

Breakout III: Case Study: Building and Scaling a Cannabis Line of Business

Mike Kennedy

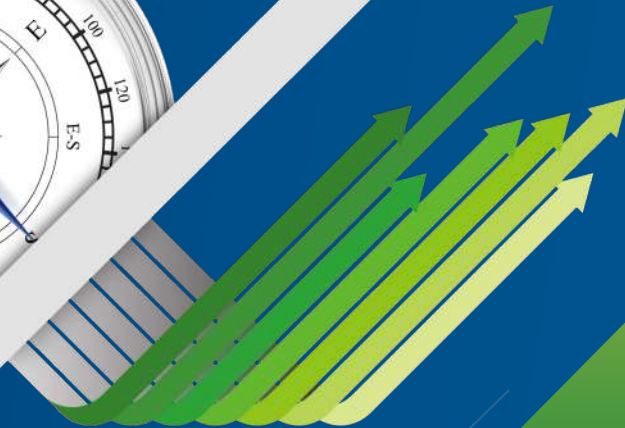
Green Check Verified

Frank Smith

Republic Bank of Arizona



Building a Successful Cannabis Banking Program



Republic Bank of Arizona Case Study

Introduction



We offer **purpose-built software**, combined with **expert advisory services** and a rich **partner ecosystem** to deliver fully compliant, efficient and profitable cannabis banking programs.



Introduction



Frank Smith

SVP, Deposit Operations
Administrator

RBAZ

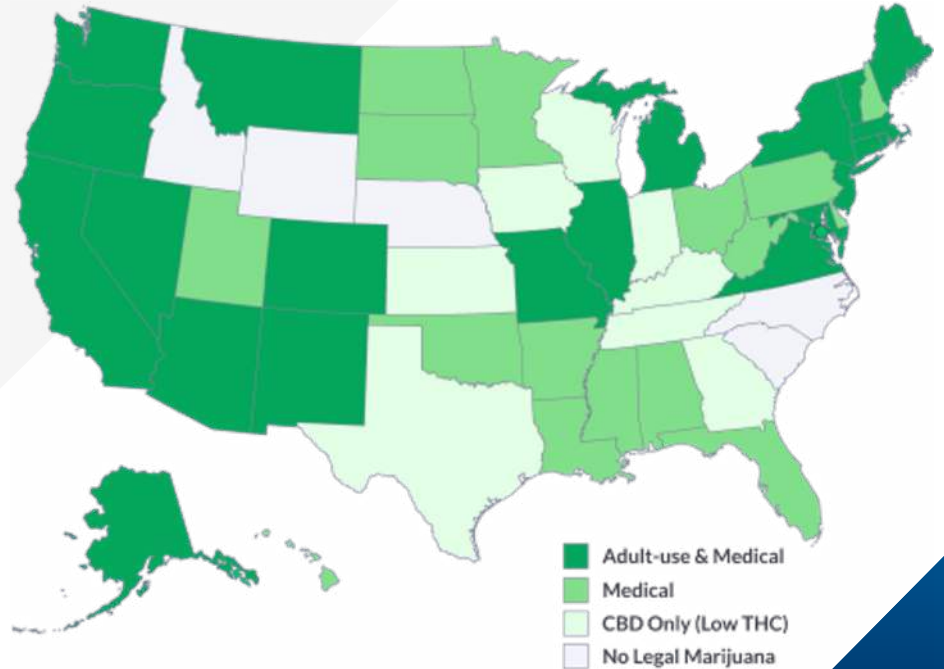
Republic Bank
of Arizona

- Seasoned cannabis banking executive
- Built, scaled, and managed multiple banks' programs
- Joined RBAZ in January, 2020

