and the committee has a better sense of available revenue. This year's deadline for the Appropriations Committee to hear and report measures introduced in their house is May 19.

Floor Vote:

Measures that receive passing votes from policy committees and, if necessary, the Appropriations Committee, are then considered by all members of that house during the Floor Session. Note that due to recently approved Proposition 54, measures must be in print for 72 hours before they are voted on. Measures must complete this crucial step by June 2 this year.

Second House:

Once measures receive approval from their respective house of origin, the process begins again. For example, Assembly measures would now go through Senate policy committees and the Senate Appropriations Committee. The 2023 deadline for measures to be approved by the other house is September 1.

Governor's Desk:

Measures may generally be amended at any time throughout the process.

When measures receive significant amendments in the second house, it must return to the house of origin for a full vote, giving opportunity to that body to review and concur in the new amendments. After passing both chambers, the measure goes to the Governor's desk for signature, veto, or passage without signature. Veto rates tend to change based on who is doing the vetoing. Governor Newsom currently has about an 85 percent signature rate for measures that reach his desk.

Representation

The steps outlined above summarize the lawmaking process. Keep in mind, however, that additional nuances exist, including rule waivers, hearings of sub-committees, consent calendars, and even extraordinary sessions of the legislature, which we will also see in 2023. The California Bankers Association's government relations team provides representation of our members, navigating the legislative process, providing input to decision makers, and expressing support or opposition on the many measures impacting the financial and business communities. >>



Melanie Cuevas serves as the vice president of government relations for the California Bankers Association, where her advocacy portfolio focuses mainly on issues related to cannabis, debt collection,

labor and employment, political reform, privacy, and agricultural, student and military lending.

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Climate Change and Climate Risk Management for Banks

By Julia A. Gutierrez

Climate change and risk management have become a hot button topic for financial institutions in recent years as a result of the rising concern by policymakers, international organizations, financial regulators, and so many others. There has been such a push in recent years for a more environmentally-friendly world as we see changes in organizational resources and operations, investor expectations, environmental activists, and even the expectations of the current administration. With all the focus on environmental safety, considering the impacts and learning how to manage the risk is inevitable for financial institutions.

What Is Climate Change?

Climate change refers to a change in global or regional climate patterns. More specifically, a change in global or regional climate patterns from the mid-20th century through today, which has been largely attributed to an increase in atmospheric carbon dioxide levels which are produced by fossil fuel usage.

It can be a controversial topic among various groups, but whatever side of the fence you stand on when it comes to climate change, there are climate-related financial risks faced by banks and managing that risk can be critical.

What Type of Risk Should You Consider?

According to the varying regulatory agencies, climate change and the transition to a low carbon economy

have been identified as factors which have contributed to emerging risks in which financial institutions and the overall financial system of the United States are faced with. The agencies indicate that banks will likely be impacted by physical risks and transition risks associated with climate change.

The harm to people and property which arises from acute, climate-related events (flooding, hurricanes, heatwaves, etc.) is considered physical risks. Stress to financial institutions as a result of the shifts in policy or consumer or business sentiments, or changes in technology in order to limit the impact of climate change are considered transition risks. Basically, transition risk is the risk as a result of the transition to a more environmentally-friendly process or way of conducting business and operations.

Other risks that financial institutions should consider as relates to climate change and the environment include: credit risk, market risk, liquidity risk, operational risk and reputational risk. Banks must consider the various areas of risk, especially as they consider the safety and soundness of their institution.

Principles for Managing Climate-Related Risk

While there isn't specific regulatory guidance for achieving compliance and managing the risk related to climate at the current time, we are likely to see this type of guidance in the near future. Regulatory agencies have addressed the issues and have requested feedback for managing the risk,

and are looking at implementing regulatory requirements for large financial institutions. This would include banks with more than \$1 billion in assets.

The Office of the Comptroller of Currency (OCC) along with other regulatory agencies have released guidance, requests for information, and a set of principles by which financial institutions should consider in managing climate related risks. The information released by the OCC includes a set of general principles as well as the specific areas of risk management.

The general principles touch on governance; policies, procedures, and limits; strategic planning; risk management; data, risk measurement, and reporting; and scenario analysis.

The general principles provide guidance for developing an effective framework that is essential to the bank's safe and sound operations.

The principles outline expectations for board and senior management oversight, guidance for developing a written program, the areas of consideration for planning which should take into account the bank's overall business strategy, risk appetite, and financial, capital, and operational plans.

