A REGIONAL BANK ON A FINTECH CHASSIS

The order of operations for scaling a California bank

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EXECUTIVE SEARCH FOR PRODUCTION AND CREDIT TALENT AT CALIFORNIA COMMUNITY AND REGIONAL BANKS

THE GROUND IS MOVING UNDER COMMERCIAL LENDING

SINCE 2015, THE BANK SHARE OF CORPORATE LENDING FELL FROM 48% TO 29%.

> "THE LONG-TERM RELATIONSHIPS BANKS HAVE ESTABLISHED WITH CORPORATE CLIENTS GIVES THEM AN ADVANTAGE IN UNDERWRITING AND MONITORING LOANS FOR THEIR TRADITIONAL CUSTOMERS."
>
> Michelle W. Bowman, Vice Chair for Supervision, Federal Reserve Board. Hoover Institution Annual Monetary Policy Conference, Stanford, California, May 8, 2026.

PRIVATE CREDIT IS TAKING SHARE FROM THE WHOLE INDUSTRY. THE ADVANTAGE BANKS STILL HOLD IS THE RELATIONSHIP, AND A RELATIONSHIP SITS WITH A PERSON.

THE ORDER

01

PRODUCTION

Credit-trained, market-savvy RMs feeding deals.

02

THE CREDIT BOX

Tight enough to protect the bank, loose enough to move when the market does.

03

OPERATIONS

Flat structure, few handoffs, minimal friction between a banker and an answer.

04

TECHNOLOGY

Paid for by the profit the first three throw off.

05

SCALE

The first four repeated with more people.

EVERY STEP EARNS THE NEXT ONE.

SIMPLE AT EACH STEP IS HOW YOU SCALE A BANK TO MANAGE COMPLEXITY.

STEP 1. THE ENGINE IS PEOPLE WHO ORIGINATE

> **"THE REAL CORE TO OUR MODEL IS HIRING NEW REVENUE PRODUCERS, AND THOSE NEW REVENUE PRODUCERS COME OVER AND BRING THEIR CLIENTS WITH THEM."**
>
> Kevin Blair, CEO, Pinnacle Financial Partners ($129 billion in assets), Q2 2026 earnings call. Reported by American Banker, July 23, 2026.

> **"GREAT VISION WITHOUT GREAT PEOPLE IS IRRELEVANT."**
>
> Jim Collins, Good to Great

PRODUCERS COMPOUND. HEADCOUNT DOESN'T HAVE TO.

> "IT'S A CYCLE THAT BUILDS ON ITSELF. WHEN YOU HIRE A REVENUE PRODUCER, THEY BRING A ROLODEX WITH THEM, AND THEY TALK TO OUR TEAM ABOUT WHICH TEAM MEMBERS NEED TO JOIN WITH THEM. AND SO WHAT YOU SEE WHEN WE HIRE IS, IT'S NOT ONE INDIVIDUAL; IT GENERALLY COMES WITH TWO AND THREE AND FOUR."
>
> Kevin Blair, Pinnacle Financial Partners

74

EXPERIENCED BANKERS HIRED

By Pinnacle in Q2 2026 alone.

8,490

TOTAL EMPLOYEES

At quarter end. Exactly flat from the prior quarter.

124

BANKERS HIRED YTD

Source: American Banker, July 23, 2026.

Pinnacle attributed that to "merger-related synergies ... offset by growth-related hiring." Duplicate and back-office roles came out of the Synovus integration as producers went in.

Same payroll count. More people carrying a number.

STEP 2. THE CREDIT BOX IS THE OTHER HALF OF THE ENGINE

> "MONEY CENTER BANK OR COMMUNITY BANK, THE PRINCIPLES OF RISK MANAGEMENT ARE THE SAME. REGARDLESS OF THE SIZE OF THE CREDIT, THE DECISION ON WHETHER TO EXTEND IT MUST BE MADE ON THE BASIS OF THE UNDERLYING RISK OF THE TRANSACTION."
>
> Julie L. Williams, Acting Comptroller of the Currency. Remarks to an FFIEC risk management conference, San Francisco, October 16, 1998.

> "BECAUSE LEVERAGE OF 20:1 MAGNIFIES THE EFFECTS OF MANAGERIAL STRENGTHS AND WEAKNESSES, WE HAVE NO INTEREST IN PURCHASING SHARES OF A POORLY-MANAGED BANK AT A 'CHEAP' PRICE. INSTEAD, OUR ONLY INTEREST IS IN BUYING INTO WELL-MANAGED BANKS AT FAIR PRICES."
>
> Warren Buffett, Berkshire Hathaway Chairman's Letter, 1990

