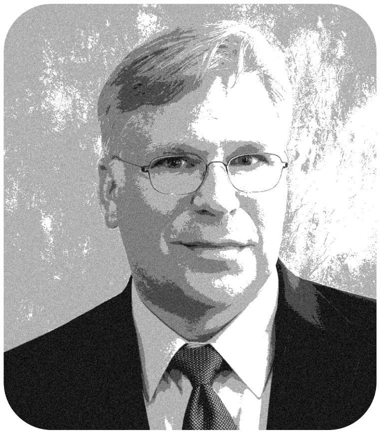
IntraFi | Q2 2025

# BANK EXECUTIVE BUSINESS OUTLOOK SURVEY REPORT

## INTRODUCTION



Welcome to IntraFi's Bank Executive Business Outlook Survey report for the second quarter of 2025. In this edition of the survey almost all bankers are worried that the recently signed-into-law GENIUS Act won't prevent America's biggest companies from finding ways around prohibitions on offering stablecoins that pay interest. We also asked bankers about fraud, in particular the challenges around seeking reimbursement for bad checks.

This report, with responses from 455 unique banks, discusses these results and other issues in more detail.

We hope the information provided is insightful and helpful. As always, if you have any thoughts or questions, please contact Rob Blackwell, Chief Content Officer & Head of External Affairs, at (866) 776-6426, x3357, or visit IntraFi.com.

**MARK JACOBSEN**
Cofounder & CEO
IntraFi

## EXECUTIVE SUMMARY

On July 18, President Trump signed into law the "Guiding and Establishing National Innovation for U.S. Stablecoins Act" (S.1582, also known as the "GENIUS Act"), pegging stablecoins one-to-one to the U.S. dollar and requiring them to be backed by safe assets such as Treasuries. The new law also restricts stablecoins from bearing interest, a provision sought by insured depository institutions. Yet 96% of senior executives surveyed in IntraFi's Q2 2025 Bank Executive Business Outlook Survey are concerned that companies such as Amazon and Walmart will find a way to get around the GENIUS Act rules for stablecoins. A number of banks are expected to enter the stablecoin market. J.P. Morgan Chase, Goldman Sachs, and BNY (among others) have announced they are moving forward on stablecoins and/or deposit tokens. But over half (52%) of bankers surveyed say stablecoins and deposit tokens are not a priority for their bank and do not anticipate any changes as a result of the GENIUS Act.

Bank fraud remains a growing problem for the financial sector. To combat the issue, federal agencies took aim at payments fraud in June 2025, issuing a request for additional input regarding more approaches for collaborating with other levels of government–

## EXECUTIVE SUMMARY (CONTINUED)

including states. A large majority of survey respondents support clearer regulatory guidance and improved collaboration. Eighty-two percent favor more clarity in rules outlining which institution is ultimately responsible for reimbursing customers.

When asked about the most common hurdles in seeking reimbursement for fraudulent transactions, 82% of bank executives cite delays or lack of cooperation from the bank of first deposit. Another 68% report that the bank of first deposit often refuses to accept responsibility for fraud, and 60% note that their institution frequently reimburses customers even when not liable.

Respondents' views of overall economic conditions compared to 12 months ago bounced back slightly from the first quarter of 2025. Twenty-nine percent say that conditions have improved, a 3-point increase from last quarter. Looking ahead, the percentage of bankers who expect overall economic conditions to improve in the next 12 months bumped up 5 points to 29%. ♦

## HIGHLIGHTS

**Deposit Competition** Among respondents, 31% noted an increase in deposit competition over the last 12 months, a jump of 5 percentage points from a quarter earlier. Looking ahead, 93% predict deposit competition will increase or stay the same over the next 12 months.

**Funding Costs** Sixty-one percent of respondents cite a decrease in their bank's funding costs compared to 12 months ago, with another 62% projecting that their bank's funding costs will decline in the 12 months ahead.

**Loan Demand** Nearly half of bank executives say they witnessed an increase in loan demand, while the number of respondents who predict loan demand will increase in the next 12 months jumped 7 points from the previous quarter to 45%.

**Access to Capital** For most bankers, access to capital continues to hold steady, with 76% reporting no change in the past year. The number of bankers who predict it will remain constant over the next year also remains high at 73%.

