California Banker

CALIFORNIA BANKERS ASSOCIATION

QUARTER 2 2026

A PUBLICATION OF CALIFORNIA BANKERS ASSOCIATION

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CaliforniaBanker is the official publication of California Bankers Association.

California Bankers Association, 1303 J Street, Suite 600, Sacramento, CA 95814, P: 916-438-4400/F: 916-441-5756, Email online at www.CalBankers.com.

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Our team remains focused on our members, your banks, and the customers and communities you serve every day. That is what this association is here for, and it is a responsibility we take seriously.

Stronger Together: How Your Association is Moving the Industry Forward

The California Bankers Association exists to support its members by representing their interests. That means fiercely and loyally advocating on impactful legislation and regulation, building relationships and maintaining credibility with policymakers, and being resilient by staying at the table even when the odds aren't in our favor and making progress is difficult. It means giving members a place to connect, grow their teams, and strengthen their leadership. And it means that when challenges arise, you are not facing them alone. With the second quarter behind us, we are pleased to share a number of opportunities to where we put our commitment to you into practice.

We are excited to introduce CBA's 2026-2027 volunteer leadership team. Beginning in June, Steve Miller of FFB Bank stepped in as Chair, joined by Chair-Elect Kevin McPhaill of Bank of the Sierra, Treasurer Todd Lewis of Northern California National Bank/Column NA, and Immediate Past Chair Martin Plourd of Community West Bank. Each of these incredible leaders bring a perspective that comes from running a bank in California, and we look forward to working alongside them as we take on the opportunities and challenges that lie ahead. Their willingness to serve in these roles reflects something we see across our membership: a genuine investment in the health of this industry and the communities it serves.

Two measures this session, AB 1842 and AB 1847, required months of focused engagement on mortgage forbearance policy. First and foremost, we are proud of the proactive efforts by banks to provide relief and support to victims of natural disasters. Your efforts to support your customers and communities pre-dated the introduction of legislative measures and calls to action by politicians.

On AB 1842, we are pleased to report that a compromise has been reached. The agreement establishes a statewide forbearance framework triggered by federally declared disasters, that aligns with existing protocols familiar to mortgage servicers. The result is a standardized methodol-

ogy that expedites the deployment of relief to borrowers impacted by natural disasters while establishing compliance clarity and consistency for mortgage servicers.

Negotiations on AB 1847 are near complete. The elements of the compromise allow borrowers impacted by the Los Angeles wildfires to secure an additional 12 months of forbearance on top of the 12 months granted under existing law while preserving a mortgage servicer's ability to require documentation that demonstrates the borrower's financial hardship. Further, the proposed compromise respects the fact that mortgage servicers are often the agent of an investor and protects the mortgage servicer when there is conflict between state law and investor requirements.

The effort around AB 2674, a measure imposing new legal liability on customer-initiated and authorized transactions resulting from fraud and scams, tells a similar story, and it is one worth sharing. Earlier this year, the bill raised serious concerns for the industry. Members responded. Many of you reviewed drafts, participated in discussions, and offered feedback that helped CBA evaluate the proposal and communicate its potential impacts to decision makers. The bill has since been amended and no longer contains provisions related to banking. That outcome is a direct result of your engagement, and we are grateful for it. The association does its best work when members and staff are working together, and this was a clear example of that relationship in action.

The work did not stop at the state line. In June, Jason Lane, CBA's Senior Vice President and Director of Government Relations, traveled to Washington, D.C. to meet directly with members of California's Congressional delegation about the growing threat of fraud and financial scams targeting bank customers, the need for deposit insurance modernization, and our ongoing concerns with loopholes in stablecoin legislation. These conversations are part of a broader effort to ensure that federal legislators understand the real-world pressures California banks face and the role we play in protecting consumers. We remain engaged on all fronts, and we will continue advocating for policies that allow banks to do what they do best.

While the legislative work continued, so did the programs that bring our membership together. In May, members gathered for the Annual Conference and Directors Forum, where we recognized James Beckwith as this year's Distinguished Banker. It is an honor that reflects a career of leadership and service to this industry, and James is a worthy recipient. We carried that energy into June with the Women in Banking Forum, which brought together the women who are shaping the future of banking in California for two days of conversation and connection. This issue of our magazine features one of those amazing leaders, and we encourage you to read her story. Women continue to take on expanded roles across our industry, and their contributions are worth recognizing.

In the coming months, there will be continued legislative engagement and additional opportunities for professional development. There is no shortage of work ahead. Our team remains focused on our members, your banks, and the customers and communities you serve every day. That is what this association is here for, and it is a responsibility we take seriously.

Bringing members together. Making our banks better.

Kevin Gould
President & CEO, California Bankers Association

A Conversation with Edythe Repoff

Q: Can you share a bit about your career path and what led you to your role as President and COO of New Omni Bank?