IN A BUSINESS LEVERED 20 TO 1, THE CREDIT EXEC EITHER MANAGES THE RISK, OR IS THE RISK

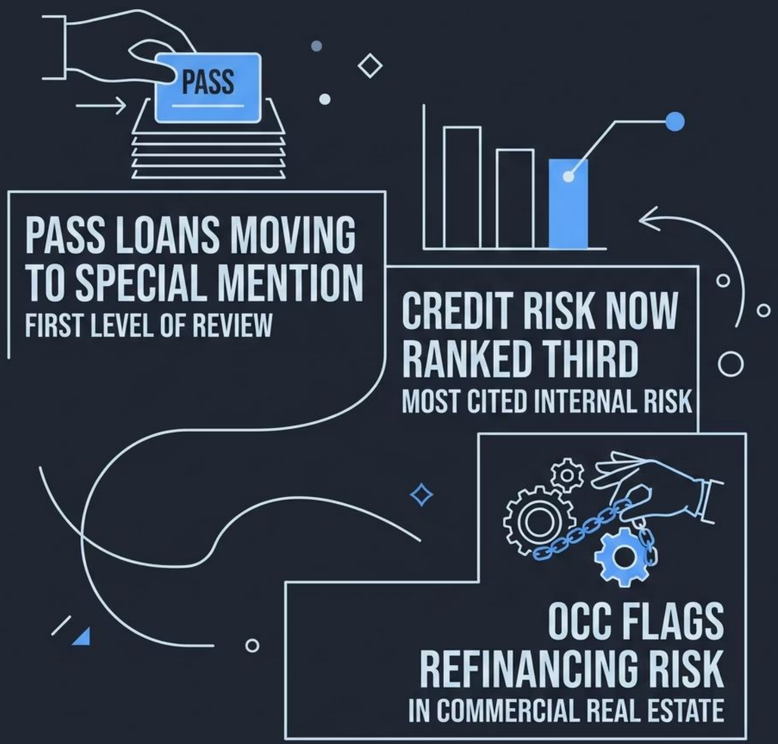
WHERE THE MARKET IS RIGHT NOW

> "CERTAIN LOANS ARE MOVING FROM PASS TO SPECIAL MENTION. SPECIAL MENTION IS THE FIRST LEVEL OF REVIEW, AN INDICATOR THAT SOMETHING WARRANTS CLOSER ATTENTION. THESE TRENDS ARE STARTING TO FILTER IN."
>
> Noor Menai, CTBC Bank USA, Los Angeles. CSBS 2025 Annual Survey of Community Banks.

The OCC's Spring 2026 Risk Perspective calls credit risk "manageable," while flagging that "credit conditions and refinancing risk in certain segments of commercial real estate lending and private credit markets warrant ongoing monitoring."

Credit risk replaced liquidity risk as the third most cited internal risk for community banks in 2025.

CALL IT A DRIFT RATHER THAN A CRISIS. DRIFT IS WHEN THE QUALITY OF THE CREDIT SEAT SHOWS UP IN THE NUMBERS.



STEP 3. OPERATIONS, AND THE TAX YOU DON'T SEE

> "I'VE SAID SPEED KILLS, BUT I MEAN SLOW SPEED. I DIDN'T MEAN FAST SPEED."
>
> Jamie Dimon, Chairman and CEO, JPMorganChase. Letter to Shareholders, Annual Report 2024, "Management Learnings."

> "ONE OF THE BIGGEST THINGS THAT CAN KILL A COMPANY — OR MAKE IT SLOW TO ADJUST OR ADMIT PROBLEMS — IS BUREAUCRACY. IT COMES IN A LOT OF FORMS, AND YOU HAVE TO CONTINUOUSLY WEED THAT GARDEN. IT'S A MINDSET."
>
> Jamie Dimon, Chairman and CEO, JPMorganChase. Letter to Shareholders, Annual Report 2024, "Management Learnings."

YOUR SPEED ADVANTAGE OVER THE MONEY CENTER BANK IS THE ONE ADVANTAGE YOU CAN'T BE OUTSPENT ON. LAYERS GIVE IT AWAY FOR FREE.

STEP 4. TECHNOLOGY, AND WHAT IT CAN'T DO

> "TECHNOLOGY IS JUST A TOOL; AN ADJUNCT TO — NOT A SUBSTITUTE FOR — THE SOUND JUDGMENT OF BANKERS AND BASIC TECHNIQUES OF RISK MANAGEMENT."
>
> Julie L. Williams, Acting Comptroller of the Currency, San Francisco, 1998

The OCC said that in 1998. It has not gotten less true.

40.8%

TECHNOLOGY BARRIER

Of community banks name attracting and retaining competent technology personnel as a barrier to implementing new technology over the next five years. (CSBS 2025)

69%

AI EXPERTISE GAP

Of bank leaders say their C-suite most needs AI expertise. (Bank Director 2026)

THE CHASSIS IS WORTH BUILDING. IT RUNS ON JUDGMENT IT CANNOT SUPPLY.