↑ **93%** predict deposit competition to worsen or remain the same

↓ **62%** predict a decline in funding costs

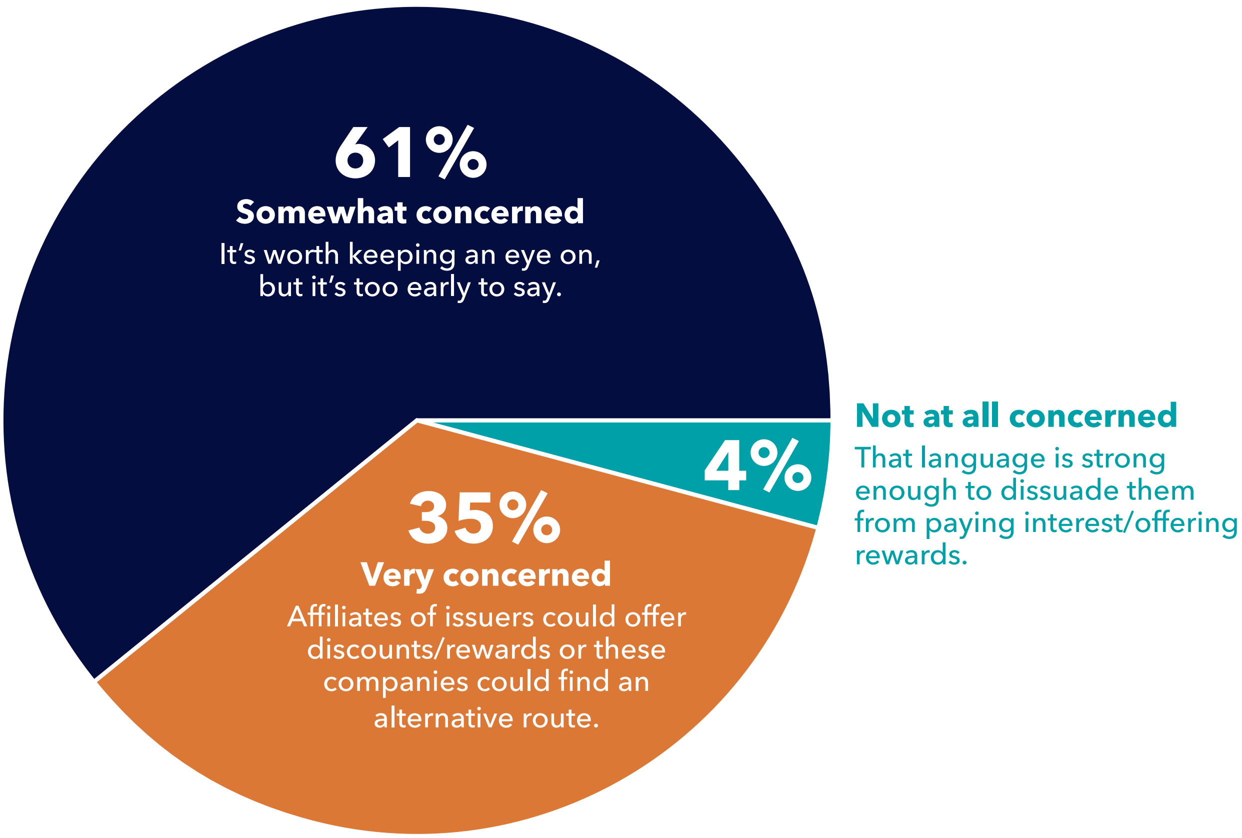
↑ **45%** expect that loan demand will improve

# Banker Perspectives

Each quarter, we pose a series of questions based on current events affecting the banking sector. This quarter, we asked about the recently enacted GENIUS Act and a number of topical issues around check/bank fraud.

## GENIUS ACT PROHIBITIONS

The GENIUS Act, which recently passed the Senate, would create rules for payment stablecoins, including banning them from paying "any form of interest or yield." If this becomes law, how worried are you that companies like Walmart or Amazon—which are reportedly interested in offering a stablecoin—will find a way around this prohibition?




The GENIUS Act was signed into law on July 18, 2025. Supporters of the new law hope it will establish a durable regulatory framework for stablecoins while not disintermediating core bank activity like deposit taking. Yet almost every banker surveyed (96%) is concerned that nonbanks will find a way around the law's prohibitions on "paying any form or interest or yield" on payment stablecoins, increasing the competition for (and price of) deposits.

