

The Bank-Driven Mission

Reciprocal deposits and the bank-driven network reshaping deposit strategy.

The Landscape

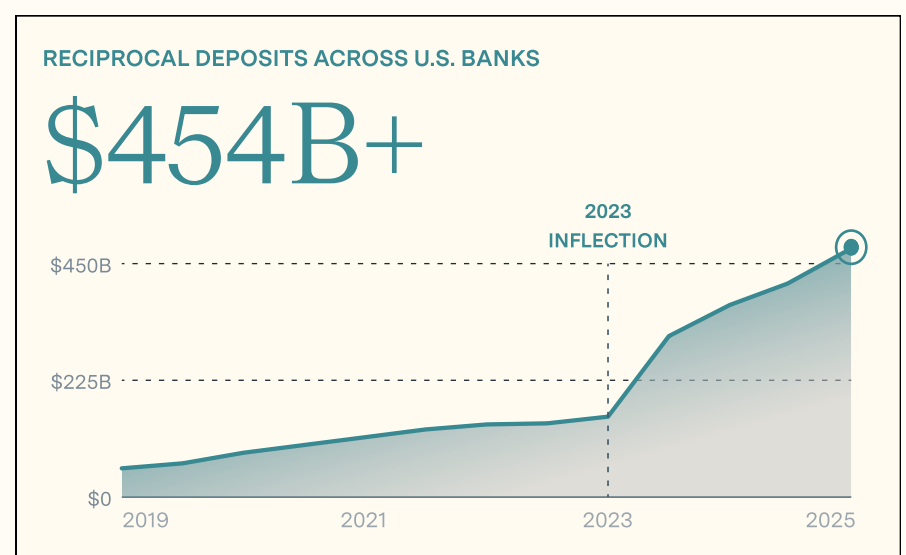
The rise of extended deposit insurance

The U.S. banking industry is navigating a period of intense deposit competition. Higher rates, money market alternatives, and consolidation among the largest institutions have left community and regional banks needing to defend and grow their deposit base.

For commercial depositors, nonprofits with operating reserves, public entities required to secure their funds, and high-net-worth individuals, the current FDIC insurance limit of \$250,000 is a fraction of what they need to protect. When a depositor's balance exceeds that threshold, the institution faces a familiar set of tradeoffs: leave funds uninsured, pledge collateral, spread funds across multiple banks manually, or watch the relationship move to a larger institution.

The structural answer

Extended deposit insurance has emerged as the structural answer. Across all networks, approximately \$454 billion sits in reciprocal deposit programs today, with growth accelerating year over year. Ultimately, what began as a 'nice-to-have' tool has become a core funding strategy for community and regional institutions defending their highest-value relationships.



“After the 2023 problems, customers understand the issue, and it is no hidden secret. We’re seeing an explosion of desire by businesses and consumers to utilize reciprocal deposits to be fully insured and fully safe.”



GENE LUDWIG

Co-Founder & Managing Partner, Canapi Ventures

Why a Bank-Driven Network Matters

Pricing, roadmap, and economics aligned to member needs.

A bank-governed network

NBID was formed to empower its community and regional banks to grow and better serve their communities and industries. The banks that participate are the banks that govern it, set its direction, and share its long-term economics. This structure influences how the network behaves: pricing is set with member institutions in mind, the product roadmap is shaped by member needs, and the value created stays with the banks that built it.

Visa was a bank-driven cooperative first.

Visa was built by member banks in the 1970s as National BankAmericard Inc. and ran as a bank-driven cooperative for the next three decades. Visa scaled into the largest payments network in the world precisely because the institutions that used the network also governed it and shared in its growth.

The same structural logic applies to reciprocal deposits.

Ultimately, when the banks using the network are the same banks shaping it, the product roadmap is aligned with member needs, reflects the realities of running a bank, and includes long-term economics returns to the institutions that built it.

The bottom line

The infrastructure of deposit insurance is becoming foundational to how banks compete and how depositors choose where to keep their money. NBID was formed to empower its community and regional banks to grow and better serve their communities and industries. The premise is straightforward: the value of a reciprocal deposit network is the banks themselves, and the institutions that power the network should share in the value they create.

“It is a bank-governed network. I think of it as like a cooperative. We bring the value to the table through the client base and the deposit base, and we are governing it as the board of directors.”



JOHN ASBURY

Chief Executive Officer, Atlantic Union Bank

NBID LLC is not a bank. Deposit insurance covers the failure of insured institutions, not NBID. Deposits are placed at FDIC-insured network institutions and are eligible for pass-through insurance up to \$250,000 per institution. Certain conditions must be satisfied for “pass-through” FDIC deposit insurance coverage to apply. A list of participating banks appears at <https://www.nbid.com/bank-list>.