A: My path to banking was somewhat unconventional. I began my career as an attorney where I worked in corporate governance and capital structures, contracts litigation, and labor and employment. I learned the importance of listening attentively, thinking critically about information provided, assessing risk, and communicating clearly. Looking back, those skills and the knowledge accumulated have been far more transferable than I originally imagined.

My journey with New Omni began when I joined the Board of Directors in 2011. I was drawn not just to the opportunity to join my family's business and carry forward a multi-generational legacy in banking, but also to help guide the Bank through its next chapter. It gave me a chance to get a unique overview of a bank through an overwhelming amount of data presented in a monthly board package.

When I joined the executive team in 2015 as Executive Vice President and General Counsel, I wanted to build on a reputation and relationships built over generations while developing the infrastructure, governance, and capabilities needed to support its continued growth.

Over time, my role shifted from advising the organization to helping run it day-to-day. When I stepped into the role of Chief Operating Officer, and then President, I saw it as both continuity and change. I work to stay grounded in the values that built the Bank, while also pushing us to evolve, innovate, and grow. At the center of that is serving each of our stakeholders.

Q: What lessons have been most valuable to you throughout your leadership journey?

A: When you're early in your career, it is common to hear maxims that you don't fully understand until you are facing the situation to which it applies. A mentor often told me, "evolution over revolution," but it took time to understand and experience that evolution has a higher success rate than revolution. I tend to move quickly. Over time I've had to accept that moving a group of people toward an objective requires bringing people along rather than simply pushing them forward. That realization shaped how I think about leadership.

Leadership, at its core, is about stewardship and people. You're being trusted with something valuable and the responsibility to leave it stronger and more profitable than you found it. Your role is to stay curious, bring out the best in the people and resources around you, and serve those who rely on you to reach the objectives laid out.

I recognize that a strong legacy provides an important foundation, but it does not guarantee future success. I've seen that firsthand at New Omni Bank, where we bring together people from different countries, cultures, and generations, who have varying primary languages and perspectives. Even with clear communication, people interpret intent through their own lived experiences rather than a leader's voice or actions. In that kind of environment, trust can't be inherited. It has to be earned every day through thoughtful decisions, consistent actions, and meaningful results. Trust is built by respecting what has come before, meeting people where they are, and moving them forward together.

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Q: You have been part of growing New Omni Bank from $150 million to $600 million in assets, including working on deals to raise $50 million in Tier 1 Capital. What were the most important decisions that drove growth?

A: The decisions that drove our growth all came back to one principle: preserving what makes the institution successful with the willingness to build for the future.

One of the most important decisions we made was recognizing that sustainable growth required investment — not only in capital, but in people, systems, infrastructure, and governance. We've built a team that I am very proud of, strengthened our physical presence and digital capabilities, creating the foundation needed for sustainable growth.

Investment alone wasn't enough. We also took thoughtful and calculated risks. Growth required disciplined, sometimes painful, choices about how we could grow sustainably and successfully rather than simply pursuing growth for growth's sake. We were early to develop a mortgage product serving non-resident aliens. This product was developed in anticipation of the large inflow of investment in the United States from east Asian countries, particularly China. Through the process, we paired innovation with a very clear understanding of our borrowers, disciplined underwriting, and strong collateral. We also chose to participate in the U.S. Treasury's Emergency Capital Investment Program, recognizing the opportunity to strengthen our capital position while expanding our ability to support the communities we serve.

Ultimately, we've gotten to where we are from combining entrepreneurial spirit and long-term perspective with the governance, discipline, and professional capabilities of a modern financial institution.

Q: You have been a board member since 2011 while also holding executive roles. How do you navigate wearing both hats, and what has sitting at the board table taught you?

A: We are fortunate to be in one of the few industries that receive a specific framework on what we need to do to organize our corporate governance. The President of a National Banking Association is required to sit on its board. I've found that requirement both profound and prescient in aligning governance and execution.

Before I joined New Omni's management, my position as an external director was to ask questions and provide independent oversight. Now, my position is to bring an operational perspective, to translate strategy into action, and answer those questions. Being both a director and executive has reinforced the importance of having independent directors who challenge management, bring outside ideas and experiences to the table, ask questions, and maintain objectivity.

Over time, I've found that being an effective board member takes years of practice operating within a team and organization, a wide knowledge base, but most importantly, the heart and inner drive to contribute to the institution.

Q: How do you think about your bank's role in the community it serves, and how does it shape your business decisions?

A: Many of our clients are navigating two or more worlds at once — maintaining ties to their home country or countries while building a future in the United States. Our role is not simply to provide banking services; it's to help them navigate that journey.

The families and business owners we serve are first-generation immigrants or expanding businesses who are financially savvy in their home countries and learning to navigate not only a new financial system, but often an entirely new way of building security, creating opportunity, and establishing their future in the United States. It's not uncommon for us to work with clients who have successfully built businesses or accumulated wealth overseas but are navigating the U.S. banking system for the first time.