It is also important that management is involved in the oversight of the development and implementation process for identifying, measuring, monitoring, and controlling climate-related financial risk exposure within the bank's management framework.

Sound climate risk management is dependent upon the availability of relevant, accurate, and timely data; therefore, management should incorporate climate related financial risk information into the bank's internal reporting, monitoring, and

It is looking as if future guidance related to climate risk will only apply or be required by large financial institutions; however, the guidance and risk considerations should be contemplated by institutions of all sizes.

escalation processes to facilitate timely and sound decision-making across the bank. An important approach for identifying, measuring, and managing climate-related risks is the development of climate-related scenario analysis.

In order to ensure this framework is effective and successful, financial institutions should consider a risk assessment process as part of their sound risk governance framework.

This will ensure that the board and senior management are able to identify emerging risks in order to develop and implement the appropriate strategies to mitigate and manage the risks. The guidance issued by the OCC suggests that financial institutions should consider incorporating climate-related financial risks when identifying and mitigating all types of risk. While the agencies will eventually elaborate on risk assessment principles in subsequent guidance, it is suggested that financial institutions consider credit risk, liquidity risk, other financial risk, operational risk, legal/compliance risk, and other non-financial risks.

Conclusion

While there isn't currently a specific set of guidance that financial institutions must abide by when it comes

to climate risk, compliance and management, this is an area which all banks should begin considering from a safe and sound banking standpoint.

It is looking as if future guidance related to climate risk will only apply or be required by large financial institutions; however, the guidance and risk considerations should be contemplated by institutions of all sizes.

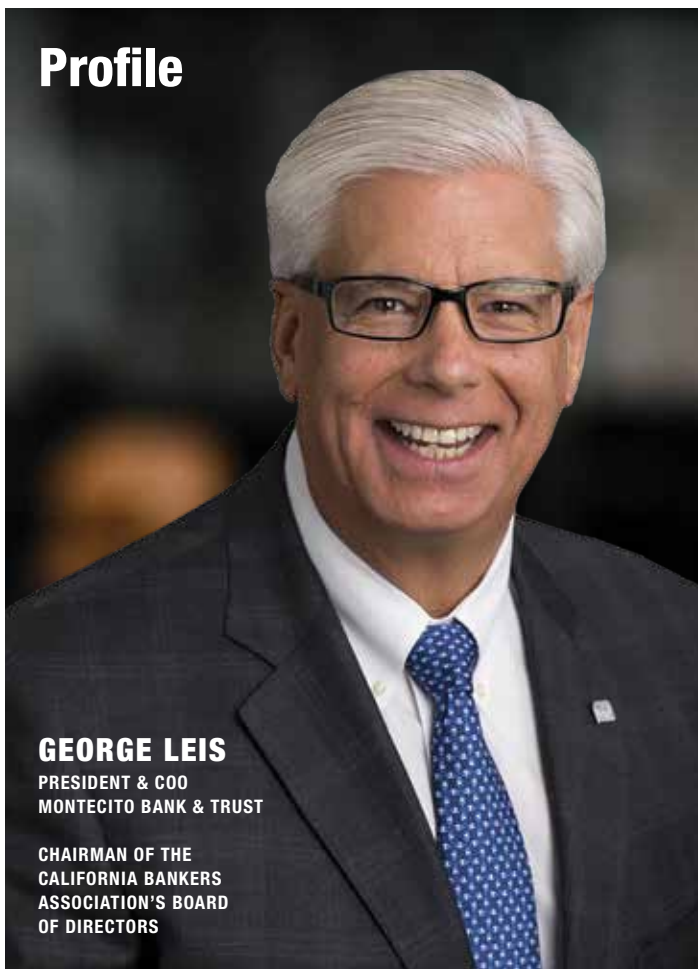
Risks can impact even smaller institutions, therefore, taking a proactive approach rather than a reactive response is always the best plan of action. It is important that financial institutions stay abreast of the hot-button area of climate change and climate risk, from a compliance and risk management perspective, as the society in which we are living continues to set a higher standard for an environmentally-friendly world. >>



Julia A. Gutierrez serves as C/A's Director of Education; developing curriculum and presentations, as well as presenting at various schools and seminars; both live and in a

livestream/hybrid format. Julia has over 20 years of financial industry experience to the Compliance Alliance team.

Profile



GEORGE LEIS

PRESIDENT & COO
MONTECITO BANK & TRUST

CHAIRMAN OF THE
CALIFORNIA BANKERS
ASSOCIATION'S BOARD
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Changing one client's life at a time

George Leis is the President & COO of Montecito Bank & Trust, and Chairman of the California Bankers Association's Board of Directors.