## HOW WILL BANKS RESPOND TO GENIUS ACT

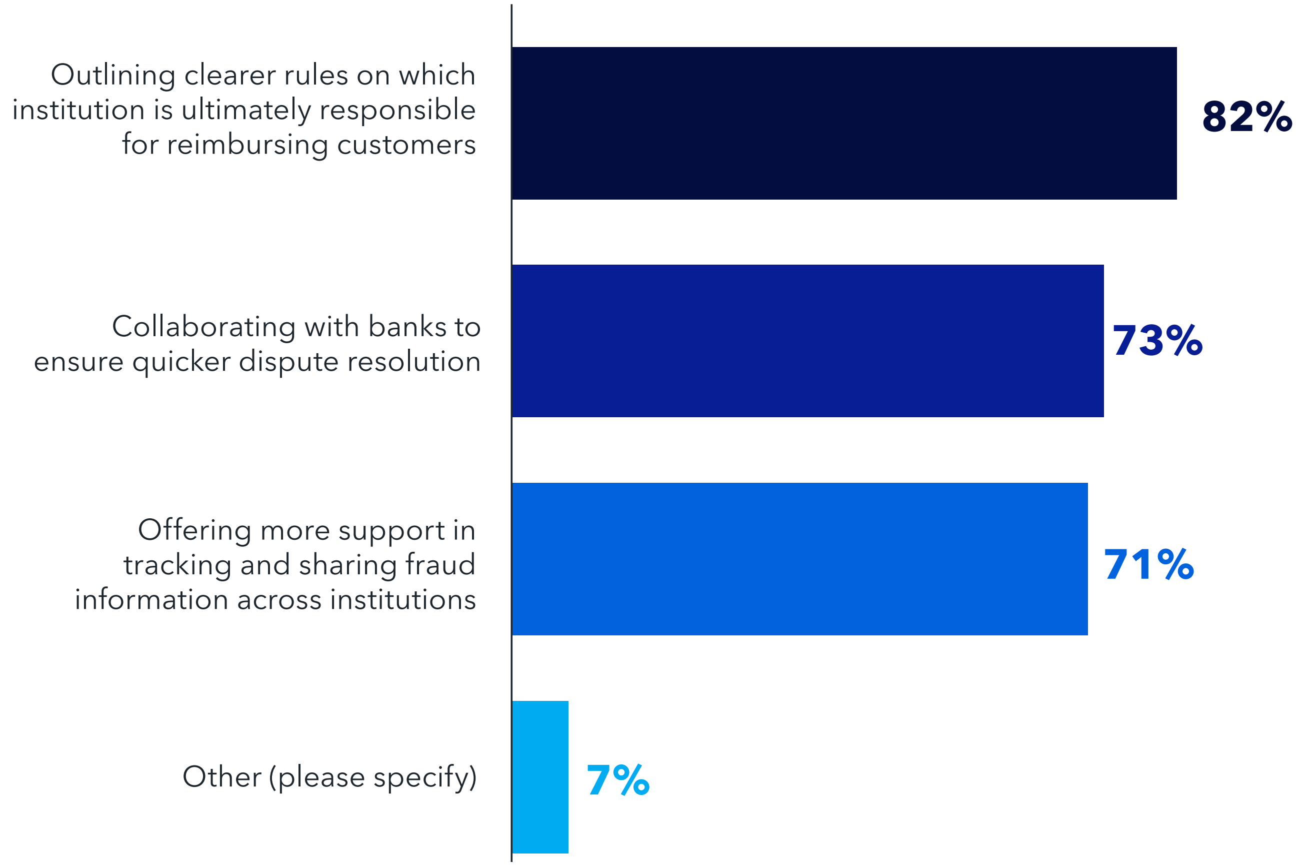
Based on what you know about the GENIUS Act and JPMorgan Chase & Co.'s recent announcement regarding moving forward on deposit tokens, how might this legislation affect your bank's overall strategy over the next five years?


In response to the GENIUS Act, JP Morgan Chase announced it would move forward on deposit tokens. However, the rest of the industry is split on how to move forward over the next five years. Bankers at institutions with assets between $1 billion to $10 billion are more likely (60%) to embrace deposit tokens and stablecoins than those at banks with under $1 billion in assets (44%).

## CLARIFYING LIABILITY IN BANK FRAUD CASES

The Federal Reserve, FDIC, and OCC issued a joint Request for Information on June 16 to seek public input on improving government collaboration to prevent fraud. In your opinion, how can regulators better clarify liability for interbank disputes over fraudulent checks, particularly when the bank of first deposit declines to reimburse your bank or its customers?

Please select all that apply:

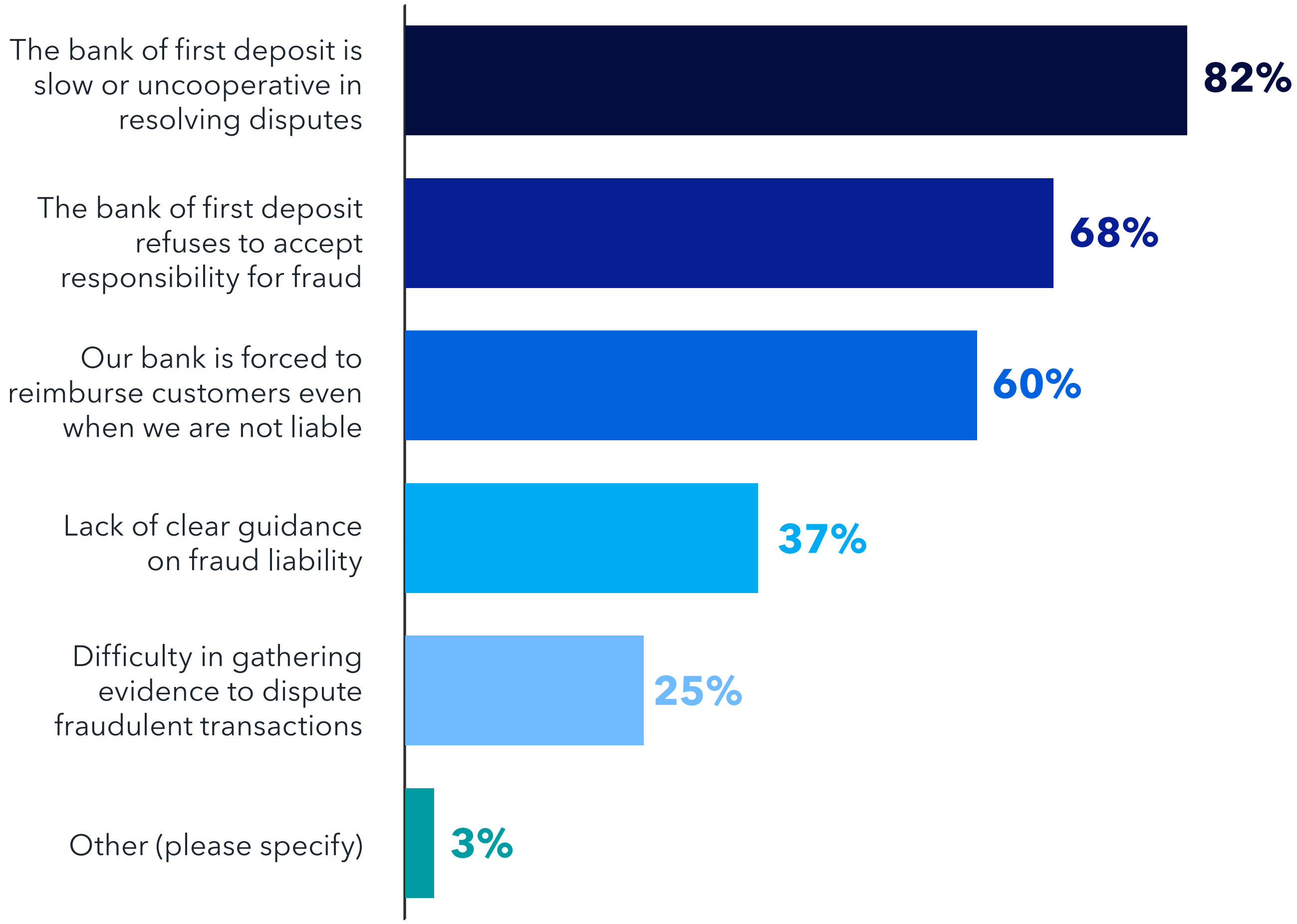



Bankers want regulators to help resolve disputes over fraudulent checks, particularly in cases where the bank of first deposit declines to reimburse the customer. Eighty-two percent want regulators to issue rules on which bank is responsible for reimbursing customers. Slightly more than seven in 10 respondents (73%) say that collaborating with banks to ensure quicker dispute resolutions would help, while a similar percentage (71%) say that that there should be more support in tracking and sharing fraud information across institutions. **More than half (52%) of respondents support all three of these approaches, while just 1% support none of them.**

## CHALLENGES WHEN SEEKING REIMBURSEMENT FOR FRAUDULENT CHECKS

What are the most common challenges your bank faces when seeking reimbursement from the bank of first deposit for fraudulent checks?

Please select all that apply:

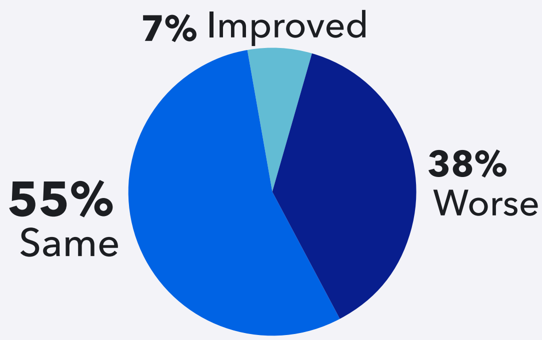



Check fraud is on the rise across the U.S. with one study saying losses were $21 billion in 2023. A major challenge for the industry is reimbursement for bad checks. Eighty-two percent say the biggest hurdle is that the bank of first deposit (BFD) is frequently slow or uncooperative in resolving disputes. Another 68% also note that some BFDs refuse to accept responsibility for accepting the fraudulent checks. Finally, 60% state they sometimes have to reimburse customers when they are not liable.