That responsibility shapes how we make decisions. We start with curiosity and empathy — most of our team members are also first-generation immigrants and almost 100% of our team speaks at least a second language fluently. We listen first; we seek to understand the experiences and challenges of our clients; and we pay close attention to the situation in the countries from which our clients come. Our job is to remain open, ask the right questions, predict the needs of our clients through understanding where they are coming from, and find what truly serves our clients and our community.

Q: What are some key community initiatives or programs that the Bank has been involved in recently?

A: Community involvement isn't a separate initiative for us — it is part of how we define banking and what we believe a community bank should be. We take retail depos-

> **Leadership, at its core, is about stewardship and people. You're being trusted with something valuable and the responsibility to leave it stronger and more profitable than you found it.**

its and consistently lend over 80 percent of those funds within our assessment area, reflecting our commitment to reinvesting in the communities that place their trust in us.

Our team members work throughout our community to volunteer in schools, chambers of commerce, associations, religious organizations, and charities, providing volunteer services, financial education, and other resources. We just had fun selecting our recipients for the New Omni Bank Scholarship Program in partnership with the Asian Pacific Community Fund. We're proud sponsors of the California Highway Patrol 501 Squad Club and longtime volunteers with the Volunteer Income Tax Assistance (VITA) program, where we offer multilingual support to help community members access free tax preparation services.

Q: As a woman who has risen to a senior executive role, what has your experience been, and what would you tell younger women who are building careers in financial services?

A: My experience has reinforced the importance of being willing to grow into opportunities. Throughout my career, I have taken on roles that stretched me, required me to learn quickly, and pushed me outside my comfort zone.

Leadership does not have one specific style. You don't need to change who you are to lead effectively, but you do need to get the opportunity to practice it — it's a skill. As much as we rely on categorization to make sense of our world, skills and adjectives are remarkably egalitarian — they don't come with a gender.

As one of the few women in many of the rooms I enter, I have learned that impact does not require the loudest voice. Discretion and judgment become key — key in understanding what type of room it is; key to know when and how to make an impact.

My advice is to focus on building credibility, relationships, expertise, and be proactive in jumping into bigger things. Be curious. Ask questions. Understand the business beyond your own role and ask for opportunities. As Teresa Matsui shared at CBA's Women in Banking Forum, "If you don't ask, you can't get."

Q: You serve on the boards of both the California Bankers Association (CBA) and the National Association of Chinese American Bankers (NACAB). What issues are you most focused on at the industry level right now?

A: At the industry level, I am focused on how community banks continue to stay relevant in a financial landscape that seems to change faster every year — sometimes faster than an authentication code updates.

The challenge is finding the right balance: embracing innovation while preserving the relationships and trust that have always defined community banking. This is highlighted in our everyday decisions to provide easy services in competition with FintTech companies while also adding the safeguards needed to reduce and prevent financial fraud. At NACAB, we put together in-person and online programs to educate our Chinese-speaking community about how to protect themselves against financial fraud.

Serving on the boards of the CBA and NACAB has also reinforced the value of bringing an internationally informed perspective to our industry at every level. Many of the communities we serve are globally connected through family, business, and capital, and understanding that broader perspective helps us better serve our clients and recognize new opportunities.

The ROI of Membership: How CBA Saved Banks Millions in 2026

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

The California Bankers Association (CBA) has achieved several notable legislative successes so far this legislative session, demonstrating the immense value of sustained advocacy, coalition building, and direct engagement with policymakers. The Government Relations team reviewed 248 legislative measures this year, taking active positions on 95 bills.

Pushing Back on Mortgage Forbearance Mandates

CBA achieved a significant victory on AB 1842 (Harabedian), legislation initially designed to establish a sweeping statewide mortgage forbearance framework for declared emergencies. Through extensive negotiations with the author and key stakeholders, CBA successfully secured amendments to improve the bill's operational reality for lenders.

Crucially, the association negotiated a reduction of the initial forbearance period from 180 to 90 days. This change mitigates severe liquidity strains on mortgage servicers who are often required to continue advancing payments to investors. Furthermore, CBA successfully lobbied for the elimination of both a private right of action and state-specific data reporting requirements, saving institutions from significant compliance costs and shielding them from a barrage of opportunistic class-action litigation over technicalities. Following these sweeping improvements, CBA removed its opposition.

Simultaneously, CBA played an active role in shaping discussions around AB 1847 (Harabedian), another forbearance measure explicitly focused on wildfire-related relief. Introduced as a mandate requiring an unprecedented 36 months of forbearance, CBA successfully negotiated an agreement to reduce this timeline to a more manageable 24 months. Alongside this critical reduction, CBA secured changes to balance homeowner relief with the practical implementation requirements of financial institutions by ensuring the bill mandated documentation requirements for borrowers to demonstrate hardship and inhabitability of the property. These combined changes provide loan servicers and lenders with clear, objective guidelines to process requests, prevent fraudulent claims, and ensure relief is accurately targeted only to borrowers genuinely impacted by wildfires.