Throughout his 40-year career, he has been a dedicated champion for the banking industry. Leis is deeply engaged in his community and serves on several boards of nonprofits, including serving as the incoming chairman of the National YMCA board of directors based in Chicago, Illinois.

How did you get your start in banking?

Much to my parents' disappointment, I wanted to be a city planner. I always wanted to change the world in some way, and I thought that helping shape and grow cities was the way to affect change. However, when I graduated there really weren't any city planning jobs available.

I graduated from California State University Northridge in the San Fernando Valley, and a wonderfully kind professor helped me get a job at the Van Nuys Chamber of

Commerce. It was there that I met a banker from Security Pacific National Bank. We had a great conversation about my goal to change the world and he said to me, "As a banker, you might not be able to change the world, but you can change one client's life at a time." Hearing that as a young aspiring, person, I jumped at it. The banker was nice enough to get me an interview at the bank, and they ended up hiring me. I think one of the things they saw in me was my enthusiasm and my ability to build relationships with customers.

Back then, Security Pacific National Bank had an amazing training program which was exciting to me, as I had never worked at a bank. I could certainly make change and do that sort of stuff, but I didn't really know how the bank worked. The training program was fascinating, and I learned about every aspect of the bank. It was an amazing, adventure for me. I got to meet many people, and I learned how to be a teller. I also learned how to underwrite a credit card and how to be an operations officer. To this day, these

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things have made me a better president of a bank.

What banking issues should bankers be concerned about in 2023?

I lay awake at night worrying about cyber security. It's a real threat environment and it is constant. I want our bankers to really make sure that they are up-to-date on threats and best-practices. For banks our size, we don't have the resources to do all of this in-house, so we partner with really smart, competent people who are further able to assist. Also, we do our due diligence in making sure those partners keep our client data and banks safe.

I also worry about finding talented bankers. I spend quite a bit of my time at CSUN, my alma mater, doing volunteer work, and talking to young students about my experience as a banker. However, my main concern remains our Bank's ability to compete for or identify candidates that have that heart and that passion for helping people.

Banking is also evolving. Banks have to be accessible, especially for the younger generations. Yet our banks are so much more than an app on an iPhone. While it is an extremely convenient way to access your accounts, I think the banking experience can be enhanced with philanthropy. More and more, clients are aligning with organizations that mirror their interests and passions.

Consolidation is also an issue. While consolidation continues to occur in our industry, I don't think it's inevitable. I think that there will always

be a place for community banks to partner with national bank counterparts to make the communities we serve better places to live and work.

Montecito Bank & Trust is a leader in supporting non-profit organizations. Why is it important to be engaged with the community?

Montecito Bank & Trust was founded on philanthropy. When I walk down State Street in Santa Barbara, I can look at so many businesses and know that I made a difference. We make the communities we serve better places to live and work in. We do that by being engaged. Every day I get to roll up my sleeves to work in the bank and volunteer with incredible organizations that are serving our communities.

In fact, Montecito Bank & Trust encourages all of its associates to be involved. We value our relationships, be they new or long-standing. It's like a family here and we are proud to be a part of the community. We are truly proud of the Community Dividends program that recognizes and supports nonprofits for their work in our communities. 2022 was our 20th year of the Community Dividends program and \$2 million was given to 200 nonprofits.

The bank supports my volunteer week, not only with California Banking Association Board of Directors, but on other boards too. I am the incoming Chair of the National Board of the YMCA based in Chicago as well as a board member of the local YMCA. I am the Chair for the National Search Dog

Foundation. I also serve as a board member of the California State University Northridge Board, where I went to college, the Santa Barbara Botanic Garden, and the Santa Barbara Historical Museum.

Montecito Bank & Trust was recently ranked as a "Best Bank To Work For," in the United States by *American Banker*. What does that distinction mean to you?

It means everything to me. Everything we do at Montecito Bank and Trust is intentional, and our employees are at the center of it. We place our customers and employees first, and we listen to them. We engage them with surveys and solicit feedback, then develop action plans against that feedback. It is important to hear from our employees on what they think we need to do, as we hold ourselves accountable.

I'm a pretty social person, so I enjoy going out and visiting our teams. It's my honor to go out and thank our branch managers, our commercial bankers, our call center representatives, and our operations team because they do an amazing job.

Over the years, Montecito Bank and Trust has won 25 Best Bank awards and 12 Best Banks to Work For Awards. We volunteered 5,300 hours in 2022, a year that was impacted by Covid. We've made \$20 million in community development loans. I am also so proud of our low turnover rate and our employee tenure. 65 of our 265 associates have worked for us for more than 10 years.