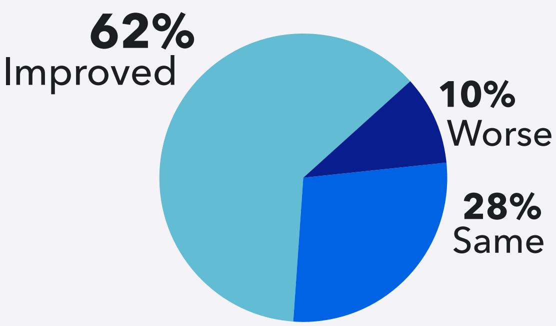
# Toplines

This is a topline overview of banker expectations for the 12 months ahead in four key categories.

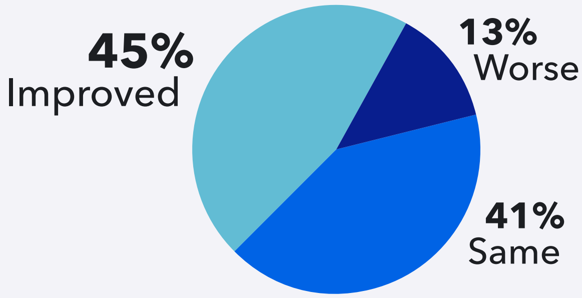
## DEPOSIT COMPETITION



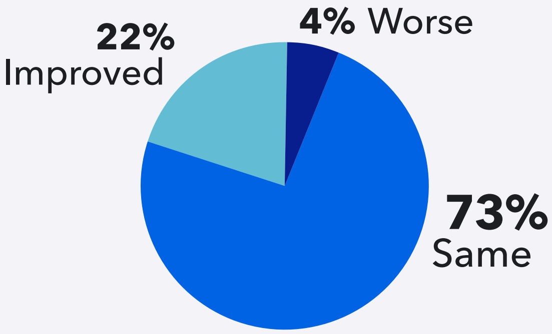

## FUNDING COSTS




## LOAN DEMAND



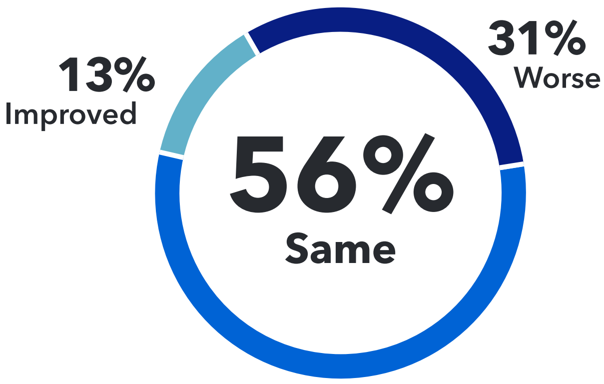

## ACCESS TO CAPITAL



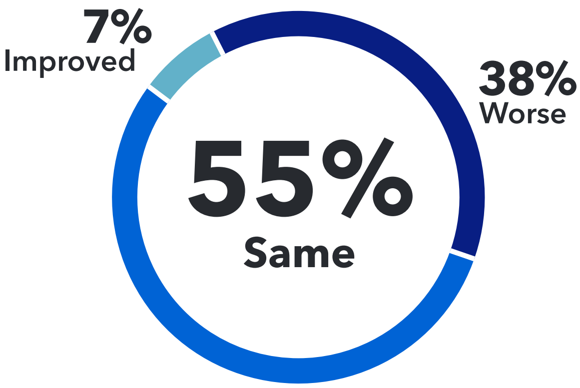
## DEPOSIT COMPETITION

The number of bankers reporting that deposit competition increased or remained at existing levels jumped by 6% from last quarter to 87%. The number of bankers that project steady or increased deposit competition in the coming 12 months also rose to 93%, the highest it has been since Q3 2023.