STEP 5. SCALE IS THE FIRST FOUR STEPS REPEATED

> "MOST FIRMS LOSE A STEP DURING INTEGRATION. YET WE ARE GAINING SHARE AND DEEPENING CLIENT RELATIONSHIPS IN THE MIDDLE OF A MERGER."
>
> Kevin Blair, Pinnacle Financial Partners, July 2026

> "WE ALL KNOW THERE ARE GOOD REVENUES AND BAD REVENUES, GOOD EXPENSES AND BAD EXPENSES. WE CAN MAKE A BIG LOAN AND BOOK LOTS OF REVENUE IN THE SHORT TERM, BUT THOSE WILL TURN OUT TO BE BAD REVENUES IF WE DIDN'T DO THE PROPER ANALYSIS AT THE BEGINNING."
>
> Jamie Dimon, Letter to Shareholders, 2024

60% of banks whose markets saw M&A consolidation last year picked up commercial banking talent as a result. (Bank Director 2026)

CONSOLIDATION IN CALIFORNIA IS RELEASING PRODUCERS RIGHT NOW.

WHERE IT BREAKS

Banks get in trouble when they skip ahead. Usually by building the org chart, then going looking for someone to fill the funnel.

26%

POOR C-LEVEL FIT

Of banks say they hired or promoted a candidate at the C-level who turned out to be a poor fit. (Bank Director 2025)

9%

CEO SUCCESSION PLAN

Have identified a CEO successor along with a timeline and plan of action, down from 17% a year earlier. (Bank Director 2026)

27-46%

TRANSITION FAILURES

Two years after executive transitions, studies find between 27% and 46% are regarded as failures or disappointments. (McKinsey)

> "HARDLY ANYTHING THAT HAPPENS AT A COMPANY IS MORE IMPORTANT THAN A HIGH-LEVEL EXECUTIVE TRANSITION."
>
> Scott Keller, Senior Partner, McKinsey & Company, May 2018

THE REAL COST IS TWO YEARS OF AN UNPRODUCTIVE EXECUTIVE SEAT.

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ONE NICHE. TWENTY-FIVE YEARS.

Production and credit talent for California community and regional commercial banks. That is the entire practice.

93%	25
PLACEMENTS RETAINED	**YEARS IN MARKET**
Still in seat at 36 months.	In the California market.

- Senior individual contributors, regional managers, Market Sector Directors, EVPs, and C-suite hires
- Both sides of the coin: the people who originate the loans and the people who underwrite them
- California coverage built on relationships, not a database subscription

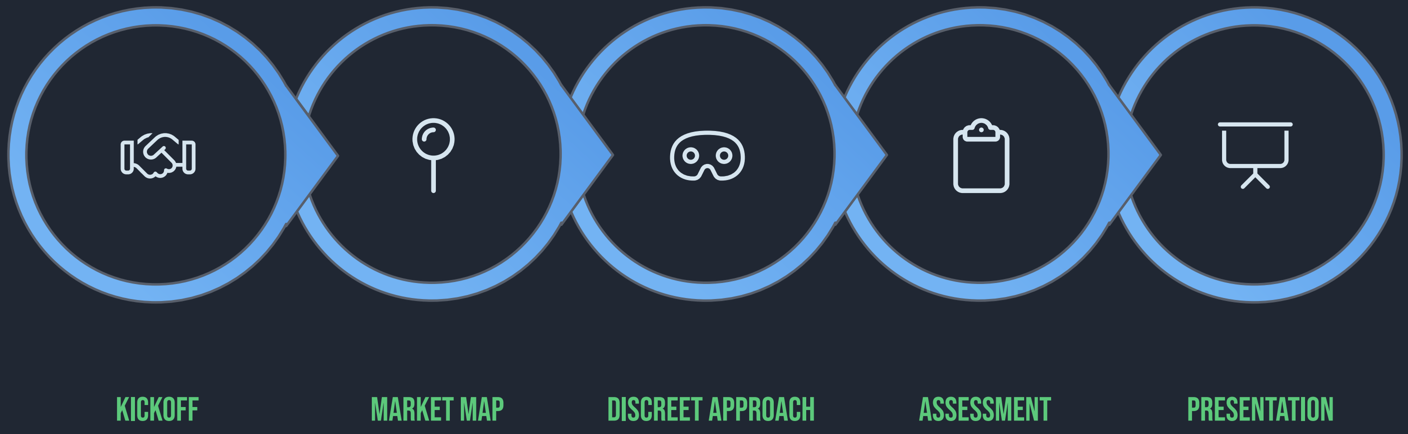
Quality over volume. I take engagements I believe I can win and decline the ones I can't.

HOW A RETAINED SEARCH RUNS

WHAT RETAINED BUYS THAT CONTINGENCY DOES NOT

- A defined market map before a single call goes out, so you see the whole field
- Access to the people who are not looking, which is where the top producers always are
- One firm accountable for the outcome, working the search to completion
- Honest counsel when the answer is that your seat isn't the right seat yet

THE ENGAGEMENT



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EXECUTIVE BANKING CAREERS | STRATEGY | HEADHUNTING

TALENT

- CAREER NAVIGATION
- MARKET INTELLIGENCE
- COMPENSATION ANALYSIS
- DISCREET MARKET INTRODUCTIONS

BANK EXECUTIVES

- EXCLUSIVE ACCESS
- 93% RETENTION RATE
- #1 IN COMMERCIAL BANKING
- 25 YEARS EXPERIENCE

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