The Fight Over Fraud Liability

In the area of financial fraud policy, CBA achieved a clear, definitive victory on AB 2674 (Schiavo). As introduced, this legislation represented a threat to standard banking operations by shifting liability for authorized push payment fraud directly onto banks when customers are tricked into sending their money to a scammer. The bill forced financial institutions to intervene on "suspect transactions," mandated banks to read state-scripted warnings, and conduct 30-day investigations into any claims of failure. Most alarmingly, to be eligible for liability protections, the measure required financial institutions to refund the scammed customer in full, plus interest. It also included a private right of action that would open the floodgates for civil lawsuits over minor compliance failures.

We premised our opposition on the idea that this framework compelled banks to freeze legitimate customer transactions out of fear of liability. We also emphasized the fact that the bill directly clashed with established federal frameworks, such as the Electronic Fund Transfer Act and the Uniform Commercial Code. As a result of this advocacy, the author removed all banking-related provisions from the bill, protecting California institutions from an unmanageable, unilateral shift in liability.

Stopping a State CRA

A top priority of the California Legislative Black Caucus, AB 801 (Bonta) created a sweeping and costly state-level Community Reinvestment Act (CRA). CBA's advocacy successfully dismantled the bill's most onerous provisions, forcing amendments that scaled the legislation down to solely require fair lending examinations for California-chartered banks, credit unions, and residential mortgage lenders. As CBA argued in its opposition to the Legislature, banks already operate under a comprehensive network of federal and state fair lending laws, including the federal CRA. Layering a state-level CRA on would have imposed massive, unpredictable costs to the state — estimated in the tens of millions — and created a duplicative regulatory framework for banks.

Even after the bill was reduced from a state CRA to a fair lending exam requirement, CBA continued to secure vital modifications that significantly curtailed the remaining regulatory burden. The author's intent was always generational wealth building via homeownership, and by forcing an amendment that limited the scope of the fair lending exams strictly to mortgage lending, CBA prevented unwarranted regulatory intrusion into unrelated commercial and consumer lending portfolios. Furthermore, to address direct concerns about uncoordinated examinations from multiple regulators, CBA successfully lobbied to have these fair lending exams synchronized with existing exams. This critical fix eliminated the severe operational drain and staff strain caused by repetitive, out-of-sync examinations.

Protecting Tax Credits

In response to the Trump Administration's immigration enforcement policies, AB 2465 (Ortega) was drafted to penalize businesses with direct or indirect ties to private detention facilities or agencies that assist in immigration enforcement by stripping them of state grants, loans, and tax credits. The bill's broad scope posed an unintended threat to California's affordable housing finance market. CBA argued that applying those penalties without nuance would have disrupted banks' ability to participate in the Low-Income Housing Tax Credit (LIHTC) program — a cornerstone financing mechanism for affordable housing development across the state.

Through sustained advocacy, CBA secured two important protections. First, the bill's penalty provisions were narrowed to apply only to businesses directly providing immigration enforcement services, such as detention, transportation, custody, and deportation operations, as well as technology and tools specifically built to support those functions. Because banks do not provide these services, the definition operates as a de facto exemption, placing the industry outside the bill's reach. Second, CBA secured an explicit statutory exemption for the LIHTC, bootstrapping our broader exemption with an additional layer of certainty that the bill cannot be read to disqualify banks from LIHTC participation.

Preventing a Public Bank

CBA defeated AB 2243 (Haney), which created a structured process to develop a state public bank. The measure eliminated the existing prohibition on public bank licensing after January 1, 2029, and established a State

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Crypto Remains Hotly Debated in Both D.C. and Sacramento

By Chris Shultz, Vice President, Government Relations, California Bankers Association

While the banking industry continues to battle crypto legislation at the federal level, California remains the home to many crypto interests, and state policymakers continue to propose new policies that could affect California banks.

Unclear if CLARITY Act Will Pass in 2026

The federal Digital Asset Market Clarity Act (CLARITY Act) continues to be hotly debated in Washington, D.C., and it remains unclear whether Congress will pass, and the President will sign it into law in 2026. Banks remain concerned that allowing yield to be paid on stablecoins will pull funds out of insured deposits, and that this loss of deposits would translate into a reduction in local lending. Crypto exchanges do not have a Community Reinvestment Act (CRA) obligation, and they do not use deposits to make mortgage, farm, auto, and small business loans in communities across California. Furthermore, because crypto balances are not FDIC-insured deposits, marketing interest-like rewards makes staked balances resemble traditional savings accounts, which risks blurring key safety distinctions for consumers.

Crypto Staking Bill Defeated

The California Bankers Association scored a significant state legislative victory this June on crypto staking — an issue where the industry continues to battle at the federal level. Assembly Bill 2285 (Valencia) was pulled from consideration in the State Senate after intense advocacy from our team.

Sections 1 and 2 of the bill eliminated the legal basis for the California Department of Financial Protection and Innovation's (DFPI) staking rewards enforcement action against Coinbase. Exempting staking activities from state securities law eliminates critical investor protections without creating a replacement regulatory regime.