**Experience**
Compared to 12 Months Prior



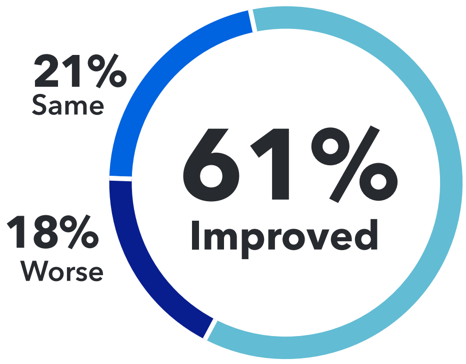

**Expectation**
Looking 12 Months Ahead



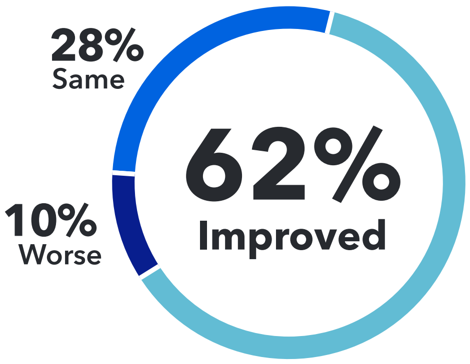

## FUNDING COSTS

The number of bankers that expect an increase in funding costs over the next 12 months remained low this quarter. The number that experienced an increase was also relatively small at 18%. Sixty-two percent of bankers continue to project a decline in funding costs, although this number was slightly lower than last quarter (67%), underscoring that while there is a belief that the Fed will cut interest rates this year, bankers are uncertain about the timing and extent of those cuts.

**Experience**
Compared to 12 Months Prior



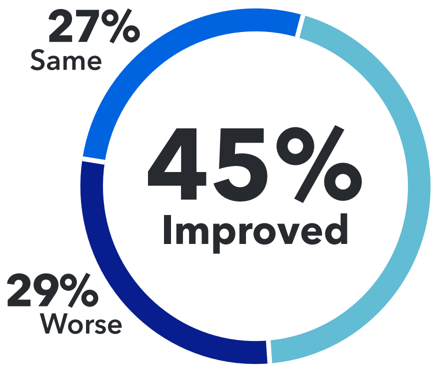

**Expectation**
Looking 12 Months Ahead



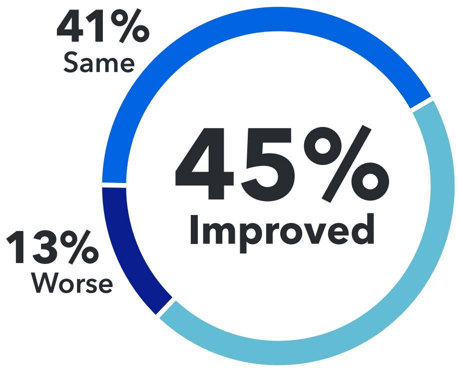
## LOAN DEMAND

After dropping significantly below 50% in the first quarter of 2025 (39%), the number of bankers that expect stronger loan demand bounced back in the second quarter to 45%. Those reporting higher loan demand over the last 12 months also increased, albeit modestly, by about 1%.

**Experience**
Compared to 12 Months Prior



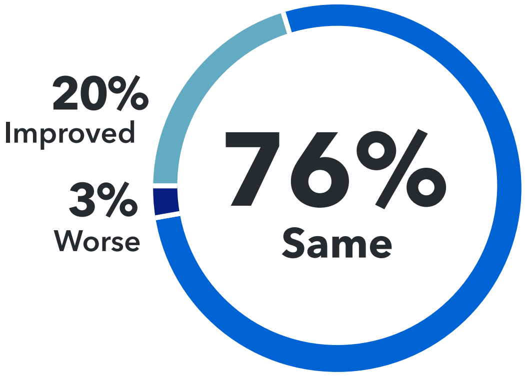

**Expectation**
Looking 12 Months Ahead



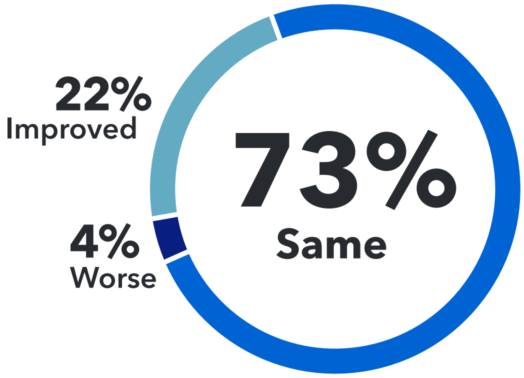

## ACCESS TO CAPITAL

Access to capital has exhibited considerable stability in recent years. Over the last three and a half years the number of respondents reporting no change in their ability to get capital has only fallen below 70% once (Q2 2023). The number of bankers predicting no change in their access to capital has remained above 70% every quarter since Q3 2023.