The Current Market

US Cannabis Industry

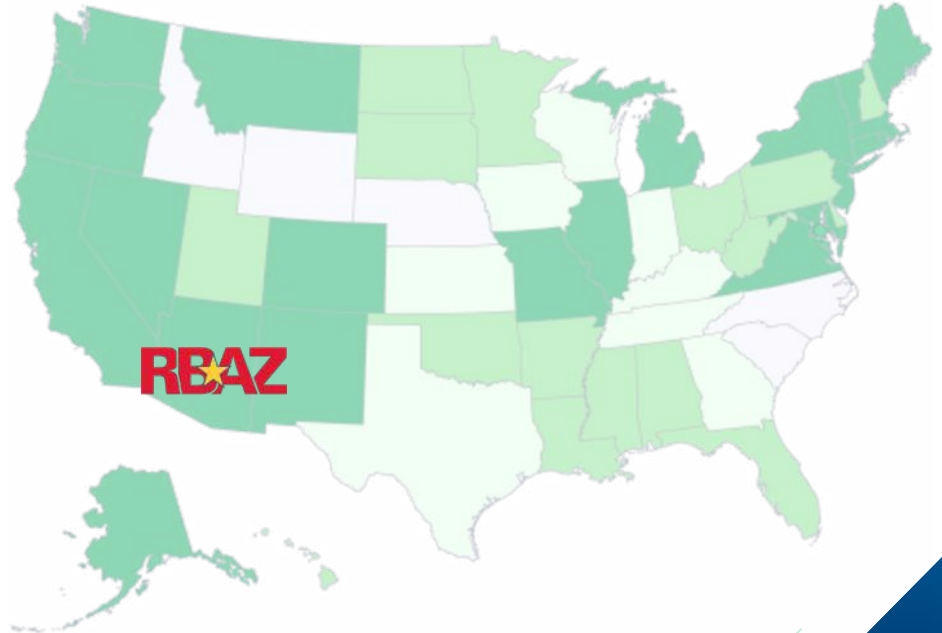
- 45 states with cannabis programs
 - 21 med + rec
 - 16 med only
 - 8 low THC
- 50k + active biz licenses
- 428k+ employees
- 2022 sales ~ \$32b



Program Goals

What's in it for RBAZ?

- Deposit growth
- Fee revenue
- Commercial account growth



Operating Model

What Makes Cannabis Banking Unique?

- Initial and ongoing due diligence
- Source of funds verification
- Account and transaction monitoring
- Regulatory reporting



Crystal Ball

What Comes Next?

- Regulatory changes
- Industry dynamics
- Competitive landscape

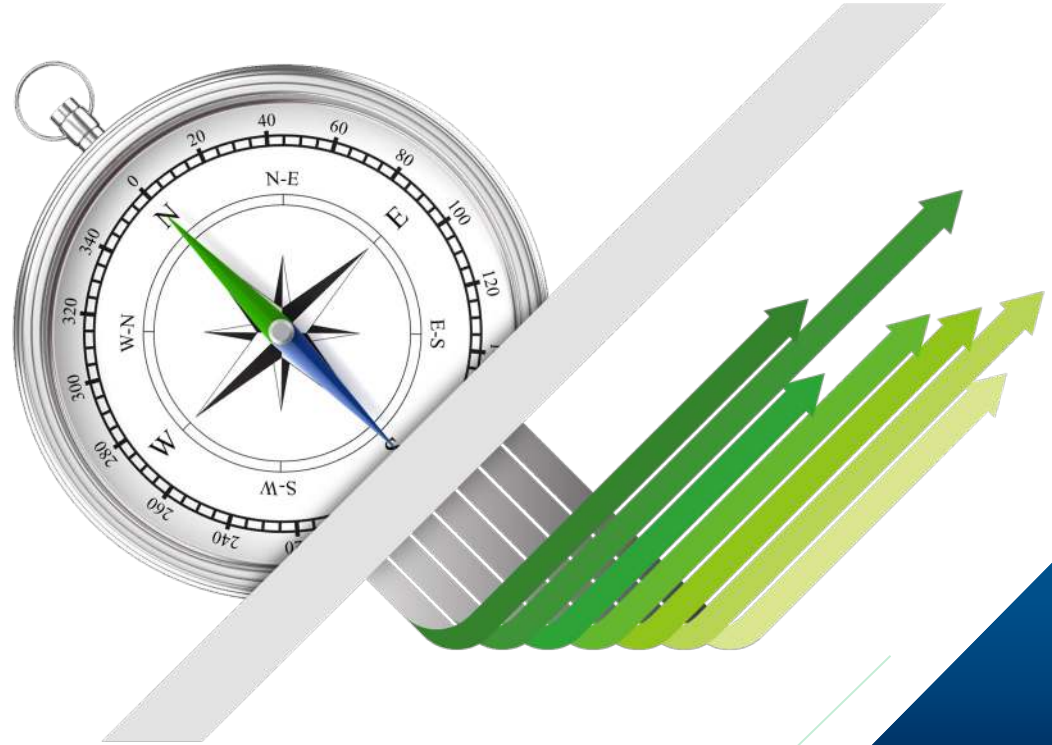


Wrap up

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THANK YOU