Meanwhile, Sections 3 through 7 established new restrictions on state-chartered banks and credit unions that offer crypto custody, exchange, and staking. These sections created an unlevel playing field, as these specific requirements applied only to state-chartered financial institutions and would not apply to any other marketplace competitor, including the crypto exchanges currently offering staking. These provisions risked making the state charter less attractive, increasing the risk that state-chartered credit unions and banks could accelerate conversions to federal charters.

California-Issued Stablecoins Unlikely

The already-approved GENIUS Act supersedes parts of California's Digital Financial Assets Law. Recognizing this, Senate Bill 97 (Grayson) was updated this summer to delete the authority of California's financial regulator to approve a stablecoin.

Regulators did not expect any issuers would choose California as a venue to launch a stablecoin anyway — largely due to the state's higher regulatory costs and scrutiny. With the Governor's June signature on SB 97, California will not submit a "substantially similar" stablecoin approval process to the federal Stablecoin Certification Review Committee , and no California-approved stablecoins will be issued.

Escheatment and Unclaimed Property Changes Pending

In California, unclaimed personal property escheats to the state after three years, and the State Controller converts unclaimed digital financial assets to fiat currency after 18 to 20 months. Two pending bills propose changes to this process, though the prospects for both remain unclear as of this writing.

Assembly Bill 2335 (Valencia) proposes that, instead of converting all unclaimed digital property to fiat currency, the state should hold the digital asset in its native form for 18 months in case the owner tries to claim it. It would also establish and invest some of the state's unclaimed property into a new Digital Asset Reserve Fund.

Another measure, SB 1066 (Niello), takes a different approach by extending the period before property escheats to the state to seven years. It would also require the Controller to hold the property in its native form indefinitely instead of converting it into fiat currency »

For more information about California's Digital Financial Assets Law, visit:

https://dfpi.ca.gov/regulated-industries/digital-financial-assets/

For more information about California's Unclaimed Property Law, visit:

Unclaimed Property Homepage, https://claimit.ca.gov/

Driving Community Prosperity with Reciprocal Deposits

By Joe Hooker, Chief Sales Officer, IntraFi

Community banks, which make up at least 90 percent of all banks nationwide, are the backbone of American small businesses.[1] An Independent Community Bankers of America (ICBA) report found that roughly 60 percent of small business loans and over 80 percent of agricultural loans come from community banks.[2] But community banks face steep challenges, including net interest margin compression, compliance and cybersecurity burdens, and new, often digital-only, competitors. In fact, 97 percent of respondents to IntraFi's Q1 2026 survey of bank executives say they expect deposit competition to remain at current levels or increase over the next year.

To stay competitive and continue providing the vital banking services their communities depend on, community banks need every advantage available to attract and retain high-value relationships. Reciprocal deposits are an essential tool that allow community banks to support local deposit and lending needs, enabling banks to offer large depositors access to millions in FDIC insurance while keeping funds local to lend in the community.

Reciprocal Deposits Typically Have a High Reinvestment Rate

Reciprocal deposits are deposits that a bank receives through a deposit placement network in return for placing a matching amount of deposits at other network banks. Importantly, the institution placing the deposit maintains its relationship with the depositor — granting safety-conscious customers the ability to obtain FDIC insurance on large balances through multiple network banks while maintaining a single bank relationship.