**Experience**
Compared to 12 Months Prior



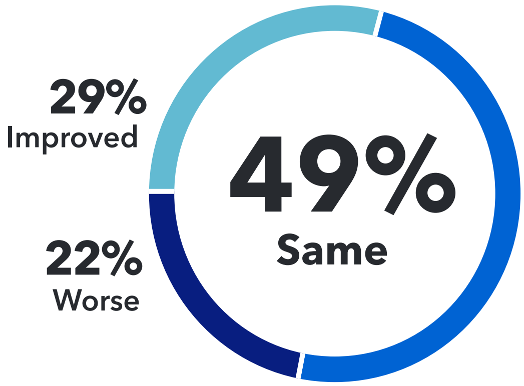

**Expectation**
Looking 12 Months Ahead



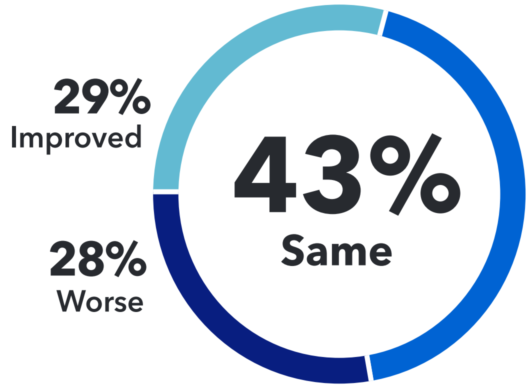
## OVERALL ECONOMIC CONDITIONS

Respondents' experience of overall economic conditions over the past 12 months improved slightly compared to the first quarter. Twenty-nine percent say conditions improved, a 3-point increase from last quarter. Twenty-two percent say economic conditions declined over the previous 12 months, a 7-point decrease from the previous quarter. Looking to the future, the percentage of respondents who expect overall economic conditions to improve in the next 12 months increased 5 points to 29%, while the number of bankers predicting worsened economic conditions fell by 14 points, to 28%.