CONTINUED ON PAGE 25

2022 REGULATORY COMPLIANCE & RISK MANAGEMENT CONFERENCE





2023 BANK PRESIDENTS SEMINAR





MEMBERSHIP UPDATES

First Northern Bank President and CEO Louise Walker Retires



During her career, Walker held a variety of positions, which included head of operations and data processing, as well as overseeing human resources, risk management, compliance, accounting and finance. Prior to being named president and CEO, Walker served as senior executive vice president/chief financial officer for 14 years.

Walker is a board member of Pacific Coast Bankers Bank and treasurer and member of the executive committee of Valley Vision's Board of Directors. She is also vice president of Lambda Alpha International, Sacramento Chapter, a board member of the Sutter Club, and a member of the Finance and Audit committee of the Yolo Food Bank.

She is past treasurer of the American Bankers Association Board of Directors, past chair and a member of the Board of Directors of the California Bankers Association (now the California state and federal advocacy division of the Western Bankers Association), past board member of the Yolo Food Bank Board, a past board member of Roseville Community Development Corporation, a member of Dixon Rotary, and past president of Soroptimist International of Dixon. Walker's extensive service as a board member of both private and public organizations has provided her with extensive knowledge and experience in the banking industry, financial management, risk management, corporate governance and marketing. Walker is a member of the bank's Asset/Liability, Loan, Information Services Steering, and Profit Sharing committees.

After 43 years at First Northern Bank, the last 12 years as President and CEO, Louise Walker retired at the end of 2022.

Jeremiah Smith, who served as senior executive vice president and chief operating officer, was promoted to succeed Walker as president and CEO of the holding company and the bank, effective January 1.

Walker holds a Bachelor of Arts degree in Management from Saint Mary's College of California.

Argrett has a Juris Doctorate and a Master's in Business Administration degree from the University of California, Berkeley, and a Bachelor of Science degree from the McIntire School of Commerce at the University of Virginia. >>

CONTINUED FROM PAGE 19

As Chairman of the California Bankers Association's Board of Directors, what inspired you to join the association and take on a leadership role?

One of the things I'm really passionate about is making the California Bankers Association, the place where bankers like me and my colleagues come together. The Association provides so much value, including the extraordinary advocacy work from Kevin Gould and the Government Relations team, the networking opportunities with peers, the industry updates, and the education and professional development opportunities that are open to any bank staff member at any level.

Connectivity and camaraderie is so important for growth. For example, the Bank President's Seminar provides unique opportunities to meet with three or four other bank presidents and talk about the challenges and the solutions we are all facing. Creating a place of thought leadership, and

a safe and friendly place that allows other bankers to join in and ask those questions is what CBA strives for.

Being part of the Board and serving as the Chair of the Board is a tremendous honor for me. I've been given the opportunity to help reimagine the CBA for the next generation of community and national banks across the state. It's exciting for sure.

What advice would you give to those that are starting their careers in banking:

I would just say, relationships matter. The thing that we get to do as bankers — no matter where we work — we really do get to change the life of an individual, one client at a time. If you're lucky enough to become the president of a community bank like I am, you get to do that for a community. There's no better reward in the whole world than doing what we do. I'm so proud to be a banker. So proud, in fact, that I will tell anyone if your calling is to change the world, be a banker. >>

New Members



Tassat's private blockchain-based platform delivers instant settlement with no transaction limits and full audit capabilities, maximizing your balance sheet while minimizing counterparty risk. Tassat has added Smart Contracts and Fedwire functionality to make TassatPay a one-stop-shop for B2B Payments.

Contact: Carol Hartman, Managing Director

Carol.hartman@tassat.com

925-368-5104

Website: <https://tassat.com>

An advertisement for Nationwide Real Estate Tax Service, Inc. The background is a reproduction of the iconic 'We Can Do It!' poster featuring Rosie the Riveter. At the top, there is a blue map of the United States with the word 'Nationwide' written across it. To the right of the map is a red and white checkered pattern and the text 'REAL ESTATE TAX SERVICE, INC.'. Below the map, there is a list of services: '~ Property Tax Reporting', '~ Flood Zone Determinations', and '~ Since 1987'. At the bottom of the poster, the slogan 'WE CAN DO IT!' is written in white capital letters. At the very bottom, the phone number '800-528-7803' and the website 'nationwidecompliance.com' are displayed in white text.

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