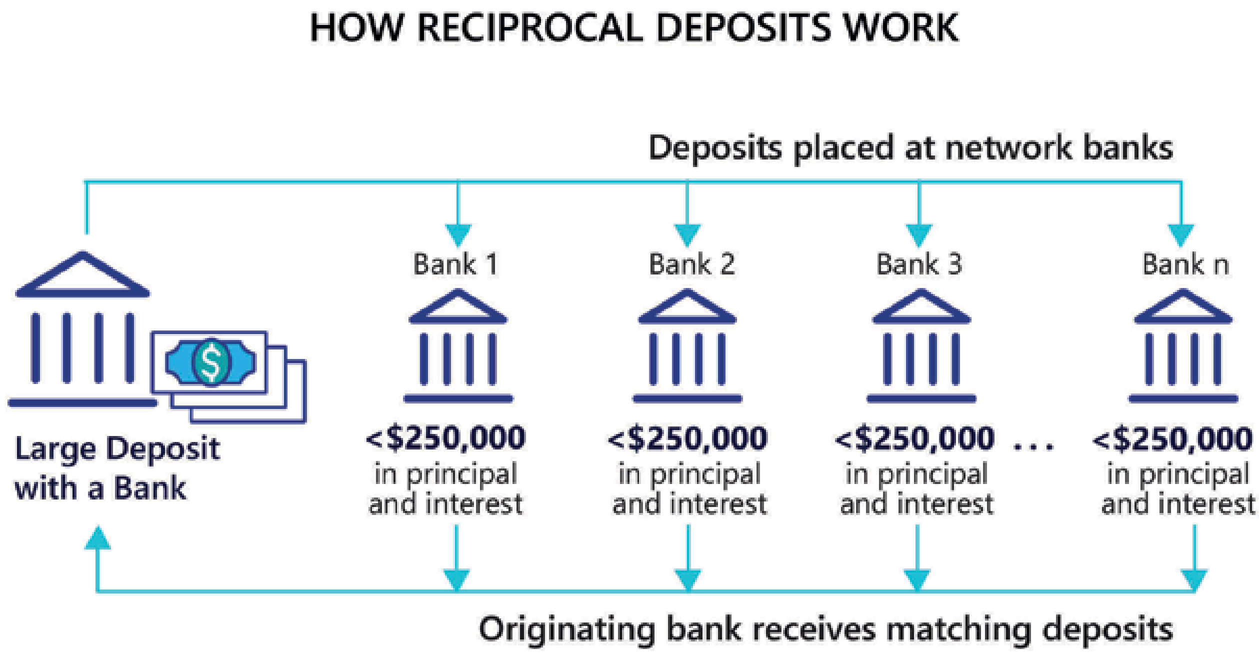
At the same time, a bank that participates in a deposit placement network can attract and retain a greater amount of deposits from local customers. Historically, reciprocal deposits have been "sticky," with high reinvestment rates and low likelihood of liquidation in any given month, even as total accounts and balances steadily increase. After the high-profile bank failures of 2023, reciprocal deposit balances at banks with between $1 billion to $100 billion in assets increased by 20 percent and remained elevated across 2024. A recent research paper finds that higher levels of insured deposits were associated with reduced deposit outflows during the 2023 regional banking crisis. The study also reports that banks with higher insured deposit levels paid lower interest rates on deposits, grew larger, and increased their local deposit market share over time.[3] In fact, the growth rate for reciprocal deposit balances across banks of all sizes was 131 percent from 2022 to 2023. Reciprocal balances grew an additional 15 percent across 2024.[4]

[1] "U.S. Community Banks: Holding up Well with Strong Asset Quality Despite CRE Exposures," Morningstar, accessed January 12, 2026, https://dbrs.morningstar.com/research/440556.

[2] "Revealed: The Impact of Credit Union Acquisitions," ICBA, last modified December 1, 2025, https://www.icba.org/w/revealed-the-impact-of-credit-union-acquisitions.

[3] Edward T. Kim, Shohini Kundu, and Amiyatosh Purnanandam, "The Economics of Market-Based Deposit Insurance," published September, 2024, https://www.fdic.gov/system/files/2024-09/kim-edward-paper-091124.pdf.

[4] S&P Call Report Data



Reciprocal Deposits Compare Well to Other Bank Funding Choices

In addition to helping banks grow wallet share from local customers, reciprocal deposits can offer several advantages when compared to other bank funding options.

- Reduced Collateralization Needs: Reciprocal deposits can reduce or eliminate collateralization requirements, freeing up pledged collateral and reducing the burdens associated with tracking collateral.
- Alternative to Wholesale Funding: Unlike many forms of wholesale funding, most reciprocal deposits can qualify as non-brokered deposits under the law.
- Superior to Listing Service Deposits: When compared to listing service deposits, reciprocal deposits can provide a more stable, relationship-based source of funding that is typically lower cost and less rate sensitive.

The Value of Balance Sheet Flexibility

Overall, using deposit placement networks provides meaningful flexibility for balance sheet management. Banks can keep funds on balance sheet as reciprocal deposits or, alternatively, sell funds into their deposit network and earn fee income (while keeping the customer relationship).[5] The ability to move funds on and off balance sheet on demand can significantly reduce the need for community banks to turn away a valued depositor because of the deposit insurance limits, deepening relationships and giving banks greater control to meet their liquidity needs. Reciprocal deposits also provide a stable funding source that can be used to support lending — while providing the agility needed to respond rapidly to changing market conditions.

Using a reciprocal deposit network, banks can grow relationships and deposits from a local customer base — without the added costs or tracking burdens associated with ongoing collateralization requirements, and with the ability to lend these funds locally.

This article was contributed by IntraFi, a Premier Member of the California Bankers Association. If you are a CBA member and would like to contribute an article, please contact communications@calbankers.com.

[5] With a depositor's consent, the bank may choose to receive fee income instead of deposits from other participating institutions. Under these circumstances, deposited funds would not be available for local lending.

> In my day-to-day work, I try to carry that forward by mentoring and supporting others, knowing small interactions can have a lasting impact.

One Banker's Path to a Goal Years in the Making

For years, pursuing a master's in business administration (MBA) sat in the back of Grant Gaddy's mind. The goal always felt intimidating, and the timing never seemed quite right. Then a chance conversation at a banking conference changed everything.

After learning about the Graduate School of Banking and its connection to the University of Massachusetts Amherst MBA program, something shifted. The path that had felt out of reach suddenly felt realistic and achievable.