**Experience**
Compared to 12 Months Prior

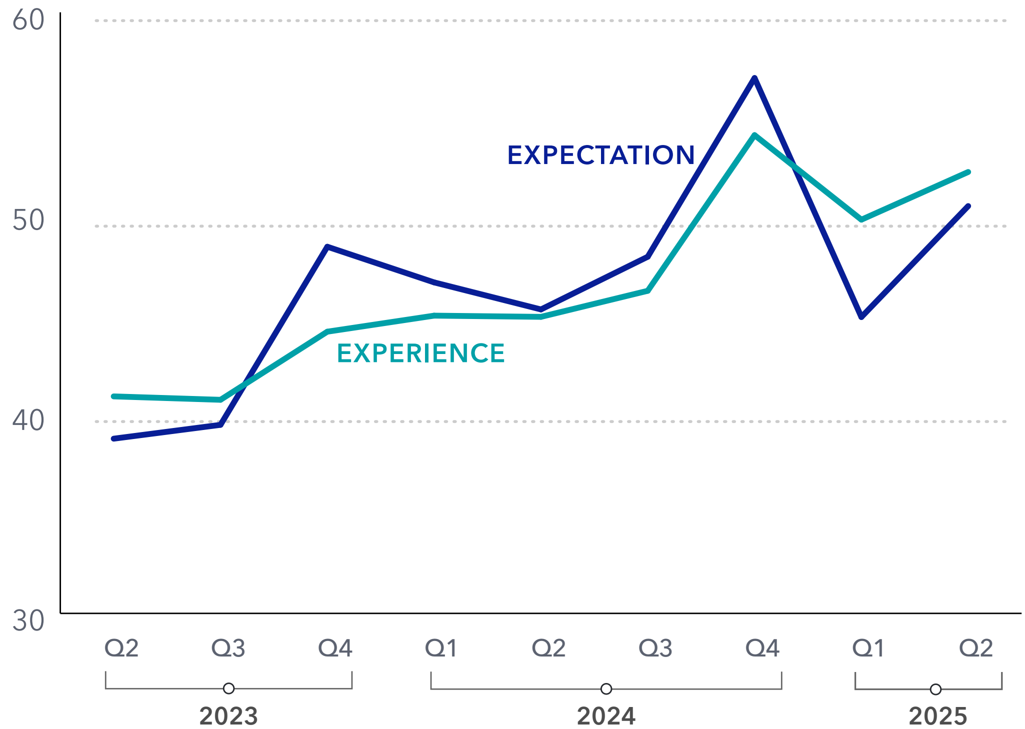



**Expectation**
Looking 12 Months Ahead



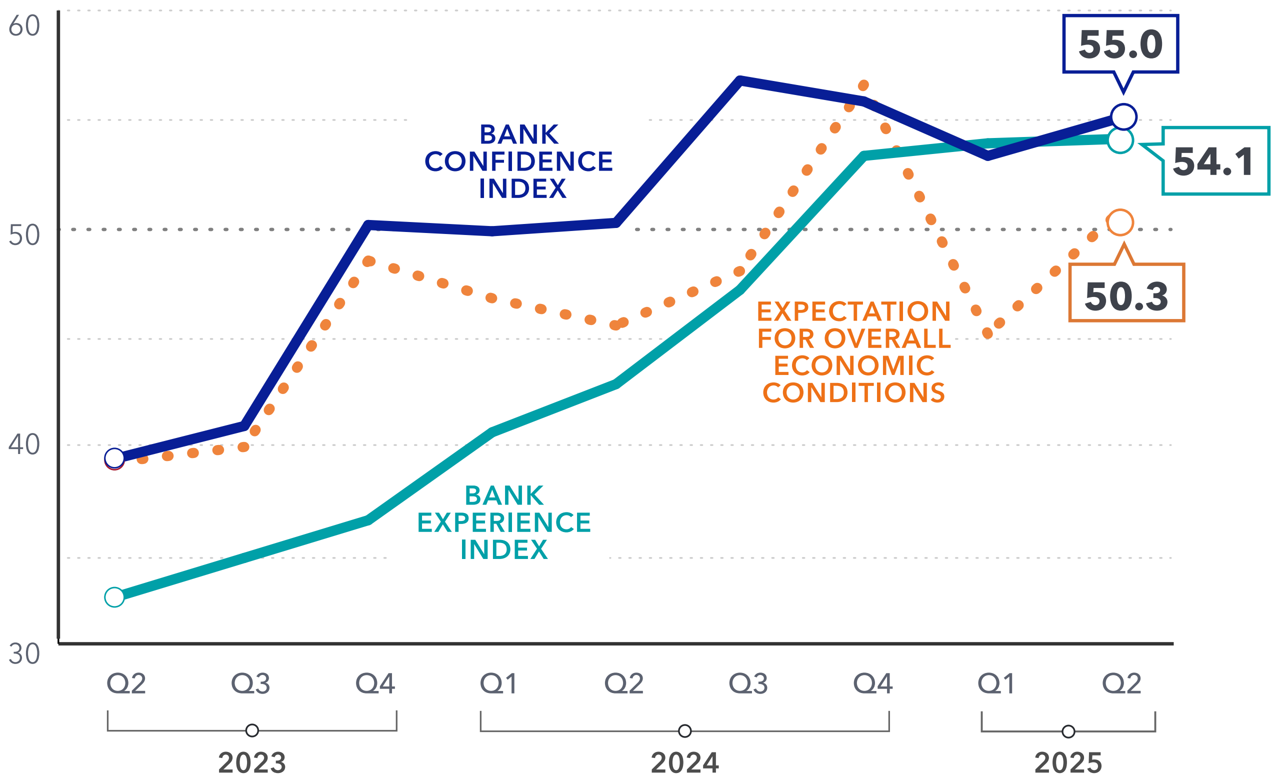

### OVERALL ECONOMIC CONDITIONS OVER TIME

In the first quarter, bankers' expectations for the next year and their experiences over the past 12 months atypically diverged. This quarter, they return to more closely track with each other.



## INDICES

IntraFi's proprietary Bank Experience Index℠ remained over 50 for the third consecutive quarter, showing almost no change from Q4 2024 at 54.1. Meanwhile, the Bank Confidence Index℠ measured 55.0, a jump of almost 2 points from the previous quarter.




The Bank Experience Index is meant to quantify bankers' experiences looking back over the last 12 months, while the Bank Confidence Index is meant to quantify bankers' forward-looking expectations for the banking industry for the 12 months ahead. The expectation for overall economic conditions is a composite of broad expectations for the next 12 months.

These indices are calculated from responses by CEOs, presidents, CFOs, and COOs to survey questions relating to four key factors: access to capital, loan demand, funding costs, and deposit competition.

Charted on a scale of 0-100, a score of 50 represents the baseline expectation.

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## METHODOLOGY AND RESPONSE

IntraFi's Bank Executive Business Outlook Survey was conducted online over the course of two weeks from June 30 to July 14, 2025.

The survey was delivered via email to bank CEOs, presidents, CFOs, and COOs. Leaders from 455 unique banks throughout the United States completed the survey. Of these respondents, 127 were CEOs (28%), 42 were presidents (9%), 261 were CFOs (57%), and 25 were COOs (5%).

All percentages have been rounded to the nearest whole number unless reported otherwise. Percentages may not total 100% for some questions due to respondents' ability to select more than one answer option.

## ABOUT INTRAFI

Since its founding over 20 years ago, IntraFi has been chosen by over 3,000 financial institutions. IntraFi's deposit network is the largest of its kind, and its tested, trusted services help its network members acquire high-value relationships, fund more loans, and seamlessly manage liquidity needs. IntraFi invented reciprocal deposits and is the #1 provider of deposit placement solutions, offering the largest per-depositor, per-bank capacity.

For more information about this survey, IntraFi, or its solutions, please contact Rob Blackwell, Chief Content Officer & Head of External Affairs, at (866) 776-6426, x3357 or rblackwell@intrafi.com.

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