Gaddy started his banking journey as a teller at a local bank, not fully knowing where it would lead. Over time, he took a chance on a temporary role in compliance. That opportunity turned into the career he has been in for about 11 years.

Pursuing a graduate degree while working full-time is never simple, and in his case, the obstacles were considerable. The financial institution he was working for was shutting down. Family emergencies arose. He was balancing a full-time job with the demands of the program.

Financially, his employer's tuition reimbursement covered a significant portion of the cost, but there was still a meaningful gap. Without the California Bankers Association (CBA) Scholarship Initiative, he would have had to pay thousands out of pocket or take on student loans to finish.

"One of my biggest personal goals was to complete my MBA debt-free," Gaddy said. "This scholarship made that possible."

The most defining part of his experience was not a class or a credential. It was a person.

Years before he enrolled, he met MaryBeth Kimball at a recruiting booth during a banking conference in Southern California. In that one conversation, she introduced him to the CBA Scholarship Initiative, the Graduate School of Banking, and the MBA program.

"Looking back, that moment set everything in motion," Gaddy reflected. "Without her guidance, I do not think I would have taken this path."

Kimball was Gaddy's academic counselor while he was at the University of Massachusetts Amherst. She passed away from cancer the semester before his graduation — the loss made the experience even more meaningful.

"That experience reinforced the importance of relationships," Gaddy said. "It reminded me to take time to connect with people, share knowledge, and offer support. In my day-to-day work, I try to carry that forward by mentoring and supporting others, knowing small interactions can have a lasting impact."

This education gave him a broader view of the banking industry and its many facets. It equipped him with tools to approach challenges at his institution more holistically and think beyond his immediate area of responsibility. The CBA scholarship also supported his pursuit of the Certified Regulatory Compliance Manager designation, a credential he has encouraged his team and compliance colleagues to consider as well.

"I would absolutely encourage anyone who is on the fence to apply for the CBA scholarship," said Gaddy. "The process is straightforward, and the team at the California Bankers Association is incredibly helpful and responsive throughout. It is an opportunity that is well worth taking."

And for anyone who has been putting off a long-held goal?

"I hope my story shows that it is never too late to go after a goal you have been putting off," Gaddy said. "With support from organizations like CBA, those goals can become much more achievable. It is a reminder that the right opportunity and support system can make a real difference in what feels possible."

The California Bankers Association Scholarship Initiative supports banking professionals pursuing graduate education and professional certifications. To learn more or apply, visit https://www.calbankers.com/events-education/cba-scholarship-initiative.

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2026 Annual Conference & Directors Forum Brings California Bankers Together in Maui

Nearly 300 bankers, directors, industry partners, and regulators gathered in Maui for the California Bankers Association's 2026 Annual Conference & Directors Forum, an event marked by meaningful conversations, valuable insights, and strong connections across the banking industry.

The conference opened with a look at Maui's ongoing recovery and rebuilding efforts, setting the stage for discussions centered on resilience, leadership, and the important role financial institutions play in supporting communities. Attendees also heard an inspiring keynote from former Blue Angels pilot John "Gucci" Foley, who shared lessons on trust, teamwork, execution, and gratitude.

Throughout the three-day program, participants explored many of the issues shaping banking today, including the economy, legislative and regulatory developments, technology, digital assets, fraud prevention, governance, private credit, and merger and acquisition activity. General sessions featured perspectives from industry leaders, regulators, investors, and economists, while breakout sessions offered practical discussions tailored to both executives and directors.

One of the conference highlights was the presentation of the CBA Distinguished Banker of the Year Award to James Beckwith, president and CEO of Five Star Bank, in recognition of his leadership and contributions to California banking.

Attendees also had multiple opportunities to engage directly with federal banking regulators through one-on-one meetings and panel discussions. Networking events, peer forums, and social gatherings provided additional opportunities to strengthen relationships and share ideas with colleagues from across the state.

As the conference concluded, participants left with fresh perspectives, new connections, and a renewed commitment to serving their customers, communities, and the future of California banking.


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James Beckwith Receives CBA Distinguished Banker of the Year Award

The California Bankers Association (CBA) recognized James Beckwith, president and chief executive officer of Five Star Bank, as its 2026 Distinguished Banker of the Year during the Annual Conference & Directors Forum on May 13.

The award honors banking leaders whose careers reflect a commitment to California's banking industry, service to their communities, and leadership within the association. Beckwith's selection recognizes both his nearly 25-year tenure leading Five Star Bank and his longstanding involvement with CBA.

"James has brought strategic clarity and genuine passion to the association," said Kevin Gould, president and CEO of CBA. "In addition to serving as chair of our board of directors, he has dedicated countless hours to numerous committees and has been a vocal and effective advocate for our industry."

Beckwith was elected chairman of the CBA Board of Directors in 2021 and has remained actively engaged in advancing the association's mission. Throughout his career, he has championed the role of community banks in supporting local businesses, individuals, and regional economies.

Under Beckwith's leadership, Five Star Bank has grown significantly while earning recognition as one of the nation's top-performing community banks. He guided the bank through its initial public offering in 2021 and has overseen a period marked by strong financial performance, workplace recognition, and continued investment in the communities the bank serves.

His contributions have also been recognized throughout the Sacramento region. Among other honors, Beckwith was named the Sacramento Metro Chamber's 2025 Sacramentan of the Year and has been recognized by the Sacramento Business Journal as one of the region's Most Admired CEOs and a member of its Power 100 list.

"James' impact on community banking extends far beyond his leadership accomplishments," said Krista Snelling, president and CEO of West Coast Community Bank. "Many of us have benefited from his wisdom, integrity, and commitment to serving communities. He represents the values that have long defined community banking."

Accepting the award, Beckwith reflected on the collective effort behind the recognition.

"On behalf of Five Star Bank, I extend my sincere gratitude to CBA for this incredible honor," he said. "This recognition reflects the dedication of our board of directors and employees, who share a commitment to serving clients, supporting communities, and strengthening the banking profession."

The Distinguished Banker of the Year award is among CBA's highest honors and recognizes individuals whose leadership has made a lasting impact on the banking industry and the communities it serves.

Women in Banking Forum

Banking professionals from across the industry gathered June 10–11, 2026, in La Jolla for the Women in Banking Forum. This dynamic event focused on leadership, connection, and professional growth. Through engaging discussions, inspiring speakers, and valuable networking opportunities, attendees gained fresh perspectives, shared experiences, and explored strategies for advancing their careers while helping shape the future of banking. »

CONTINUED FROM PAGE 11

Bank Commission. By mid-2028, the Commission was mandated to formulate and vote on a state bank plan to include a proposal to create a state guarantee of public deposits (including those held by public banks) and allowed for only two public hearings to solicit public input. The measure had support from over 80 organizations including the cities of Los Angeles, Sacramento, San Diego and the California Democratic Party's statewide delegate caucus (65 signatories).

Preserving Crypto Regulatory Oversight and Parity for State-Chartered Banks

CBA successfully secured a state legislative victory on an issue the industry continues to battle at the federal level. The Chair of the Assembly Banking and Finance Committee pulled his AB 2285 (Valencia) from further consideration in the Senate. The measure eliminated the legal basis for the California Department of Financial Protection and Innovation's staking rewards enforcement action against Coinbase. Exempting staking activities from state securities law eliminates investor protections without creating a replacement regulatory regime. The remaining provisions of the bill established new restrictions and price caps on state-chartered banks that offer crypto custody, exchange, and staking. These sections created an uneven playing field as these specific requirements applied only to state-chartered chartered banks and would not apply to any other marketplace competitor, including the crypto exchanges currently offering staking.

Preserving Criminal Background Checks for Employees

AB 2064 (Sharp-Collins) was originally drafted to add formerly incarcerated status as a protected characteristic under California's Unruh Civil Rights Act, which governs discrimination by business establishments. As introduced, the measure raised concerns for banks because it could have limited the ability of financial institutions to consider criminal history when making customer onboarding, account opening, and other risk-based decisions, potentially creating tension with federal Bank Secrecy Act and Anti-Money Laundering obligations that require banks to consider criminal conduct and other risk indicators as part of customer due diligence. The measure failed to pass out of the Assembly this year.

While the Llegislature doesn't adjourn for the year until August 31, the impact of CBA's 2026 advocacy is reflected in the practical outcomes already achieved for California's banking industry. By defeating proposals to establish a state public bank, removing liability provisions from fraud legislation, narrowing duplicative CRA requirements, preventing an unworkable cryptocurrency regulatory framework, and securing meaningful amendments to mortgage forbearance legislation, CBA helped avoid significant compliance costs, litigation risk, and operational burdens for member institutions. These outcomes preserved capital, reduced unnecessary regulatory requirements, and allowed banks to remain focused on serving their customers and communities rather than implementing costly new mandates. This is the value of CBA membership in action. The collective expertise and engagement of our members enabled the association to advocate effectively, negotiate practical solutions, and deliver meaningful results for California's banking industry. »

Events and Education Calendar

ABA Women Lead Symposium
July 30, 2026
Virtual

Lending & Credit Conference
Nov. 3-5, 2026
Newport Beach, CA

Kentucky Bankers Association Fraud Academy
Aug. 18, 2026
Lexington, KY and Virtual

Bank President's Seminar
January 6-8, 2027
Montage Laguna Beach, CA

Annual Fall D.C. Visit
Sept. 15-17, 2026
Washington, D.C.

Annual Conference & Directors Forum
May 25-28, 2027
Carlsbad, CA

Risk & Compliance Conference
Sept. 29–Oct. 1, 2026
Palm Springs, CA

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www.calbankers.com/events-education

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This magazine is designed and published by NFR Communications | 952-835-2275

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